HOUSE OF COMMONS DEBATES

OFFICIAL REPORT

FIRST SESSION—THIRTY-THIRD PARLIAMENT

33 Elizabeth II

VOLUME I, 1984

COMPRISING THE PERIOD FROM THE FIFTH DAY OF NOVEMBER, 1984
TO THE TWENTY-FIRST DAY OF DECEMBER, 1984

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HOUSE OF COMMONS

Monday, November 5, 1984

FIRST SESSION—THIRTY-THIRD PARLIAMENT

[*English*]

The Thirty-second Parliament having been dissolved by proclamation on Monday, July 9, 1984, and writs having been issued and returned, a new Parliament was summoned to meet for the dispatch of business on Monday, November 5, 1984, and did accordingly meet on that day.

This being the day on which Parliament is convoked by proclamation of Her Excellency the Governor General of Canada for the dispatch of business, and the Members of the House being assembled:

Dr. Charles B. Koester, Esquire, Clerk of the House of Commons, read to the House a letter from the Administrative Secretary to the Governor General informing him that the Honourable Jean Beetz, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, would proceed to the Senate Chamber to open the first session of the Thirty-third Parliament of Canada on Monday, the fifth day of November, at eleven o'clock a.m.

A message was delivered by Claude Lajoie, Gentleman Usher of the Black Rod, as follows:

Members of the House of Commons:

It is the desire of the Honourable the Deputy to Her Excellency the Governor General of Canada that this honourable House attend him immediately in the Chamber of the honourable the Senate.

Accordingly, the House went up to the Senate Chamber, where the Speaker of the Senate said:

Honourable Members of the Senate,

Members of the House of Commons:

I have it in command to let you know that Her Excellency the Governor General of Canada does not see fit to declare the causes of her summoning the present Parliament of Canada until a Speaker of the House of Commons shall have been chosen, according to law; but this afternoon at the hour of three o'clock p.m. Her Excellency will declare the causes of her calling Parliament.

* * *

[*Translation*]

ELECTION OF SPEAKER

MR. JOHN WILLIAM BOSLEY, MEMBER FOR THE ELECTORAL DISTRICT OF DON VALLEY WEST

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, today, we are convoking a new Parliament, a new assembly of the Canadian people. Many Members of this Parliament have never sat in the House of Commons before, including many of those sitting on the Government side, and it is indeed important for an institution like Parliament to be revitalized through the democratic process.

[*English*]

At a moment like this it is useful to recall the words of a great parliamentarian, Edmund Burke. He said:

Parliament is not a congress of ambassadors from different and hostile interests . . . But Parliament is a deliberative assembly with one interest, that of the whole—

These words we should imprint in our minds as we gather to elect a Speaker to preside over our deliberations and act as the custodian of the rights of all Members.

The role of Speaker is the noblest centrepiece of our democratic system. Going back as far as Sir Thomas Hungerford under Edward III, the Speaker of the House of Commons has been the guarantor of Parliament's privileges and the curator of Parliament's traditions.

The House functions effectively to the degree and to the extent that the Speaker understands and applies his role as an absolutely impartial arbitrator. He is not the servant of the Government or the servant of special interests but the servant of the House. He must be impeccably fair and unfailingly conscious of the duties and the rights of the individual Member.

The words of Speaker Lenthall to Charles I have echoed magnificently down the corridors of time:

I have only eyes to see and ears to hear as the House may direct.

Never has there been, in my judgment, a truer or more accurate formulation of the Speaker's function.

● (1130)

[*Translation*]

The Speaker represents the House in its entirety. He presides over its proceedings and interprets its procedures. He directs the work of its Members according to rules dictated by custom, tradition and dignity. The Speaker must often draw on his personal qualities and skills. He must have a thorough knowledge of the role and procedure of the House of Commons. He must be able to interpret the intentions of its Members. He must be able to adapt to the circumstances and at all times have a clear perception of the atmosphere and spirit appropriate to the House. Finally, he must be able to preside over the debates in both official languages of Confederation.

[*English*]

It is not absolutely necessary that he be newly married—

Some Hon. Members: Hear, hear!

Mr. Mulroney: —or that his wife be bilingual, as is the case with the present nominee for this exalted position. This is simply an added bonus in the case of the Hon. Member for Don Valley West.

I am happy to report to the House that we have managed to find in his person an individual possessing to the highest degree all the qualities necessary for this vital position in our parliamentary structure.

Some Hon. Members: Hear, hear!

Mr. Mulroney: He is tactful. He is informed of the rules and procedures of the House. He possesses in full—and of this there can be no doubt—the integrity and ability required for this vital role.

I am also happy that this is the view of the Right Hon. Leader of the Opposition (Mr. Turner) and the view, as well, of the Leader of the New Democratic Party (Mr. Broadbent) who may have some comments in regard to the procedure which perhaps are different and—who knows—perhaps for a better procedure for the selection of Speakers in the future. However, we all agree that the Hon. Member for Don Valley West possesses all the high qualities required for this vital job.

The Hon. Member for Don Valley West came to the House in 1979 and almost immediately became conspicuous for the energy which he directed to his parliamentary duties. He developed a deep respect for this House, a love of its traditions, an understanding of its procedures and an admiration for all those who strive so mightily to become its Members. He combines these qualities with a sense of history and a sense of humour. Neither shall be a burden to him here.

[*Translation*]

I therefore have the privilege to move the nomination of the Hon. Member for Don Valley West (Mr. Bosley) as Speaker of the House of Commons.

[*English*]

I am therefore privileged to propose the Hon. Member for Don Valley West as Speaker of the House of Commons.

Some Hon. Members: Hear, hear!

Right Hon. John N. Turner (Leader of the Opposition): Dr. Koester, first may I say what a great privilege and honour it is to have been elected once again to this House of Commons. I want to thank the people of Vancouver Quadra who did me this honour and to assure them that I will do my utmost in turn to merit their confidence and their trust.

I am very pleased to rise in my place today to second the nomination of the Right Hon. Prime Minister (Mr. Mulroney) of Mr. John Bosley as Speaker of this House. I might say, had circumstances been different, I would have preferred to move the motion than to second it. However, I understand what the people of Canada have said and accept that fully.

I am also very happy to see Mr. Stanley Knowles sitting at the Table.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): He sits as an honorary Member of this House. No doubt his wisdom and experience will be of immense assistance to the new Speaker particularly, and to all of us in this Chamber.

Without in any way derogating from the choice which I second today, it might be well for future Parliaments to consider what the unanimous report of the Special Committee on Standing Orders and Procedure recommended in the last Parliament, namely, the adoption of a new Standing Order which would provide for the election of the Speaker by secret ballot by all Members of the House. That will be something for a future Parliament to consider. As I have said, that in no way derogates from our approval of the particular choice this morning.

Perhaps it is also appropriate on this Guy Fawkes Day, as we open Parliament and elect a Speaker, that we remember that democratic institutions have sometimes been under attack, the Mother of Parliaments, to a lesser extent in this country than in other parts of the free world. Recent events indicate to us what a precious and fragile thing democracy is. The Speaker represents this Commons as the embodiment of the will of the people. Protecting the rights and privileges of this House will be Mr. Bosley's primary concern and, more important, defending the rights and privileges of its Members.

It is particularly important in this Parliament, with the large majority on the Government side—and I might say surrounding us—that the Speaker exercise special care and vigilance in the protection of the rights of Hon. Members and, might I say, the traditional rights of Her Majesty's Loyal and Official Opposition.

[*Translation*]

In this Parliament, where the Government has a considerable majority, it is particularly important that the Speaker should exercise special vigilance in protecting the rights of Members forming the Official Opposition in this House.

● (1140)

[*English*]

From this point forward, Mr. Bosley must abandon all partisan loyalties and render decisions which are free of any hint of partisanship or bias. As Beauchesne says, confidence in the impartiality of the Speaker is an indispensable condition of the successful working of procedure. He must be fair and impartial in all his rulings, and above all he must be independent.

[*Translation*]

Like the Government Members, we in the Opposition also have our rights and duties. We shall observe the traditional role of the Official Opposition, and we are counting on the assistance and co-operation of the Speaker to help preserve this tradition.

I am sure that Mr. Bosley is fully aware of the tremendous responsibility he has taken on, and I can give him the assurance that the Liberal Members of this House join me in supporting his nomination.

We are looking forward to working together in the spirit of co-operation and conciliation, that is so essential to the functioning of this House.

[*English*]

On a more personal note, to echo the words of the Prime Minister, I am sure that all Members join with me in offering Mr. Bosley our congratulations on his recent marriage.

[*Translation*]

Allow me, Mr. Bosley, to express the hope that the harmony you will bring to the proceedings of this House will reflect the personal harmony you will enjoy in your married life.

[*English*]

I am pleased, therefore, to second the nomination by the Right Hon. Prime Minister of the Member for Don Valley West, Mr. John Bosley, as Speaker of this Thirty-third Parliament of Canada.

Some Hon. Members: Hear, hear!

Hon. Edward Broadbent (Oshawa): I would like to preface my comments on this motion by noting the new degree of civility that has entered the House with the Leaders of all Parties being given the appropriate due respect, not only by Members in Opposition Parties but by Members of their own caucus, and I am sure I speak for all three Leaders when I say we hope this tradition continues!

I want, Dr. Koester, to say in speaking to this motion that my colleagues and myself most heartily endorse the personal selection of the Member for Don Valley West. He demonstrated during his experience in this House all of those qualities that I am sure will make him a truly admirable Speaker of the House, a bilingual person of real intelligence and capacity to work. I am sure we will see in the days ahead a man with a fine sense of justice.

It is appropriate to add my compliments and congratulations on his recent marriage. I am sure that new experience will constitute an element in his life that will enrich his judgments in this Chamber as well. As the whole House knows, the Speaker has a residence in this place.

[*Translation*]

As I explained before, we would like to be able to choose the Speaker of the House. I would also be in favour of a different procedure. In the past, a Committee of this House did suggest another method for selecting the Speaker. The Leader of the Opposition has indicated that his Party would support a change of this kind, and I just want to say that in future, we in our Party would like to be able to choose the Speaker and to do so according to a similar procedure.

[*English*]

For the moment, as I said, we have selected a man who will have the confidence of my colleagues, a man who I dare say could have been selected if we had used that other process.

I compliment the Prime Minister (Mr. Mulroney) on his recommendation and the Leader of the Opposition (Mr. Turner) for seconding the motion. I conclude by simply saying that it is a traditional route of selecting a Speaker, and a Prime Minister who is both a Conservative and who quotes Edmund Burke perhaps could not have been expected at the commencement of this period in office to have selected a different route.

Some Hon. Members: Hear, hear!

[*Translation*]

The Clerk of the House declared the motion carried in the affirmative and John William Bosley, Esquire, Member for the electoral district of Don Valley West, duly elected to the Chair of the House.

Mr. Bosley was conducted from his seat in the House to the Speaker's Chair by the Right Hon. Brian Mulroney and the Right Hon. John N. Turner.

[*English*]

Mr. Speaker: Hon. Members, I beg to return my humble acknowledgements to the House for the honour which it has been pleased to confer upon me by choosing me to be your Speaker.

[*Translation*]

Hon. Members, I beg to return my humble acknowledgements to the House for the great honour you have been pleased to confer on me by choosing me to be your Speaker.

• (1150)

[*English*]

Traditionally, these are the first words uttered by a newly elected Speaker. For my part, I mean them most sincerely and ask you to accept them as a signal of my deep respect for the traditions of this office and for the customs of this place.

Speakers-elect have also usually tried to express their feelings of inadequacy. Standing here as the bearer of an historic office which has endured unbroken for over 600 years, I understand and share those feelings. Let me thank, if I may, the Right Hon. Prime Minister (Mr. Mulroney), the Right Hon. Leader of the Opposition (Mr. Turner) and the Leader of the New Democratic Party (Mr. Broadbent) for their kind and far too flattering words. Perhaps the Leader of the New Democratic Party will permit me to repeat an old phrase: "Never explain".

Some Hon. Members: Hear, hear!

Mr. Speaker: No greater honour can be conferred upon one of us than to be chosen by one's peers to be their presiding

officer. Over the years, great parliamentarians have ennobled this office substantially. The prescription given by Speaker Yelverton in 1597 during the reign of Elibabeth I is clearly no longer adequate:

> Your Speaker ought to be a man big and comely, stately and well-spoken; his voice great, his carriage majestical, his nature haughty, and his purse plentiful.

[*Translation*]

In addition to the responsibility for presiding over the debates, the Speaker is also the the guardian of the privileges of the House and its Members. He is responsible for interpreting the Standing Orders and parliamentary procedure, and from time to time acts as arbitrator or judge.

He also represents the House in its external relations, but first and foremost, he is the servant of the House and is elected by its Members. This is a practice that has remained unchanged since Confederation. The House may, however, change the Standing Orders or parliamentary procedure as it sees fit.

[*English*]

I am very conscious as I stand here that it is not easy to be a good Speaker and that the responsibilities will call for all of the strength and abilities I may possess.

[*Translation*]

Although Speakers of the House of Commons are necessarily politicians, all Hon. Members may rest assured that I shall be the Speaker of the whole House and defend the rights and privileges of all its Members. I shall try to be always impartial, independent and fair in my decisions.

[*English*]

The first and best definition of the supreme duty of a Speaker comes to us, in the words used by the Prime Minister, from Speaker William Lenthall. Let me tell you the story because it is illustrative. In 1642, King Charles I broke all constitutional accords and entered the House of Commons with an armed escort seeking five Members of the House whom he claimed were guilty of treason. Not finding them, the King demanded of Speaker Lenthall that he tell the King where those Members were. Speaker Lenthall, risking everything including his head, quietly spoke the words from which we date the true independence of this office and of this place:

> May it please Your Majesty, I have neither eyes to see nor tongue to speak in this place, but as the House is pleased to direct me, whose servant I am here.

He survived.

[*Translation*]

I shall need the support of all my colleagues and will have to work constantly to obtain and preserve the trust of the House. Without that support and without that trust, no Speaker can perform his duty successfully. I do not claim to have mastered the intricacies of parliamentary procedure. I can assure the House that I have already started to study the matter, although I am sure Hon. Members will understand why the casting vote, for instance, is not one of my priorities.

[*English*]

Regarding procedure, let me say that we are all most fortunate to have the services of Dr. Koester and his colleagues. I am especially grateful to have the wise counsel of the Hon. Stanley Knowles.

Some Hon. Members: Hear, hear!

Mr. Speaker: They have already demonstrated to me their wisdom and knowledge and I have been deeply impressed by them.

I know I can expect more from them than was offered to a British Speaker who occupied the chair many years ago. He told the story of how, having been newly elected, he faced a difficult situation in the House and sent a note to the Clerk asking "What do I do now?" The Clerk sent back a note which read: "If I were you, I should proceed with caution!"

Some Hon. Members: Hear, hear!

Mr. Speaker: Finally, if I may be permitted one or two personal notes, I would like personally to welcome back all of the re-elected Members and welcome all of the newly elected Members. I hope we will all get to know each other well. I would like to express my sincere gratitude to my family and my friends, some of whom are here today, and to my electors for their support and counsel, for this is a time of great change for me.

As deeply grateful as I am for this honour done me today, you will understand that I am even more grateful and blessed that an extraordinary, wonderful and gentle woman did me an even greater honour just a few days ago.

Some Hon. Members: Hear, hear!

Mr. Speaker: Those of you who know my wife know she very much makes her own decisions. I think I can say, however, that in choosing this inadequate person to be your Speaker, Hon. Members can take some comfort from the thought that what you see may not be all you get.

Some Hon. Members: Hear, hear!

Mr. Speaker: From the bottom of my heart, thank you.

SITTING SUSPENDED

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I would suggest that the sitting be suspended until three o'clock this afternoon.

Mr. Speaker: The House has heard the suggestion of the Right Hon. the Prime Minister (Mr. Mulroney). Is it agreed?

Some Hon. Members: Agreed.

Mr. Speaker: This sitting stands suspended until three o'clock p.m. this day.

At 12 noon the sitting was suspended.

SITTING RESUMED

The House resumed at 3 p.m.

OPENING OF THE SESSION

Mr. Speaker read a communication from the Governor General's Secretary announcing that Her Excellency the Governor General of Canada would proceed to the Senate Chamber at three o'clock on this day for the purpose of formally opening the session of the Dominion Parliament.

A message was delivered by Claude Lajoie, Esq., Gentleman Usher of the Black Rod, as follows:

Mr. Speaker, it is the pleasure of Her Excellency the Governor General, that this honourable House attend her immediately in the Chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate Chamber. Then the Hon. John Bosley, Speaker of the House of Commons, said:

May it please Your Excellency,

The House of Commons have elected me their Speaker, though I am but little able to fulfil the important duties thus assigned to me.

If in the performance of those duties I should at any time fall into error, I pray that the fault may be imputed to me, and not to the Commons, whose servant I am, and who, through me, the better to enable them to discharge their duty to their Queen and country, humbly claim all their undoubted rights and privileges, especially that they may have freedom of speech in their debates, access to your Excellency's person at all seasonable times, and that their proceedings may receive from Your Excellency the most favourable construction.

The Honourable the Speaker of the Senate, addressing the Honourable the Speaker of the House of Commons, then said:

Mr. Speaker, I am commanded by Her Excellency the Governor General to declare to you that she freely confides in the duty and attachment of the House of Commons to Her Majesty's person and Government, and not doubting that their proceedings will be conducted with wisdom, temper and prudence, she grants and upon all occasions will recognize and allow their constitutional privileges.

I am commanded also to assure you that the Commons shall have ready access to Her Excellency upon all seasonable occasions, and that their proceedings, as well as your words and actions, will constantly receive from her the most favourable construction.

Then Her Excellency the Governor General of Canada was pleased to open Parliament by a Speech from the Throne.

● (1610)

And the House being returned to the Commons Chamber:

Mr. Speaker: I have the honour to report that, the House having attended on Her Excellency the Governor General in the Senate Chamber, I informed Her Excellency that the choice of Speaker had fallen upon me and, in your names and on your behalf, I made the usual claim for your privileges which Her Excellency was pleased to confirm to you.

* * *

OATHS OF OFFICE

Right Hon. Brian Mulroney (Prime Minister) moved for leave to introduce Bill C-1 respecting the administration of oaths of office.

Speech from the Throne

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

* * *

SPEECH FROM THE THRONE

Mr. Speaker: I have the honour to inform the House that when this House did attend Her Excellency the Governor General in the Senate Chamber, Her Excellency was pleased to make a speech to both Houses of Parliament. To prevent mistakes I have obtained a copy which is as follows:

Honourable Members of the Senate,

Members of the House of Commons:

It is with great pride and pleasure that I welcome you, in my capacity as the Canadian representative of Her Majesty, Queen Elizabeth II, to this, the First Session of the thirty-third Parliament of Canada.

Canadians rejoiced this year in the visit of Her Majesty Queen Elizabeth and Prince Philip to the bicentennial celebrations in New Brunswick and Ontario, and to several communities in Manitoba. For Canadians the Monarchy is a precious link to the centuries of history and tradition that form our parliamentary democracy. The Crown symbolizes our democratic values, and helps safeguard the freedom and liberty that are the foundation of our system. The Queen as Head of the Commonwealth personifies the common bond of that association of nations and its ideals. An example to all who would serve, hers is a life consecrated to service.

Earlier this fall Canadians from coast to coast had the unique privilege of greeting His Holiness Pope John Paul II. The welcome accorded His Holiness expressed our respect and esteem. It also reflected the spirit of fraternity and generosity that exists in a Canadian society of diverse races and creeds. Pope John Paul's visit has helped Canadians to see anew that the enhancement of justice and peace can be a reality at home, and must be our vocation in the world. For this, and for his moral and spiritual leadership, Canadians express their heartfelt appreciation.

In these first months of my tenure as Governor General, I, too, have been afforded the wonderful opportunity to travel to the various regions of this beautiful land. The warmth and enthusiasm of the reception I have received from Canadians in Quebec, New Brunswick, and most recently in my home province of Saskatchewan, has touched me deeply, and I look forward with great anticipation to completing my tour of the provinces and territories. It becomes increasingly clear with each passing day that the confidence I hold in the strength, character and goodness of Canadians is well-founded and that we are indeed a rich and privileged nation.

Canadians take pride in the participation of the first Canadian astronaut, Commander Marc Garneau, in the Challenger space shuttle program. His voyage is the latest, and most exciting, of recent Canadian contributions to the conquest of space. We welcome the opportunity to cooperate with the United States in their space program. As a result, Canadians are playing a part in achieving the great benefits to humanity that space exploration can make possible.

In July, all Canadians rejoiced in the brilliant performance of our athletes at the Summer Olympic Games in Los Angeles. My government salutes the hard work and dedication of our athletes, coaches and officials. Their excellence serves as a model of national achievement for all Canadians.

Reconciliation and National Unity

This is the inauguration of a new Parliament. Let it be also the beginning of a new era of national reconciliation, economic renewal and social justice. In this spirit, my Ministers will honour the mandate entrusted to them by the people of Canada.

While there are no easy solutions to the great problems facing our country, there is a new will among Canadians to make a fresh start in the search for answers. For the first time in many years all regions of the country are represented in a national government. The mandate received by my Ministers is a magnificent opportunity to build a renewed national consensus.

First, you must critically examine the relationship of Parliament with the people of Canada. Members of the House of Commons will be asked to approve the appointment of a parliamentary task force on reform of that House. The central focus of this task force will be the enhancement of the role of the private member. From that perspective the task force will examine and make recommendations concerning the powers, practices, organization and resources of the Commons.

Second, the massive undertaking that is the government of Canada must be made to respond to the individual citizen, wherever and however it touches him or her. A committee of Ministers headed by the Deputy Prime Minister has begun a review of all government programs. The objective is to reform and simplify the operations of government. From the citizen's standpoint, government will be made more understandable, more accessible, and more sensitive.

The taxation system will be made simpler and fairer and more accountable to the people's representatives in Parliament. The rights of taxpayers must be protected. In particular, legislation will be presented to ensure that no taxpayer has to pay taxes in dispute before an impartial hearing has been concluded.

Thirdly, a priority goal of my Ministers will be to breathe a new spirit into federalism and restore the faith and trust of all Canadians in the effectiveness of our system of government.

A constant process of consultation and cooperation must be restored. My Ministers are regularly meeting their provincial colleagues to eliminate irritants and to improve services to people where the federal and provincial governments have joint responsibilities.

My government's management of federal-provincial relations will pursue three basic objectives: to harmonize policies of our two orders of government, to ensure respect for their jurisdictions, and to end unnecessary and costly duplication.

National unity also demands that the two levels of government cooperate in supporting official language minorities and in fostering the rich multicultural character of Canada. My government is committed to ensuring that the equality of the two official languages—so vital to our national character and identity—is respected in fact as it is in law. My Ministers acknowledge the need for ongoing improvements and for vigilance in this indispensable area of our national life.

The reality of Canada is one of distinct regional identities, each rooted in many generations of history; of diverse cultures; of regional economic strengths: a country of many parts whose people share a profound attachment to one Canada.

My Ministers are determined to achieve a national consensus which will reflect that reality. A national consensus is also needed to reduce the persistent isolation of Canada's regions, to meet the challenges of economic and social disparity, to revitalize the strength of our traditional resource industries, such as agriculture, forestry, mining, the fishery and tourism, and to ensure that our critical transportation and communication links better serve the national purpose.

Ultimately such a new consensus must be reflected in the fundamental law of our land, for it is obvious that the constitutional agreement is incomplete so long as Québec is not part of an accord. While their principal obligations are to achieve economic renewal, my Ministers will work to create the conditions that will make possible the achievement of this essential accord. In this work, the cooperation of all partners in Confederation will be necessary.

Their generous cooperation is also needed to honour the commitment to Canada's aboriginal peoples contained in the Constitution Act of 1982. For these peoples, as for all Canadians, the high expectations that attended the act of patriation must not be disappointed.

Reconciliation and Economic Consensus Building

Nowhere is the need for national reconciliation more urgent that in Canada's economic life. Our repeated failure in recent years to achieve our economic potential cries out for correction by a truly sustained, co-operative and national effort. First Ministers will meet next week to discuss the agenda for a First Ministers' Conference on the Economy. My government will soon announce the date of a national Economic Summit to bring together important groups in our economy.

Thus are my Ministers embarked on the long, complex and painstaking road of building a national economic consensus. The national Economic Summit will not be the culmination of this process, but its beginning. At the table will be representatives of groups such as consumers, women, native peoples, business, labour and government. Their goal is to establish a new and productive climate and context for economic decision-making in Canada.

In this regard, there can be no doubt of the importance or legitimacy of the trade union movement in Canada, or of the desirability of both management and labour playing a critical role in the consultative process through which the new national agenda is established.

Discussion of certain economic priorities, an understanding of the respective roles of the principal economic partners, a commitment to some immediate courses of action: such an outcome would make the Economic Summit a success.

Future summits could address in more detail issues such as the enhancement of productivity, and the responsibilities of industry, labour and government in training and technology. Over time, mutual confidence and a sense of shared responsibility for our national economy must lead to consensus on even more basic issues: how to share the benefits of economic growth, how to share the burdens of economic adjustment, how to preserve the integrity of our unique natural environment, and how to ensure that the ideal of social justice is pursued through programs that meet contemporary needs and circumstances.

In the absence of a national consensus, economic under-achievement would be Canada's misfortune for many years to come. The process of consensus-building will engage the private sector partners in consultation and cooperation on economic goals. In such a context, government would act as guide, mediator and catalyst, becoming less intrusive in the private sector but vigilant over the integrity of the national economy and of national standards.

Economic Renewal: A Three Part Strategy

The process of consensus building will take time. Meanwhile there are some important initial steps that the federal government can take to help generate economic renewal. The three-part strategy of my Ministers is to restore fiscal responsibility, remove obstacles to growth, and encourage new investment.

Later this week the Minister of Finance will describe in detail the state of the economy and of federal public finances. He will announce a plan designed to reduce the deficit in an orderly, balanced and fair manner, and to control the growing burden of the public debt.

That we must deal urgently with the deficit is beyond dispute. If allowed to continue to grow out of control, it will consume our available financial resources, undermine our capacity to respond to new opportunities, put increased pressure on interest rates, and inhibit investment and growth in our economy.

Second, my government will pursue approaches to improve the efficiency and flexibility of our capital markets; to improve job opportunities for Canadians through responsive market-oriented training programs; and to increase investments in research and development to improve our productivity. Proposals will be placed before you to improve the market environment by changes in competition laws and the regulatory framework of the financial services industry.

Third, my government will introduce for consideration during this session proposals to enhance risk taking, innovation and reward among entrepreneurs, especially in the small and medium-sized business sector.

Initiative will be taken to stimulate both domestic and foreign investment. My government is determined to regain Canada's reputation as a reliable and profitable place to do business.

This three-part strategy is aimed at renewing economic growth in order to provide the jobs our people need and to address the continuing tragedy of youth unemployment. My government views unemployment as Canada's most debilitating problem and most critical national challenge. For this reason the need to stimulate job-creating investment is urgent. My Ministers will be taking action to address these compelling issues.

My government recognizes that measures to improve and expand skill training and retraining are essential elements of a sound approach to providing job opportunities. During this session, you will be asked to consider an innovative employment strategy that will be cost effective and oriented to the private sector. It will be introduced following intensive consultations with the provinces, labour and business.

Social Justice

My government is determined to ensure that social justice in Canada keeps pace with the changing needs and circumstances of our people. In this respect the most significant development of recent years is the greater participation of

the women of Canada and their rightful claim to equality with men everywhere in our society.

As the women of Canada know, there is some distance between the principle of equality, widely accepted, and its reality, still far short of achievement. It is the duty of Parliament and government to help ensure that Canadian society travels that distance as quickly as possible. This will sometimes require the exercise of your power, and it will always need the power of your example.

Economic equality is the vehicle through which women will come to full partnership and participation with men in our society. Parliament has committed the federal jurisdiction to equal pay for work of equal value. My government agrees that this concept is one of the keys to the achievement of economic equality for women. My Ministers will enlist the cooperation of women and men in the private and public sectors in seeking to define further and to implement this concept. My government will also accelerate efforts to increase employment opportunities for women in the federal government and its agencies, boards and corporations.

You will be asked to consider a number of important legislative initiatives, including removal of the discriminatory clauses in the Indian Act, amendments to the Divorce Act, and measures to control pornography and sexually abusive broadcasting. My Ministers will shortly be initiating discussions with the provinces to establish a national system for the enforcement of maintenance orders. In consultation with the provinces, my government will take action to provide additional assistance to the victims of family violence.

My government has as a high priority measures to support and strengthen the Canadian family, which is the cornerstone of our society. The need for accessible and affordable child care has in recent years come to the forefront of the social agenda facing Canada. In an effort to reach a national consensus on options in this area, you will be asked to establish a parliamentary task force on the future of child care in Canada.

Canadians value and support the comprehensive social security system that has been put in place over many years by the federal and provincial governments. Many areas of this system must be strengthened to respond to the changing nature and needs of our society. It is time to recognize also the responsibility we all share to bring those amongst us who suffer from physical and mental disabilities into the productive mainstream of Canadian life.

My government will enter discussions with the provinces aimed at a comprehensive overhaul of the Canadian pension system, including such matters as portability, vesting, survivors' benefits, and pension coverage of women. An important element of this approach will be the consideration of measures designed to encourage Canadians to save for their retirement.

Consultations will also begin with the provinces to consider the most effective means of providing increased federal support for the improvement of community-based health care.

During the coming session, you will be asked to consider legislation to extend the income tested spouse's allowance to widows and widowers aged 60 to 64 regardless of the age of their spouse at death. My Ministers will introduce measures to improve the financial situation of Canada's war veterans.

As a country rich in human resources, Canada owes much to those who have dedicated themselves to cultural, artistic and athletic endeavour. In a variety of areas, my government will be addressing itself to the challenge of encouraging those individuals who inspire Canadians to new levels of excellence.

Law and Public Safety

Canadians are deeply troubled by the incidence of crime, especially crimes of violence, in our society. Most abhorrent to a nation respectful of the law are acts of violence against guardians of the law whom we have appointed to protect us. The recent murders of several policemen in Canada have shocked our people. Parliament shares the sense of sadness and loss felt by the families and colleagues of those policemen who died on duty.

There have been many studies of the corrections system in recent years and there have been numerous successful reforms. But it is obvious that there are grave defects in the system and my government accepts its responsibility to rectify these quickly. Legislation will therefore be placed before you to eliminate certain problems and abuses in the corrections system. Meanwhile administrative measures are being taken to protect better the public and the public's peace officers.

During this session, Parliament will be asked to consider amendments to the Criminal Code to deal more effectively with impaired driving, soliciting, computer crime, and sentencing. We will work closely with the provinces in the areas of family law, crime prevention and assistance to victims of crime.

In the longer term, my government will address, in cooperation with the provinces, other anomalies in the fields of criminal and corrections law that are causing much public concern.

Renewed Canadian Internationalism

In Canada's past there is a luminous tradition of internationalism. Canadians have fought in two World Wars and in the United Nations action in Korea. Our armed forces have served in peacekeeping roles in distant lands. Our statesmen have been at the forefront in the founding of NATO and in the quest for arms control. Our country has successfully championed racial equality at critical moments in the life of the Commonwealth, and through private and public agencies contributed to international development.

It is the purpose of my government to renew this tradition of constructive Canadian internationalism.

Our relationship with the United States affects virtually every aspect of our national life. It is essential to our security and prosperity. It expresses values shared by the free peoples of our two nations. Beneath the myriad of issues to be discussed and conflicts to be resolved, beyond the hundreds of points of contact that take place daily between two governments and two economies, there are wellsprings of trust between two peoples.

My government has taken the initiative to restore a spirit of goodwill and true partnership between Canada and the United States. My government is pleased by the positive response it has received in both the government and private sectors of the United States.

There are many areas where the national interests or the national policies of the two countries diverge or compete. There are, as well, numerous and as of yet untapped possibilities for fruitful cooperation between our two countries. Restoring a climate of goodwill between our governments was an essential step towards the resolution of our conflicts and the realization of our opportunities. My government views this initiative as a confirmation of our national strength and maturity.

Vital as our relationship with the United States is, my Ministers are determined that Canadian internationalism will again be active and constructive in the wider world. The main objectives of my government are clear: to defend freedom and preserve peace; to prevent nuclear confrontation; to improve trading relations; to build a healthier world economy. For Canada, the way to these objectives lies in concerted action with other nations in every part of the world—allies, economic partners, competitors, friends and adversaries. There is surely none with whom a measure of common ground cannot be sought and found in the pursuit of these humane objectives.

My government is determined that Canada will again play its full part in the defence systems of NATO. Only in this way do we earn the right to full consultation and participation in the policies of that alliance. From this prudent and responsible position, Canada will work unceasingly with other nations, in every available forum, to halt the spread of nuclear weapons and prevent their development and use. Patience and perseverance we will need, for in this endeavor even the smallest progress is worthy of the greatest effort.

Canada's opportunity to influence the course of world events lies primarily in sound multilateral institutions. This is as true of economics as it is of defence, of development, and of disarmament.

Canada cannot prosper without international trade. The dominant part played by trade with the United States is obvious, and my government is exploring with our neighbour new approaches to a better and mutually advantageous trading relationship. But geography has also endowed Canada with an oceanic link to the promising new horizons of the Pacific Rim and to our traditional trading partners in Western Europe. My government will pursue with vigour and imagination new opportunities in these areas.

Canada also has a vital stake in the elimination of barriers to trade, commerce and investment on a global basis. In this connection, there is an urgent need for a concerted attack on non-tariff barriers which have become increasingly insidious and more prevalent. Acknowledging that no country, including Canada, is blameless, my government declares its willingness to do its part in a renewed multilateral effort to remove these obstructions in the international marketplace.

Internal Economy Commission

Canada's record in official development assistance has on the whole been constructive. My government recognizes the continuing need for these programs, including support for the cost-effective and valuable humanitarian work done internationally by our voluntary and non-governmental organizations. But it is striking to observe how much hardship has occurred, how much debt burden has increased, how much economic activity has been held back in developing countries because of world recession, unstable markets and trade barriers. A successful attack on these problems will accelerate economic development and social progress in many of these countries. The alleviation of unconscionable human misery will result.

During this session, you will be asked to address this and other commitments and responsibilities of Canada in the world. A special parliamentary committee will conduct a full review of the main components and objectives of our international relations.

My government is convinced that Canada's defence forces urgently require a new definition of their role in keeping with present day conditions. The strategic context in which we defend our own territory and that of our allies has changed considerably since the early 1970s, when the government last carefully considered this matter. My Ministers are undertaking a comprehensive examination of these matters. The purpose is to clarify the mandate of our military and to give them the resources they need to do their job.

A Time For Renewal

This new Parliament is an historic opportunity to overcome past divisions in our country, and to purge the spirit of confrontation from the conduct of the nation's affairs.

The purpose of my government is to renew the confidence of Canadians that Parliament is truly the voice of the people, that government is their servant, and that federalism is the means to harmonize and preserve the splendid diversity of this land.

Above all, my government will enlist the active support and participation of Canadians themselves as we search for a new way of addressing our national responsibilities: a consensus in our economic life, tolerance in our national life, and a deep commitment to social justice and peace, at home and in the rest of world.

Members of the House of Commons:

You will be asked to appropriate the funds required for the services and payments authorized by Parliament.

Honourable Members of the Senate,

Members of the House of Commons:

In the great tasks of national reconciliation, economic renewal, and social justice to which you are called in this Parliament, may Divine Providence guide your every effort.

[*Translation*]

Right Hon. Brian Mulroney (Prime Minister) moved:

That the speech of Her Excellency the Governor General, delivered this day from the throne of the two Houses of Parliament, be taken into consideration at the next sitting of the House.

Motion agreed to.

* * *

[*English*]

HOUSE OF COMMONS

APPOINTMENT OF INTERNAL ECONOMY COMMISSIONERS

Right Hon. Brian Mulroney (Prime Minister) presented the following message from Her Excellency the Governor General:

The Governor General transmits to the House of Commons a certified copy of an approved Order in Council appointing the Hon. Roch La Salle, Minister of Public Works, the Hon. Ray Hnatyshyn, Minister of State (Government House Leader), the Hon. Robert R. de Cotret, President of the Treasury Board, and the Hon. Barbara Jean McDougall, Minister of State (Finance), to act with the Speaker of the House of Commons as Commissioners for the purposes and under the provisions of Chapter H-9 of the Revised Statutes of Canada, 1970, entituled: An Act respecting the House of Commons.

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I want to raise a question of privilege with respect to the commissioners of Internal Economy and in particular I want to refer to the ninth report of the Special Committee on Standing Orders and Procedure which was tabled in this House in 1983. It dealt specifically with the appointment of the commissioners of Internal Economy.

You will recall, Mr. Speaker, that the special committee to re-examine the standing orders and procedure was set up in the last Parliament following the lengthy bell ringing.

Mr. Speaker: Order. I am in some difficulty. The Hon. Member may wish to rise on a question of order and he may have a question of order, but I have to tell him that he does not have a question of privilege so far. I suggest, if the Member wishes to be heard, that he please rise on a question of order so that I may hear him.

Mr. Allmand: Mr. Speaker, I will rise on a question of order, but I think this is a matter which affects the privileges of all Members and I think, when I pursue my argument, you will see that it does touch the privileges of all Members.

In any case, in the last Parliament, as Mr. Speaker knows, we set up a special committee to re-examine the rules and procedures of this House following the lengthy bell ringing incident that was initiated by the Conservatives. That committee was set up and dealt with ten reports. One of those reports is the ninth report dealing with the commissioners of Internal Economy.

At the present time these commissioners, as you pointed out, are appointed in accordance with the House of Commons Act which stipulates that the commissioners must be Privy Councillors, but there is no requirement that the commissioners must be Privy Councillors in the Cabinet. Nor is there any requirement that the commissioners must be Privy Councillors on the Government side.

Since these commissioners are responsible for the services for all Members of this House—our offices, our staff, our machinery, our telephones, our travel—the committee felt that it was essential that these commissioners be appointed by all Members of the House and represent all Members of the House.

That ninth report was a unanimous report. Ten of the 12 Conservative Members who served on that committee from time to time are back in this House. Three of them are in the Cabinet, three who supported unanimously this report. I believe I am the sole Liberal surviving from that committee.

Some Hon. Members: Hear, hear!

Mr. Allmand: It surprises me, Mr. Speaker, because I would think that the 10 who survived on the other side would have

been more interested in the report. There are two Members from the New Democratic Party who were also on that committee.

In that report, which is very important, the committee said the following, and I will be as brief as I can. The Government has said that it is very interested in parliamentary reform and the role of the backbencher. I wish it would give a couple of minutes here to this because it is extremely important. The committee said unanimously:

> The Commission is composed by law of members of the Privy Council. In practice, only Cabinet Ministers have been Commissioners, although there is nothing to preclude the appointment of Privy Councillors who are not members of the Cabinet including members of the opposition.

We went on to say:

> Your Committee believes it is essential that the House of Commons Act be amended to restructure the Board of Internal Economy. We do not feel that it is appropriate for only Cabinet Ministers to be responsible for the internal management of the House of Commons. The House of Commons is a community of many interests. They should be reflected in the way Commissioners are appointed.
>
> Consequently your Committee proposes that a new Board of Internal Economy be set up—

And the committee recommended that we modify:

> —the make-up of the Board by enlarging the range of its members to ensure the participation of Members of Parliament who are not Cabinet members. The Board would in future be composed of the Speaker, the Deputy Speaker, two Ministers of the Crown, the Leader of the Official Opposition or a Member designated by the Leader, and four others: two Members appointed by the government caucus, and two from the opposition caucuses—

I appreciate that we have not had time to amend the House of Commons Act, but I would be sincerely interested in learning the intentions of the Government with respect to this important matter. In particular, I urge it to reconsider the matter and to appoint a commissioner who is a Privy Councillor from the Opposition in accordance with the spirit of this report that was supported by 10 members of the Conservative Party when they served with that committee. If the Government is as sincerely interested in parliamentary reform as it alleges in the Speech from the Throne, let it start with these 10 reports which have already been made by this House.

● (1620)

Mr. Speaker: I am prepared to rule but I am in some quandary because of the traditions of the House.

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, I would like to say a few things because I know that the motion put by the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) was meant sincerely and was not meant for any partisan advantage at this point in time it being so early on in the course of our deliberations. I simply say to you, Mr. Speaker, that it cannot be a question of privilege because, if it were a question of privilege, it would have been a question of privilege during the course of the previous administration's mandate. I did not hear the Hon. Member for Notre-Dame-de-Grâce-Lachine East rise and make an impassioned speech on behalf of this particular provision.

Mr. Allmand: We both signed the report.

Mr. Hnatyshyn: I was a member of that committee.

I would like to make a second observation, Mr. Speaker. If the Hon. Member for Notre-Dame-de-Grâce-Lachine East had paid attention to the content of the Speech from the Throne, he obviously would have heard the part about the powers and the full extent of the examination that will take place with respect to the reform of the House of Commons and that it is very much a high priority with the Government.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: Mr. Speaker, I simply say to you, regarding the technical side of it, that it cannot be a question of privilege. I can assure the Hon. Member that we are serious about parliamentary reform and that we will make progress where the previous administration could not.

Mr. Speaker: The Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) has raised what I personally believe is an interesting matter, and I will say no more on that side of it. He has quite rightly recalled the report of the Special Committee on Standing Orders and Procedure of the last Parliament and indeed has noted that the report has not been adopted by the House. The appointment of the commissioners is a statutory provision and not a matter within the direct responsibility of the Speaker. The House of Commons Act requires commissioners to be Privy Councillors, and the selection of those Privy Councillors is the privilege of the Governor in Council. To appoint a Member of the House of Commons who is not a Privy Councillor would, as the Hon. Member knows, require an amendment to the statute. He did not raise that point.

If I recall correctly, the special committee recommended specifically that the relevant statute be amended and went as far as appending a draft Bill to its report. While the Hon. Member has raised an interesting point, it is clearly neither a point of order nor a point of privilege. However, I can assure him the Chair looks forward with interest to future developments in this area.

Some Hon. Members: Hear, hear!

APPOINTMENT OF STRIKING COMMITTEE

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I move:

> That a committee be appointed to prepare and report, in accordance with Standing Order 69, lists of Members to compose the Standing and Standing Joint Committees of this House; and
>
> That the committee be composed of Messrs. Cook, Deans, Dick, Friesen, Gauthier, Hnatyshyn and McGrath.

Motion agreed to.

[*Translation*]

APPOINTMENT OF CHAIRMAN OF COMMITTEES OF THE WHOLE

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I move, seconded by the Minister of State (Leader of the Government in the House) (Mr. Hnatyshyn):

That Mr. Marcel Danis, Member for the electoral district of Verchères, be appointed Chairman of Committees of the Whole House.

Motion agreed to.

[*English*]

APPOINTMENT OF DEPUTY CHAIRMAN OF COMMITTEES OF THE WHOLE HOUSE

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I move:

That Steven Eugene Paproski, Esq., member for the electoral district of Edmonton North, be appointed Deputy Chairman of Committees of the Whole House.

Motion agreed to.

[*Translation*]

APPOINTMENT OF ASSISTANT DEPUTY CHAIRMAN OF COMMITTEES OF THE WHOLE

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I move, seconded by the Minister of State (Leader of the Government in the House) (Mr. Hnatyshyn):

That Mr. Jean Charest, Member for the electoral district of Sherbrooke, be appointed Deputy Chairman of Committees of the Whole House.

Motion agreed to.

BUSINESS OF SUPPLY

Hon. Robert R. de Cotret (President of the Treasury Board): Mr. Speaker, I move, in accordance with Standing Order 62:

That this House at its next sitting consider the business of supply.

Motion agreed to.

* * *

[*English*]

HOUSE OF COMMONS

CABINET COMMITTEES

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, pursuant to Standing Order 46(2), I would like to table the membership list of Cabinet committees, and I ask that these be appended to today's *Hansard*.

Mr. Speaker: The House has heard the suggestion. Does the Hon. Government House Leader have the consent of the House to append the list of Cabinet committees to this day's *Hansard*?

Some Hon. Members: Agreed.

[*Editor's Note: For above-mentioned list see Appendix A.*]

Mr. Hnatyshyn: Mr. Speaker, I move:

That this House do now adjourn.

Mr. Speaker: Mr. Hnatyshyn, seconded by Mr. de Cotret, moves that the House do now adjourn. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Mr. Speaker: This House, therefore, stands adjourned until tomorrow at 11 a.m. pursuant to Standing Order 2(1).

At 4.27 p.m. the House adjourned.

APPENDIX A

CABINET COMMITTEE MEMBERSHIP*

Economic and Regional Development	
Chairman	The Hon. S. Stevens
Vice-Chairman	The Hon. P. Carney
Members	The Hon. F. MacDonald The Hon. D. Mazankowski The Hon. J. Fraser The Hon. J. Wise The Hon. T. Siddon The Hon. C. Mayer The Hon. W. McKnight The Hon. T. McMillan The Hon. A. Bissonnette The Hon. B. Bouchard The Hon. M. Côté The Hon. J. Kelleher The Hon. R. Layton The Hon. M. Masse The Hon. G. Merrithew

N.B. The Deputy Prime Minister, President of the Treasury Board and Minister of Finance are *ex officio* members of the Cabinet Committees on Economic and Regional Development, Government Operations and Social Development. All Ministers are free to attend meetings of these Committees.

Government Operations	
Chairman	The Hon. R. de Cotret
Vice-Chairman	The Hon. R. Hnatyshyn
Members	The Hon. G. Hees The Hon. D. Roblin The Hon. R. La Salle The Hon. P. Beatty The Hon. R. Coates The Hon. H. Andre The Hon. W. McKnight The Hon. W. McLean The Hon. A. Bissonnette The Hon. B. McDougall The Hon. G. Merrithew The Hon. M. Vézina
Legislation and House Planning	
Chairman	The Hon. R. Hnatyshyn
Vice-Chairman	The Hon. D. Roblin
Members	The Hon. G. Hees The Hon. E. Nielsen The Hon. J. Crosbie The Hon. R. La Salle The Hon. E. MacKay The Hon. J. Fraser The Hon. D. Crombie The Hon. J. Murta The Hon. B. Bouchard The Hon. A. Champagne The Hon. J. Kelleher The Hon. R. Layton
Priorities and Planning	
Chairman	The Right Hon. B. Mulroney
Vice-Chairman	Hon. E. Nielsen
Members	The Right Hon. J. Clark The Hon. F. MacDonald The Hon. J. Crosbie The Hon. D. Mazankowski The Hon. J. Epp The Hon. J. Fraser The Hon. S. Stevens The Hon. R. Hnatyshyn The Hon. R. de Cotret The Hon. M. Wilson The Hon. R. Coates The Hon. P. Carney The Hon. M. Masse
Public Service	
Chairman	The Right Hon. B. Mulroney
Vice-Chairman	The Hon. E. Nielsen
Members	The Right Hon. J. Clark The Hon. F. MacDonald The Hon. J. Wise The Hon. R. de Cotret The Hon. M. Wilson The Hon. W. McKnight The Hon. W. McLean
Security and Intelligence	
Chairman	The Right Hon. B. Mulroney
Vice-Chairman	The Right Hon. J. Clark
Members	The Hon. F. MacDonald The Hon. J. Crosbie The Hon. E. MacKay The Hon. R. Hnatyshyn The Hon. R. de Cotret The Hon. P. Beatty The Hon. M. Wilson The Hon. R. Coates The Hon. P. Carney
Social Development	
Chairman	The Hon. J. Epp
Vice-Chairman	The Hon. J. Crosbie
Members	The Hon. G. Hees The Hon. F. MacDonald The Hon. E. MacKay The Hon. D. Crombie The Hon. J. Murta The Hon. O. Jelinek The Hon. W. McKnight The Hon. W. McLean The Hon. S. Blais-Grenier The Hon. A. Champagne The Hon. M. Masse The Hon. M. Vézina
Special Committee of Council	
Chairman	The Hon. E. Nielsen
Vice-Chairman	The Hon. R. Hnatyshyn
Members	The Hon. D. Roblin The Hon. J. Crosbie The Hon. E. MacKay The Hon. R. Coates The Hon. O. Jelinek The Hon. A. Bissonnette The Hon. S. Blais-Grenier The Hon. M. Côté The Hon. B. McDougall The Hon. G. Merrithew The Hon. M. Vézina

Treasury Board	
Chairman	The Hon. R. de Cotret
Vice-Chairman	The Hon. M. Wilson
Members	The Hon. P. Beatty The Hon. T. Siddon The Hon. M. Côté The Hon. G. Merrithew
Alternates	The Hon. B. McDougall 1st Alternate The Hon. J. Wise The Hon. T. McMillan The Hon. M. Vézina The Hon. H. Andre The Hon. C. Mayer

LIST OF ACTING MINISTERS September 17, 1984

	COLUMN I OFFICE	COLUMN II NAME	COLUMN III ACTING MINISTER	COLUMN IV SECOND ACTING MINISTER
1.	Agriculture	Wise	Mayer	Merrithew
2.	Communications	Masse	McLean	Siddon
3.	Consumer and Corporate Affairs	Côté	de Cotret	McMillan
4.	Employment and Immigration	MacDonald	McKnight	Vézina
5.	Energy, Mines and Resources	Carney	Layton	Crombie
6.	Environment	Blais-Grenier	Fraser	Wise
7.	External Affairs	Clark	Kelleher	Vézina
8.	Finance	Wilson	McDougall	de Cotret
9.	Fisheries and Oceans	Fraser	Crosbie	Blais-Grenier
10.	MoS (Gov't House Leader)	Hnatyshyn	MacKay	Fraser
11.	Indian Affairs & Northern Dev.	Crombie	Epp	Carney
12.	Justice and Attorney General	Crosbie	MacKay	Kelleher
13.	Labour	McKnight	MacDonald	Champagne
14.	National Defence	Coates	Clark	Hees
15.	National Health and Welfare	Epp	Jelinek	Crombie
16.	National Revenue	Beatty	Côté	McDougall
17.	Privy Council	Nielsen	Hnatyshyn	MacKay
18.	Public Works	La Salle	Andre	Mazankowski
19.	Regional Industrial Expansion	Stevens	McMillan	Bissonnette
20.	Science and Technology	Siddon	Stevens	Masse
21.	Secretary of State	McLean	Murta	Champagne
22.	Solicitor General	MacKay	Crosbie	Hnatyshyn
23.	Supply and Services	Andre	La Salle	Coates
24.	Transport	Mazankowski	Bouchard	Wise
25.	Treasury Board	de Cotret	Wilson	Beatty
26.	Veterans Affairs	Hees	Coates	Blais-Grenier

LIST OF ACTING MINISTERS September 17, 1984

HOUSE OF COMMONS

Tuesday, November 6, 1984

The House met at 11 a.m.

• (1105)

[*English*]

Mr. Speaker: Before I call Orders of the Day, I thought it might interest the House to know that this is the one hundred and seventeenth anniversary of the first day of the first session of Parliament in 1867.

Some Hon. Members: Hear, hear!

* * *

SPEECH FROM THE THRONE

ADDRESS IN REPLY, MOVED BY MR. KEN JAMES AND SECONDED BY MS. CAROLE JACQUES

The House proceeded to the consideration of the speech delivered by Her Excellency the Governor General at the opening of the session.

Mr. Ken James (Sarnia-Lambton): Mr. Speaker, I sincerely thank the Prime Minister, the Right Hon. Brian Mulroney, and members of his Cabinet, for affording me the privilege of moving the Address in Reply to the Speech from the Throne. I extend my profound respects to Her Excellency the Governor General of Canada, the Hon. Jeanne Sauvé.

I am taking the liberty of speaking for all Members of Parliament in extending to you, Mr. Speaker, our congratulations on your election to the post of Speaker of the House of Commons. We have every confidence in your ability and we know you bring to your position a true sense of dignity, honour and dedication. We wish you much success in this important milestone in your career, and know the residents of Don Valley West feel justification in the confidence they have placed in you since 1979.

To be invited to participate in the opening ceremonies and the opening days of the Thirty-third Parliament, and to be given the opportunity to deliver my maiden speech so early in my political career, is indeed an honour and one which I shall long remember. The constituents of the riding of Sarnia-Lambton can be assured that this honour has been extended not to me but to them because of the Prime Minister's realization of the importance of this region of southwestern Ontario.

Sarnia-Lambton consists of the Village of Point Edward, the Township of Moore, the Township of Sarnia and the City of Sarnia. I ask that each and every resident of this riding share this moment of pride with me.

Sarnia-Lambton is a riding which is tucked away in the extreme southwestern corner of the great Province of Ontario. It is a riding that is as diverse in its peoples as it is in its economic activity. The brochures call it "Bluewater Land". It is situated at the point where the most beautiful of the Great Lakes, Lake Huron, flows into the wide, beautiful and blue St. Clair River. Every week thousands of visitors pour across the Bluewater Bridge from the United States of America to do business, for recreation and for relaxation in this area. Sarnia-Lambton has grown far past its physical size in cosmopolitan stature because of its proximity to our American neighbours. We have dealt with Canada-United States relations since the mid-1800s and we are still thriving, demonstrating the firm bond which exists between Canada and our close friends, our American neighbours.

In contrast to the pleasant parks and clear waters, there also stands in Sarnia one of the largest refining and petrochemical areas in the country, in fact in the world. This is called the "Chemical Valley", a complex stretching for 15 miles or more. Over $6 billion has been invested in oil refining and feedstock to petrochemical production facilities. Over one-third of the country's crude oil is refined in Sarnia-Lambton, and over one-half of the nation's petrochemicals are manufactured in Sarnia-Lambton. Thousands of jobs in other communities across the country, working in what is called the downstream end of the industry, depend on the refined and petrochemical products which are manufactured in the "Chemical Valley". This area plays a large part in the over-all economic future of the country. There are 14 major companies with refineries or petrochemicals plants in the "Chemical Valley" complex.

In terms of employment in the petrochemical industry, 14,600 people are working throughout the country, with 8,300 people working in Sarnia-Lambton alone. The Sarnia-Lambton petrochemical industry employs almost 57 per cent of the total workforce of the petrochemical industry.

• (1110)

Of late there have been problems plaguing the petrochemical industry, problems due to government regulation and policy which have increased taxation on our resources, in turn driving the cost to a point which affects the competitive situation versus the United States gulf coast petrochemical products production. These problems are not exclusive to the industry in Sarnia. The effects are felt by the producers of crude oil and natural gas in our western provinces and by the manufacturers of petrochemicals, both from the oil-based and natural gas feedstocks in all Canadian locations.

Our Government is now negotiating with all sides concerned. One year ago the industry said that this was impos-

sible. Government is now listening to their problems and accepting positive suggestions about how best to deal with these difficulties. Together we are working towards a sensible and equitable solution, and we will reach one!

There is also the pastoral aspect in the constituency of Sarnia-Lambton. Agriculture is the vitality of the region. In the surrounding area of the City of Sarnia, the Village of Point Edward and the urbanized areas of the Townships of Sarnia and Moore, farming and the raising of livestock have been the historical strength. The miles and miles of carefully tended lands radiate from the undustrialized buildup in the "Chemical Valley". Over the years this has demonstrated that there can be a healthy balance between the traditional use of land and the industrialization which is required in today's high technology society, a balance which respects and acknowledges that both sides are victors.

Transportation is the key to the success of Sarnia-Lambton. Situated as it is on the deep navigable St. Clair River which leads into the Great Lakes system, there is a constant flow of marine traffic. Huge ships bound for Thunder Bay, Lake Superior and Sarnia-Lambton, as well as for ports on the American side, plough their way through Lake Huron after passing under the Bluewater Bridge. Sarnia has storage elevators and repair docks to accommodate these lake and ocean-going ships. The international Bluewater Bridge is a major link between United States and Canadian markets. The new Highway 402 connects directly to the Bluewater Bridge. This highway was completed with the combined efforts of private enterprise and government and is considered the best example of Canadian road building. It is a credit to Canadian engineering and construction.

The new Sarnia airport, which I will have the honour of officially opening later this month, will complete the final element in the transportation chain. Sarnia-Lambton is now fully prepared and able to put its efforts, its facilities and its vitality behind the construction of a new Canada.

The peoples of Sarnia-Lambton would be at home in any other Canadian community. All ethnic backgrounds, all creeds and all persuasions are represented in our community. Our residents are representative of "Anytown Canada" and they delivered to this Government the greatest show of trust and support in the history of our area. They believe in what this Progressive Conservative Government stands for. These people believe in our sincerity, our wisdom, our expertise and we cannot let them down!

Some Hon. Members: Hear, hear!

Mr. James: Mr. Speaker, this Government has been given a responsibility no other Government has ever had. We now have a Government which represents all Canadians, from Newfoundland to British Columbia. This Government has been given the trust of the Province of Quebec, something unseen since the sweep of the late John Diefenbaker's Government in 1958. The onus is now on us to honour this trust and to give it the respect it is due; to take the fragile hopes of this country and bring them back to reality; to examine the situation we have inherited and make it right. This is not an easy task we have been entrusted with but it is a choice we made prior to September 4. It is our choice and we cannot, and we must not, abrogate our responsibility. This Government has a responsibility to realize the hopes we envisaged some time ago. Despite the obstacles left in our path, we will deliver. We now have the opportunity to deliver to the people of Canada the Government they desire and deserve. Our Government is one that holds true to its promise and works for the people, rather than expecting the people to work for it.

• (1115)

One of the most serious problems facing our country at this time, and perhaps the most urgent on the new Government's list of priorities, is the unemployment situation. As mentioned in the Speech from the Throne, we will be introducing new programs in a three-pronged attack, and we will be asking for the direct involvement of all sectors of our society. We will be asking for public input to reach the most efficient and rewarding end possible. We will be instituting new training programs that will be market-oriented and more in line with the needs of the future. With dedication and forethought the unemployment statistics in this country can and will be reduced as quickly as is humanly possible.

We have made a commitment to the Canadian people to improve our economy. This coming Thursday evening the Minister of Finance (Mr. Wilson) will announce a plan designed to reduce the deficit in an orderly, balanced and fair manner.

As mentioned in the Speech from the Throne, our Government will provide incentives to enhance risk-taking and the entrepreneurial spirit. This will have a positive effect on a cause close to my own heart and interests: the vitality and new growth of small business in Sarnia-Lambton and across Canada.

We have a commitment to justice. It makes me proud to quote from the Speech from the Throne, wherein it is said that our Government accepts the responsibility to rectify the grave effects in our correctional system. Legislation will be introduced to correct the inequities in this system. We have a commitment to international trade, an area in which Sarnia-Lambton is so heavily involved. We have said that we will open new gates and expand our horizons towards better and wider trade agreements with new and established partners. We have a commitment to maintain the updating of the Canadian Armed Forces and the role it plays in international affairs; to strengthen our alliances and world-wide standing by assuming our share of the burden of maintaining peace in the world.

It is not surprising that there was mention made in the Throne Speech to the labour movement in Canada, and how one of our Government's goals is to foster a feeling of trust and shared responsibility with those who represent the workforce of our country. This is an attitude that is integral in the rebuilding process in which we now find ourselves involved. In Sarnia-Lambton there have been few strikes and fewer work stoppages. There always has been a dialogue between labour

and management. This is the type of bonding between management and labour we need to see throughout this great country which would strengthen and support the return to prosperity we would all like to see.

First and foremost, Mr. Speaker, we have a firm commitment to the people of Canada to grant a reprieve from the harsh sentence imposed on them in the past. We have a commitment and responsibility to the millions who cast their vote in favour of change, in favour of new and better leadership. Progressive Conservatives have always maintained their honesty, integrity and trustworthiness in a business that has lately been characterized by something less than that. We are not about to change our approach now. We have been delivered a trust and we will not falter.

Some Hon. Members: Hear, hear!

Mr. James: Mr. Speaker, I believe in Canada. I believe in her people and I believe in her future. Canada is ready and waiting to be guided into greatness. I believe this Government will lead Canada to her full potential. We owe it not only to this generation but to generations to come.

I will close my remarks with a quotation which I think is fitting: "The difference between a politician and a statesman is: A politician thinks of the next election and a statesman thinks of the next generation".

Therefore, Mr. Speaker, I move, seconded by the Hon. Member for Montreal-Mercier (Mrs. Jacques), that the following Address be presented to Her Excellency the Governor General of Canada:

To Her Excellency the Right Honourable Jeanne Sauvé, a member of the Queen's Privy Council for Canada, Chancellor and Principal Companion of the Order of Canada, Chancellor and Commander of the Order of Military Merit, upon whom has been conferred the Canadian Forces' Decoration, Governor General and Commander-in-Chief of Canada.

May it please Your Excellency:

We, Her Majesty's most loyal and dutiful subjects, the House of Commons of Canada, in Parliament assembled, beg leave to offer our humble thanks to Your Excellency for the gracious speech which Your Excellency has addressed to both Houses of Parliament.

• (1120)

[*Translation*]

Mrs. Carole Jacques (Montreal-Mercier): Mr. Speaker, first of all, I wish to thank the Right Hon. Prime Minister of Canada (Mr. Mulroney) and his Cabinet for bestowing this privilege on me. It is an honour that I appreciate personally, and it is also one that voters in Montreal-Mercier will remember for many years. It is a mark of confidence that denotes the beginning of a new era: the Government is asking the youngest female Member of the House to second the Address in reply to the Speech from the Throne.

[*English*]

Your election, Mr. Speaker, also reflects a vote of confidence from all Members and Ministers toward the new generation. To all my colleagues I wish to reiterate that it was the Right Hon. John Diefenbaker who nominated the first woman in his Cabinet.

Some Hon. Members: Hear, hear!

Mrs. Jacques: Since then the political role of Canadian women has changed and progressed immensely.

[*Translation*]

Women have taken an active part in broadening the debate on major national and social issues. I salute the determination and courage of those women who were pioneers in their field. In dealing with the major challenges that await it, this Government will have to take into account women's demands and their economic and social needs, failing which it will take that much longer to achieve our objectives.

At the end of the day on September 4 of this year, the message given by the Canadian people and the voters of Montreal-Mercier was a clear one, namely, a desire to restore and renew this country's national, economic and social equilibrium. We have seen that Canadians are in favour of new ideas and new approaches to major issues. I was very pleased to hear that the Government intends to enhance the role of the individual Member, to rebuild a national consensus based on dialogue and establishing common goals, to seek a genuine national consensus on both economic and social issues, to ensure social justice and finally, to renew and enlarge our international participation.

The role played by Members in their ridings is perhaps better known and more appreciated than the role they play in the House of Commons. People appreciate the importance of Members being available to their constituents. However, Members must also be given a more active part in the business of the House. The Government's plan to review the organization of the House of Commons should be supported by Members since it will afford them new ways of being more active and more involved in the business of the House and supporting the work of Cabinet.

As was said in the Speech from the Throne, the three basic objectives in federal-provincial relations will be to harmonize policies of both levels of government, to ensure respect for their jurisdictions and to end unnecessary and costly duplication, and I am sure everyone will agree that these objectives must form the basis of a renewed relationship. This Government recognizes that the Province of Quebec has a major role to play within the Canadian Confederation.

• (1125)

[*English*]

The Province of Quebec must be a financial partner fully contributing to the economic growth of this nation. The Constitution will not be complete until the Province of Quebec agrees to become fully part of this agreement.

[*Translation*]

Quebec's human potential will have to be put at the disposal of Canadians in order to contribute not only to our cultural heritage but also to our economy. In a new Progressive Conservative government, Quebec will be in a position, like the other provinces, to play a constructive role in the progress and prosperity of Canada.

[*English*]

With this new consensus, we must ensure that the economic isolation of certain regions ceases. The Canadian ethnic mosaic must be strengthened in our every day life and the respect of minorities must become part of the Canadian attitude.

[*Translation*]

As was emphasized in the Speech from the Throne, unemployment is now Canada's most critical national challenge. That social phenomenon is indeed a tragedy for all Canadians. It is imperative that we make every effort to develop and implement effective strategies designed to promote job opportunities and make it possible to prepare new employment programs. I intend to concentrate on that issue along with all my colleagues here.

More specifically, I intend to work towards improving the lot of unemployed youths who are unjustly victimized by the current economic conditions. Over the next few years, we will have to do our utmost to find solutions which will enable young Canadians to take their place on the labour market.

Stopgap measures are no longer good enough. Young people must be able to look forward to lasting and challenging employment. Youth unemployment has been the source of too many disillusions and frustrations. That situation must change. We are morally duty-bound to tackle the issue now so that all young Canadians will regain faith in their country. Canada's future is at stake.

With regard to social justice, one must consider the role of women in Canadian society and their rightful claim to equality for which they have been striving for many years.

Today there is still a wide gap between the principle of equality, which is widely endorsed, and its day-to-day application. It is up to us, women Members of Parliament, to be vigilant and work to ensure that this principle becomes a daily reality.

• (1130)

We shall have to step up our efforts to increase job opportunities for women in the public service and the private sector, and to improve the daycare services offered to working mothers, to name but a few.

Of course, equality between men and women implies economic equality, but it also affects a multitude of other issues that are of daily concern to Canadian women. We must immediately get down to work to meet the legitimate aspirations of Canadian women.

In the coming months, our government will consider important legislative proposals which, if adopted, will improve the quality of life for Canadian women, for instance by repealing the provisions of the Indian Act which discriminate against native women, by bringing about a major reform of the Divorce Act to make it easier for a couple, to go through this often painful stage in their life, by legislating in order to eliminate pornography and television content picturing sexual violence and exploitation, by agreeing to measures designed to increase assistance to the victims of violence within the family, and by implementing, in co-operation with the provincial governments, a national system to facilitate the enforcement of maintenance orders involving Canadian women. As parliamentarians, we must see to it that these aspirations are met. We must ensure that Canadian women can feel not only the dignity and the pride of womanhood, but also that of being full-fledged Canadian citizens.

When we speak about social justice, we also refer to senior citizens. With the assistance of my colleagues, I intend to improve the conditions and quality of life of our seniors. We must allow them to continue to remain independent and to protect their privacy and their freedom while meeting their basic needs. We must ensure them a decent income, adequate housing, appropriate health care and services, and recreational and other activities adapted to their needs. Let us give back to our seniors the dignity, the pride and the joy of being alive.

They are not just great citizens, they are also great builders of this country. They deserve all of our respect and consideration.

There are also our mentally and physically handicapped citizens. Although some progress has been achieved these past few years, we must keep on enhancing their quality of life. They must become independent, full-fledged citizens notwithstanding their physical or mental handicaps. If we can garantee them standards conducive to a proud and decent way of living, if we give them the chance to contribute to our society, they will become better Canadians.

I have the privilege of being here in this House because the people in Montreal-Mercier elected me on September 4 to represent them in our Parliament. I would like to say a few words about this constituency where I was born and raised, and where I still have my residence.

Mr. Speaker, my constituency of Montreal-Mercier is located on the easternmost part of Montreal Island, in the Province of Quebec. It is limited to the South by the St. Lawrence River, to the North by the Rivière des Prairies and it extends from Tétreaultville to the West to Pointe-aux-Trembles on the East End of the island; it has an area of some 41 square kilometres.

My riding includes several petroleum plants as well as one petrochemical complex, which defines it as an industrial area,

but more particularly, this feature means that the government's energy policies have a major impact back home.

The riding of Montreal-Mercier has a population of nearly 100,000 including some 35 per cent with so-called ethnic backgrounds. Most of my constituents are very hard workers. We all feel like a very large family and share a very strong desire for change. Young and old, we are all concerned and affected by unemployment and other current social problems. But there is hope for the future and we are looking forward to a renewed confidence in our country and ourselves. My constituents have put their trust in the new conservative government to improve their social and economic conditions.

In conclusion, I should like to emphasize that our Prime Minister's honesty, sincerity and conviction have already marked the new government and its members. Unity in this Government will be our strength and all together we will build a new Canada in keeping with the aspirations of the Canadian people and their wishes stated on September 4 last.

[*English*]

In order to fulfil all of those new commitments, we will require the full co-operation of all ten provinces. We are looking for a true change, a new national consensus, and together, as our Prime Minister (Mr. Mulroney) declared last year on October 6, we stand united in the sunlight, ready to work for a better Canada.

[*Translation*]

Mr. Speaker, I am pleased to second the motion proposed by the Hon. Member for Sarnia-Lambton (Mr. James) and to endorse the Speech from the Throne delivered by Her Excellency the Governor General, the Right Honourable Jeanne Sauvé.

Some Hon. Members: Hear, hear!

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I move, seconded by the Hon. Member for Windsor West (Mr. Gray), that the debate be now adjourned.

Mr. Speaker: Agreed?

Some Hon. Members: Agreed.

Motion agreed to.

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, I move that this House do now adjourn.

Mr. Speaker: The House has heard the motion of the Government House Leader (Mr. Hnatyshyn). Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Speaker: The motion is agreed to. Accordingly, this House stands adjourned until tomorrow at 2 p.m. pursuant to Standing Orders.

The House adjourned at 11.37 a.m.

HOUSE OF COMMONS

Wednesday, November 7, 1984

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

ENVIRONMENTAL AFFAIRS

FEDERAL-PROVINCIAL CONFERENCE URGED

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the effects of acid rain on our lakes, fisheries, forests, and monuments are of great concern to Canadians, and rightfully so. Thus far the meeting between the Prime Minister (Mr. Mulroney) and President Reagan, followed by the meeting between the Secretary of State for External Affairs (Mr. Clark) and his American counterpart in Washington, have failed to produce the results promised by the Prime Minister.

We on the Liberal side of this House urge the Government to intensify its efforts, but also to show that we are determined to reach the goal of cutting emissions from smoke stacks and cars in Canada. Therefore I urge the Minister of the Environment (Mrs. Blais-Grenier) to continue to work in co-operation with the provinces, as initiated by the Liberal Government, and to convene as soon as possible a meeting with the provincial environmental Ministers so as to make further joint progress toward the modernization and clean up of dirty plants in Canada.

Finally, I urge the Minister of Transport (Mr. Mazankowski) to conclude consultations with industry and the public so as to control automobile emissions which contribute to acid rain.

* * *

THE ECONOMY

GOVERNMENT'S PROGRAM

Mr. Gordon Taylor (Bow River): Mr. Speaker, on September 4, 1984, a sick Canada was delivered into the hands of the Progressive Conservative Party. A diagnosis revealed a country dying under a burden of excessive taxation and a rising debt of billions of dollars. Interest rates were killing investment and forcing farms and businesses into bankruptcy. A million people, including thousands of youths, were unemployed and looking for work but could find none because Canadians with money were afraid to invest in their own country. They were heading elsewhere, taking their capital and jobs with them.

Ill will between the east and the west, between the English and the French, was festering. The country was breaking apart. Yes, indeed, we found a Canada sick unto death!

The Progressive Conservative Government, believing that a strong and united Canada is again possible, and with honesty, determination and free enterprise as their tools, are tackling the job, not with band-aids and aspirins, but by gradually removing the causes of the illness, by reducing the gigantic debt in an orderly way, thus forcing interest rates down, and by creating a climate of confidence so that thousands of entrepreneurs will invest their capital and hire Canadians.

A sickness which was neglected for ten years cannot be cured overnight, but now complete recovery will gradually take place and we will again have a strong and a united Canada led by a PC Government which represents all parts of the nation under that dedicated Canadian, the Right Hon. Brian Mulroney.

Some Hon. Members: Hear, hear!

* * *

DISASTERS

CALL FOR INQUIRY INTO WEST COAST FISHING TRAGEDY

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I would like to call to the attention of the House, and particularly of the Minister of Transport (Mr. Mazankowski), the Minister of the Environment (Mrs. Blais-Grenier), the Minister of Fisheries and Oceans (Mr. Fraser) and the Minister of National Defence (Mr. Coates), that a number of fishermen have died off the west coast of British Columbia in storms at sea because of inadequate weather information provided to those mariners as well as because of inadequate search and rescue coverage of the area.

I would urge the Government to hold a public inquiry into this matter at which testimony and information will be solicited from fishermen and mariners so that the widest possible information will be made available to the Government in order to develop a plan on which to act. I would also urge the Government not to revert to the old ways of the former Liberal Government whereby in-house inquiries were held but very little action was forthcoming on the results.

S.O. 21

EXTERNAL AID

ASSISTANCE NEEDED FOR FAMINE STRICKEN AFRICAN COUNTRIES

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, in recent weeks Canadians have been shocked by television reports of mass starvation in Ethiopia. The Secretary of State for External Affairs (Mr. Clark) and the Minister for External Relations (Mrs. Vézina) should be commended for their timely visit and intervention. However, Canada must become more conscious that Ethiopia is not a unique example. Africa holds 21 other countries with declining food capabilities. Their populations are growing faster than their per capita food productivity.

Shipping food to afflicted areas is a moral imperative which Canadians must accept in the short run, and, indeed, have shown themselves ready to accept. However, if other and equally tragic "Ethiopias" are to be avoided in the future, there is a greater need. We must make a sustained effort to enable the afflicted countries of Africa to expedite scientific agriculture and to develop vital infrastructures.

In 1975 it was predicted that 50 million people might starve to death within a decade. Never has a prophecy of doom been fulfilled with more horrendous accuracy. Never has a prophecy been more avoidable. Can the developed world now face a reality from which many turned away ten years ago? In the 18th century the western nations brought slavery to Africa. We now have a chance to renew its life.

* * *

PENSIONS

DEMAND THAT SYSTEM BE REFORMED

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, in the Speech from the Throne on Monday afternoon the Government outlined what is supposed to be its blueprint for economic renewal and social justice. While I applaud the Government for committing itself to extending the spousal allowance, it comes as a grave disappointment to me that it has ignored the more than 160 recommendations for reform, which were contained in the report of the Parliamentary Task Force on Pension Reform, a report, which I remind Hon. Members, had the concurrence of all three Conservative members on that committee.

• (1410)

Instead of concrete action the new Government has said it will "enter into negotiations and discussions with the provinces for a comprehensive overhaul of the Canadian pension system, including such matters as portability, vesting, survivor benefits, and pension coverage for women".

These are all much needed reforms and long overdue, but the Government was given a mandate on September 4 to change, not to study. The Canadian people do not want more discussions; they want action, and they want it now.

I therefore urge the Government to illustrate its commitment to pension reform by reforming the Canadian pension system and taking a lead role by tabling amendments to the federal Pension Benefits Standards Act.

* * *

NATIONAL ENERGY PROGRAM

CALL FOR CUT IN GOVERNMENT EXPENDITURES

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, under the National Energy Program there are in existence two expensive and, in my view, totally redundant programs which represent a serious drain on the treasury and in reality are a transfer from government to the relatively affluent. I speak of the Canadian Oil Substitution Program—in other words, the new furnaces for old furnaces program—which puts $800 in your jeans if you convert from oil to gas or whatever, a program which subsidizes the relatively well off to buy heat pumps so their homes can be air conditioned in summer. The other is the CHIP program under which we pay home owners, certainly not the most poverty stricken in our society, $500 toward insulating their homes.

All forms of energy in Canada, Mr. Speaker, are now in surplus. World oil prices are falling, and producers are being directed not to produce. Indeed, they are being pro-rated. Why then spill out literally millions of taxpayers' dollars to those well enough off to own their own homes in order to encourage them to do what they ought to have done in the first place, to insulate; or to bribe them to buy new furnaces, heat pumps, and such devices. Surely there can be no justification for these programs.

* * *

[*Translation*]

EMPLOYMENT

DECISION CONCERNING SALE OF CERTAIN CROWN CORPORATIONS

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, the Minister of Regional Industrial Expansion (Mr. Stevens) announced that every effort is made to sell four Crown Corporations employing 10,000 Canadians.

We deeply regret that before taking such a decision, the government has not applied its philosophy of consultation. In the Speech from the Throne, there are many references to consultation and co-operation. The government referred to the importance of trade unions in Canada. However, their advice was not sought about the sale of those corporations. That is not the way an economic consensus can be reached. For the employees of such corporations, especially Canadair and de Havilland, that decision is quite dangerous. Many jobs could be lost. Mr. Speaker, we ask the government to consult the employees of those corporations.

[*English*]

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

* * *

STATUS OF WOMEN

PREGNANCY DISCRIMINATION AGAINST ARMED SERVICES PERSONNEL

Mrs. Jennifer Cossitt (Leeds-Grenville): Mr. Speaker, in its Throne Speech the Government made a very positive statement to the women of this country. It was a commitment to work toward achieving economic equality for all women.

I would like to bring to the attention of this House an example where immediate steps can be taken to redress a situation existing today which blatantly discriminates against the women of Canada.

● (1415)

Existing regulations of the Armed Forces of Canada allow members, both male and female, to claim sick leave without any loss in pay, without any loss in seniority or vacation leave, and without any loss in their pension contributions, for anything from hangovers to facelifts.

When a member of the same Armed Forces becomes pregnant, however, time lost as a result of that pregnancy results in the loss of pension benefits, loss in seniority, and loss of pay. Her record is marred in terms of future promotions, and being put on leave without pay has quite a stigma attached to it.

The previous Government, aware of such blatant discrimination, had years to address this problem and failed to do so. I call upon the new Government, committed to achieving economic equality for women, to introduce immediate steps to bring the Armed Forces up to date and into the 20th century.

ORAL QUESTION PERIOD

[*English*]

EMPLOYMENT

CREATION OF NEW JOBS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is properly for the Prime Minister. It is a question which he has undoubtedly been anticipating, and which he has had more than two months to recollect. In July, in Prince Albert, the Prime Minister promised the Canadian people: "You're going to see tens upon tens of thousands of jobs created just as quickly as a new Government can be sworn in." Where are those tens upon tens of thousands of new jobs?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in response to the question of the Right Hon. Leader of the Opposition, the fact is that, since the Government was sworn in just a few weeks ago, interest rates have already dropped three-quarters of a percentage point.

Some Hon. Members: Hear, hear!

Mr. Mulroney: The Conference Board is now forecasting a net gain of 56,000 new jobs as opposed to a loss of 101,000 which it was forecasting last July. I think that is close enough.

Some Hon. Members: Hear, hear!

YOUTH PROGRAM FUNDING

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my colleagues and I were deeply concerned when the Minister of Employment and Immigration froze the program for training and employment initiatives for young people, which was called the First Chance Program. It is now November; two months have passed. The program which the Minister announced yesterday is merely a pilot program.

Would the Prime Minister assure the House that tomorrow evening the Minister of Finance will make a commitment to young people which will at least match the $100 million a year in the First Chance Program and, if possible, the $1 billion a year commitment which the previous Government made?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in view of the many remarkably good statements made by the Right Hon. Leader of the Opposition when he was a candidate for the leadership of his Party in regard to repudiation of previous policies, I think he is going to be well pleased with what he hears tomorrow night.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I hope there is something tomorrow night, because there was not much on Monday.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

AUTOMOTIVE INDUSTRY

GENERAL MOTORS INVESTMENT IN QUEBEC PLANT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, considering his commitment to create jobs and still more jobs, can the Prime Minister of Canada inform the House whether he has had discussions with the management of General Motors and his friends in the new American administration about the reports published in *The Gazette* with respect to the alleged decision made by that corporation to shelve its

investment project of roughly $700 million for expanding its assembly plant in Sainte-Thérèse?

• (1420)

Right Hon. Brian Mulroney (Prime Minister): The Leader of the Opposition has every reason to be concerned over that question, and the Minister and I will take this up with the management of that corporation which, hardly a few months ago if I am not mistaken, announced major investments in the riding of the leader of the New Democratic Party. So, to be fair and equitable, the situation in Quebec will have to be reviewed as well.

* * *

EXTERNAL AFFAIRS

AID TO AFRICAN COUNTRIES

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, my question is directed to the Secretary of State for External Affairs.

First of all, I would like to congratulate the Right Hon. Minister on his decision to go on to Ethiopia, after attending the funeral of Mrs. Indira Gandhi in India, in order to see for himself the extent of this human tragedy, and I am pleased to see the Hon. Minister has confirmed that for many years, Canada has, both on a per capita basis and in terms of absolute figures, contributed the most towards food aid in Ethiopia.

Considering the famine situation in many African countries, does the Government intend to set up a permanent mobile unit in Africa that would include de Havilland surplus planes—the Buffalo type—available at this time and as yet unsold, to provide a quicker and more efficient system for delivering food to the hungry in these unfortunate African countries?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I wish to thank the former minister for his question, and I think his comments have made it clear that aid provided by individual citizens and government to persons in need is in the Canadian tradition. The Government has just appointed the Hon. David MacDonald as co-ordinator, and his duties will be to co-ordinate all activities of the Government, non-governmental organizations and private citizens, so that Canadians will be able to respond to this very serious human crisis in the most effective way possible. Perhaps the suggestion made by the Hon. Member will be included among Mr. MacDonald's recommendations. I trust that Mr. MacDonald will be in a position to give us in Parliament, and all Canadians, some indication of what kind of program would guarantee that Canadians wishing to help the people of Africa in their time of need will be able to do so effectively.

[*English*]

ETHIOPIA—DISTRIBUTION OF FOOD DONATIONS

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, as we all know, the famine is a result not only of years of drought but also of a lingering civil war. Does the Minister have the assurance from the authorities in Ethiopia that they will make sure that food will be distributed to all parts of the country and that the food and relief will not be used to achieve some political leverage?

In addition, does he intend to join the international commission that is proposed by former Chancellor Willy Brandt to attempt to negotiate safe conduct with the successionist provinces and the central government in Ethiopia, so that the food will go to all parts of that country?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the reason why I went to Ethiopia was precisely to seek to satisfy myself personally that there was a reasonable prospect that Canadian aid would be delivered to people in need. I was pleased to be joined in that mission by representatives of the other Parties represented in this House. Certainly, for my part and, I believe, for theirs, we are confident that the Government and authorities of Ethiopia are doing everything that is possible in very difficult circumstances to ensure that aid that comes from the rest of the world to help starving people in Ethiopia will get to those people.

• (1425)

There is conflict internally in Ethiopia. Undoubtedly there will be some diversion. My view is that that is minor and on the margins and it should not deter the people of Canada from giving the aid that is necessary. I am looking for reasons to encourage Canadians to give aid that will help the starving. I am not looking for reasons to stop that aid. I think that is the view of all Members in the House.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): As regards the undertaking by former Chancellor Willy Brandt, we will look at that and come to a judgment as to whether that is the most constructive way to try to reduce tensions internal to Ethiopia.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

EMPLOYMENT

MEASURES TAKEN BY THE PROGRESSIVE CONSERVATIVE PARTY

Hon. Edward Broadbent (Oshawa): I have a question for the Right Hon. Prime Minister. During the election campaign, he said that the priority of the Conservative government would be to create new jobs. Since then, the Government has switched its priorities by deciding to focus on the deficit and not on creating new jobs.

My question is very simple. Why did this happen?

Right Hon. Brian Mulroney (Prime Minister): I believe that the Hon. Member might be making an involuntary mistake. We formally stated in the Speech from the Throne that unemployment was the most important issue confronting us. Of course, to deal seriously with unemployment, we need a healthy economy, and to have this healthy economy, someone must finally be prepared to deal directly with the deficit, and this is what we are going to do.

[*English*]

ELECTION CAMPAIGN STATEMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Prime Minister knows that he cannot have it both ways. He knows that in the Throne Speech he said "the urgent priority", that the urgent priority was the reduction of the deficit. In the election campaign he himself indicated an awareness that if you are going to have job creation as the priority you cannot have at the same time a priority of concern with the deficit.

Some Hon. Members: Oh! oh!

Mr. Broadbent: I notice the Prime Minister's colleagues are questioning behind him. They should wait for the quotation from a statement that he made in August. In August the Prime Minister indicated his own awareness that you could not have it both ways, by saying:

> Clearly, there can be no drastic reduction in the deficit until . . . the country gets back to work.

"Massive cuts," he added, "would guarantee a recession".

Why has the Prime Minister changed his mind? Why has he changed his priorities? Why do unemployed Canadians have to wait for a job?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): I think, Mr. Speaker, that the operative word in the quotation is the word "drastic". I think there would be general agreement that any such cuts would have the effects to which the Hon. Member refers. That is not our intention. What we are trying to do is to reconstruct an economy, to re-energize an economy, to provide durable employment for hundreds of thousands of Canadians, an economy that was too long built on the premise that where there is a problem you print money and throw it at it. That is not the way you build an economy capable of throwing off the kinds of jobs we all want for our people.

Some Hon. Members: Hear, hear!

GOVERNMENT'S PRIORITY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Prime Minister knows that since the election not only he himself, but the Minister of National Revenue, the Minister of Finance, and a number of other Ministers I could mention have said that the number one priority is the reduction of the deficit. No amount of any sort of linguistic game-playing in the House now is going to disguise that reality, and I am sure when we hear the Minister of Finance on Thursday we are going to hear drastic cuts being announced to the people of the country.

• (1430)

Since the Prime Minister suggested that there will not be such cuts, will the Government maintain the priority which the Prime Minister promised in the summer, namely, that its leading priority would be job creation? Will he guarantee that on Thursday night we will not hear drastic cuts announced by the Minister of Finance?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think the best indication I can give to the Hon. Leader of the NDP is that the first step the Government took with regard to the unemployment problem was when my colleague, the Minister of Employment and Immigration, announced the proposed expenditure and allocation of some $430 million to create jobs by the direct job-creation process.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Just throwing money at it.

Mr. Mulroney: This was required because of the state of the economy we received. However, we will be dealing with some of the structural deficiencies as of tomorrow night in a statement by the Minister of Finance which I know even the Leader of the New Democratic Party will applaud.

YOUTH TRAINING OPTION PROGRAM

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. In announcing her Youth Training Option Program yesterday, I know how disappointed she must have been with the $27 million given to her by her Cabinet colleagues for a pilot project when she probably would have preferred something closer to the $100 million which was set aside for the First Chance Program.

Considering the many promises made during the election campaign by the Conservative Party to place a high priority upon employment, and training for employment, how does the Minister justify a mere $27 million for this important matter, and considering the fact that this subject has been studied and experimented with over and over again, how does she justify another pilot project?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, as the Hon. Member will know, we have been reviewing all programs within government to take a look at their efficacy. As he will further know, yesterday we announced that we would go ahead with the Youth Training Option Program, which is a $27 million pilot project affecting some 4,000 Canadian youths. However, we also emphasized that our major training program for young people

would be worked out in consultation and in collaboration with the provinces, the business community, and labour groups.

Some Hon. Members: Hear, hear!

Miss MacDonald: We did that because we believe this is a major task which will require us to work together, and not to have a program which is in conflict with the other partners in the economy. Unfortunately that is what First Chance was.

GOVERNMENT'S POSITION

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, is the Minister now admitting that throughout the two months of the election campaign, and for many months before that, she and her Party had no program or blueprint for the creation of jobs and training for employment? Is she now admitting that she misled the Canadian people, that she had no program, that she will now start from scratch consulting, reviewing, and looking for a program, and that she never had one in the first place?

Hon. Flora MacDonald (Minister of Employment and Immigration): No, Mr. Speaker. I will admit no such thing because it simply is not true.

Some Hon. Members: Hear, hear!

Miss MacDonald: Within days of assuming office we announced programs to create some 70,000 jobs, jobs which had not been put into effect or had no money allocated to them by the previous Government. It had not taken any steps to do that.

We were elected to change what was taking place, and we will. We will do that by working with our partners, not by fighting with them.

* * *

FINANCE

IMPACT OF SALES TAX INCREASE

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Right Hon. Prime Minister who, not many weeks ago, stood in the House and said that policies such as the Liberal sales tax increase would result in the 1.5 million unemployed Canadians having absolutely no hope for a job, and would inevitably create a recession in the country within a matter of months.

I know the Prime Minister campaigned for change. However, is this the kind of change, where he is simply changing his mind about a tax policy and in a sense saying to Canadians: "I had no option"?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I wish I had said that.

Some Hon. Members: Oh, oh!

Mr. Mulroney: I think the Hon. Member knows full well, because of his very considerable expertise on the economic side, that indeed the situation we came upon after September 4 was rather worse than what our friends had let on. Thus we were forced to take some measures which, had we been in control some time ago, we would have preferred not to take.

Mr. Riis: I suspect the Right Hon. Prime Minister will perhaps wish that he had not made those statements, because in fact he had an option. He could have said: "I am not going to do it. This is wrong for Canada, and I am not going to ask Canadians to pay the price". He had an option and he said "No". He "chose to say yes to the old attitudes and the old stories of the Liberal Party".

REQUEST THAT DECISION BE RESCINDED

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my supplementary question is also directed to the Prime Minister. Knowing that since he has taken office we have lost 81,000 jobs in a very short period of time, that by his own admission we will be losing more and more jobs as a result of the sales tax increase, and that we will now be heading into a recession, again by his own admision, would he not now have the courage to stand before the House and say: "I am going to change my mind once again. I am going to go back to my original position and stop the introduction of legislation to impose that sales tax"?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think the Hon. Member, as will his Leader, will be well pleased with the manner in which the Minister of Finance will come to grips with some very grave structural problems we were left by a Government which sat too long. We propose to deal with them in a very positive and productive way tomorrow night. I think the manner in which it is done will receive the support of all Members of the House, including the Hon. Member.

* * *

AGRICULTURE

DROUGHT IN WESTERN CANADA—PAYMENTS TO GRAIN FARMERS

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is directed to the Minister of Agriculture. However, with your indulgence, and through you, I should like to offer my congratulations to the Hon. Minister on his appointment to a position which is of great importance to my region of the country. However, in saying that I should like to express the surprise and disappointment of many people in western Canada at the total lack in the Throne Speech of any reference to the serious drought conditions faced by farmers in that area.

Would the Hon. Minister and his Government consider bringing into the House today, with the full co-operation I am sure of all Hon. Members on this side, the proposals made last

summer by the previous Government to bring in advance payments under the Western Grain Stabilization Fund so that some $500 million of cash flow wouuld be in the hands of farmers to meet a very serious problem before the change of the fiscal year? This is something which western farmers have been expecting and planning for, Mr. Speaker. We would hope the Minister of Agriculture will prevail upon his colleagues so that we could have that Bill in the House right away.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I want to utilize this opportunity to thank the Hon. Member for his congratulatory messages and remarks. Indeed, I congratulate him on his electoral success.

Some Hon. Members: Oh, oh!

Mr. Wise: All my colleagues may not agree.

• (1440)

Indeed, I think that he can take some satisfaction from the fact that the agricultural industry was mentioned in the Speech from the Throne. It was selected as one of our resource industries which we should make every effort to strengthen and to revitalize.

With reference to the Hon. Member's question drawing our attention to the very serious drought conditions in western Canada, we are very much aware of them. Indeed, one of my first trips after being sworn in as Minister of Agriculture was to Regina where I sat down with my provincial counterparts, along with my colleagues, the Minister of Transport and the Minister of State in charge of the Canadian Wheat Board. An agreement between the federal Government and the provinces, to the extent of $60 million, was signed. We have not ignored the drought conditions in western Canada. We have addressed this as well as we can, given our limited financial resources.

POSSIBLE CONTENT OF ECONOMIC STATEMENT

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I have a supplementary question. We on this side of the House are, of course, very pleased that the Minister signed an agreement that we negotiated. That shows some good sense that other Ministers have not shown in some of the other programs.

I would point out that the Minister has not answered the question as to whether they intend to bring in changes to the stabilization fund so that the farmers will have cash. I would ask here and now today, in order to erase any uncertainty, that he repudiate the statements made by officials of his Department which suggest that in tomorrow's statement there will be an elimination of many important programs for farmers in western Canada which would cause their present very serious condition to deteriorate substantially.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, in responding to the Hon. Member's second and third questions, I would indicate to him that on Friday, I believe, we released the final payment in the amount of $123 million. With reference to the possibility of providing an initial payment for 1985, I can assure him that my colleagues in Cabinet, and my colleagues from western Canada, are presently discussing that possibility.

* * *

INDUSTRY

PLACEMENT OF CNR STEEL RAIL ORDER

Mr. John Rodriguez (Nickel Belt): Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Rodriguez: If you are not careful, you will get the previous Member back.

Some Hon. Members: Oh, oh!

Mr. Rodriguez: My question is for the Minister of Regional Industrial Expansion. It was recently reported in *The Toronto Star* that the CNR will be cutting some $15 million worth of steel rail orders from Algoma Steel and transferring that to Sydney Steel Corporation. Keeping in mind that the unemployment rate in Sault Ste. Marie is far in excess of the national rate, unofficially 20 per cent, can the Minister guarantee the people of Sault Ste. Marie, and this House, that the old Liberal shell game of shifting jobs from one regionally deprived area of the country to the other is no longer in vogue, and that in fact that $15 million order will be placed with Algoma Steel?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I thank the Hon. Member for his question. I welcome him back to the House.

Some Hon. Members: Hear, hear!

Mr. Stevens: As the Hon. Member knows, the transaction that he is referring to involves a Crown corporation. I would advise him, though, that certain of those transactions are under review. I can assure him that the concern of many in Sault Ste. Marie and in other areas in Canada has been brought to our attention. We will do our level best to ensure that there will be no adverse fallout from any such transaction such as that referred to by the Hon. Member.

REQUEST THAT MINISTER REVIEW DECISION

Mr. John Rodriguez (Nickel Belt): Mr. Speaker, I have a supplementary question for the same Minister. There are two points. First, the Nova Scotia election is over.

Some Hon. Members: Hear, hear!

Mr. Rodriguez: The applause, I presume, was for Alexa McDonough, the Leader of the New Democrats in Nova Scotia.

The other point is that that is the old answer we used to get from the Liberal Party when it sat on that side. In view of the fact that Crown corporations are not the best loved by this Minister, will he be more specific and give hope to the people of Sault Ste. Marie by stating he will review it with the intent of ensuring that that order is placed with Algoma Steel and that no jobs are lost as a result of it?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member I would indicate that I, too, share in his jubilation with respect to the Nova Scotia election. With reference to the second part of his question, I indicated in my first answer that we are reviewing the transactions and that he has our assurance that we will do our level best to ensure there will be no adverse fallout such as he is referring to.

* * *

[*Translation*]

SUPPLY AND SERVICES

IMPORTANCE OF PROCEEDING WITH 1986 CENSUS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, it has been reported in the media over the last few days that the Government was planning to cancel the 1986 census. I have a question for the Minister of Supply and Services who is responsible for the matter.

Since there has been a census every five years in Western Canada since 1886, and in other parts of this country since 1956, and in view of the importance of the data collected by way of that census to the business and academic communities and also to social and government affairs, not to mention of course the issue of the jobs involved in census-taking, can the Minister give us his personal assurance that the census will not be cancelled, but held in 1986 as usual?

[*English*]

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, I congratulate the Member on his election and welcome him to the House of Commons.

The Government has made no announcement with regard to the 1986 census. All programs of the Government are under active review because of the very serious financial situation in which we find ourselves. When a decision is made, it will be announced. I will make sure that the Hon. Member receives the announcement as quickly as possible.

INCLUSION OF NEW QUESTIONS IN CENSUS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I do not believe I asked the Minister whether he had made the announcement. We are looking for his personal assurance.

Is the Minister aware that new questions were to be included in the 1986 census pursuant to the "Obstacles Report' of this House of Commons, dealing with important matters concerning visible minorities and the handicapped? There were also to be questions in this census for the first time concerning native peoples. No affirmative action programs can be established without the data base which would be received from this census. In view of that, will the minister assure this House that this census will take place?

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, I appreciate the Hon. Member's comments about the value of Statistics Canada and the information it gathers on behalf of the Government and of the people of Canada. We value the agency and its activities. Its activities, along with all other activities of Government, are under review. When that review is completed and the Government has made a decision, that decision will be announced in the proper manner.

* * *

PIPELINES

WATER SUPPLY FOR SASKATCHEWAN CITIES—GOVERNMENT POSITION

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is directed to the Prime Minister. When the Prime Minister was in Regina during the summer election campaign, there was some confusion about whether he supported a water pipeline for the cities of Moose Jaw and Regina. The Regina Conservative candidates assured everyone in Regina that he indeed did.

• (1450)

Just to clear up the confusion that might exist, will the Prime Minister now tell us if indeed his Government is committed to a water pipeline from Lake Diefenbaker to the cities of Regina and Moose Jaw?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, yes, we are examining the various options, technical and otherwise, that are available, and I will respond just as quickly as I can to the Hon. Member.

Mr. de Jong: Mr. Speaker, again this is a bit discouraging because those are the same kinds of answers we were getting from the previous administration.

REQUEST FOR GOVERNMENT ACTION

Mr. Simon de Jong (Regina East): Mr. Speaker, the fact is that there is now a Conservative Government in the Province of Saskatchewan, and a mayor who is very sympathetic to the Conservative Party. When will they all sit down together and draw up an agreement? When, in fact, will we see some real changes so that the people of Regina and of Moose Jaw can have clean, safe water, and as well create some desperately needed jobs back home? When are we going to see some changes and some action?

Right Hon. Brian Mulroney (Prime Minister): Soon.

Some Hon. Members: Hear, hear!

* * *

STATUS OF WOMEN

GOVERNMENT'S POSITION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Prime Minister. Mr. Minister, in the Throne Speech you stated that your Ministers will seek to "further define" the concept of equal pay for work of equal value. Last August, however, during the Leaders' debate on women's issues, you stated, and I quote—

Some Hon. Members: Order!

Mr. Speaker: Order. I am reluctant to interrupt the Hon. Member, but the Hon. Member does have some parliamentary experience and knows how questions should be addressed.

Ms. Copps: Mr. Speaker, I am directing my question to the Prime Minister through you. Last August, during the Leaders' debate, the Prime Minister stated:

[*Translation*]

I believe it imperious for the Prime Minister and the new Government to give very clear instructions to the Treasury Board. The law is clear.

[*English*]

The Prime Minister said last August that the law is clear. I would like to know what has happened to cloud the Prime Minister's vision so much between August and November, that what was clear in August needs further definition in November? Why will the Prime Minister not move immediately on the changes he promised to all the women of Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I thank the Hon. Member for the point she has made, particularly in view of her sense of humour. In a television interview she referred to the Liberal opposition as the "Fabulous Forty".

Ms. Copps: It was the "Feisty Forty".

Mr. Mulroney: Mr. Speaker, this Government stands committed to that pursuit. We hope to achieve full equality for women, and that shall be a principal hallmark of everything we do throughout our legislative life.

ELECTION CAMPAIGN STATEMENT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am glad to have the opportunity, through you, to remind the Prime Minister of the comments he made last August, because not only did he say that the law is clear, he also said:

[*Translation*]

Of course, I will go further. I will make sure that this equality principle is adhered to by all those who are eager to do business with the federal government.

[*English*]

He said that he would apply the principle not only to the Government but to those companies that wanted to do business with the federal Government. Again, Mr. Speaker, what happened between August and November to change the Prime Minister's mind about the direct action he promised to the women of Canada? How does he expect the women of Canada to trust him when he changes his mind so frequently?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am a little perplexed by the indignation of the Hon. Member. I think that the program we set out to the Canadian people resulted in the election of an historic number of women to the Progressive Conservative Government.

Some Hon. Members: Hear, hear!

Mr. Mulroney: This, in turn, resulted in the appointment of an historic number of women to the Cabinet of a Progressive Conservative Government.

Some Hon. Members: Hear, hear!

Mr. Mulroney: This is an indication of the bona fides of this Government, and we plan to continue this kind of positive, forceful, vigorous action on behalf of the women of Canada, action which has been so badly lacking in the past.

Ms. Jewett: Mr. Speaker, that was garbage.

Some Hon. Members: Oh, oh!

* * *

EXTERNAL AID

ETHIOPIA—GOVERNMENT FUNDING

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my question is directed to the Secretary of State for External Affairs whom I would first like to thank for inviting representatives of the opposition Parties to accompany him to the funeral of Indira Gandhi and on his stopover in Addis Ababa. My colleague, the Hon. Member for Comox-Powell River, reported on both to our caucus this morning.

My question does concern what Canada is doing about aid to the starving people of Ethiopia. It is not enough for the Minister to say, as he did earlier, that David MacDonald is looking after it. David MacDonald is co-ordinating it, not instigating it. Has the Government yet instigated a special fund drawn from new moneys, and not from transfers from other moneys in CIDA or elsewhere, for emergency aid and development in Ethiopia? In that connection, has the Minister

also considered providing matching grants, out of this fund or other funds, to the contributions of private individuals and organizations?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we have not done that yet. I expect to be in a position to make an announcement within the next few days regarding that precise kind of action. We are not sure of the nature of a matching formula or whether or not that formula will be part of the announcement, although it is being considered. However, let me make a point and ask again for the help of the Hon. Member, and indeed of all Hon. Members of the House of Commons.

We believe that there is an urgent job for the Government of Canada to do, and we intend to do it. However, this is a matter of concern not only for the Government, this is a matter of concern for the people of Canada. I ask the help of Members of Parliament throughout the House of Commons, and of citizens across the country, to ensure that the Government acts and that the people act to do what we can to stop the starving in Ethiopia.

Some Hon. Members: Hear, hear!

Ms. Jewett: Mr. Speaker, it was on behalf of this Party that I asked whether or not the Government was going to start such a special fund and was going to have sharing with private citizens, because we feel very strongly that the Government can do so.

ESTABLISHMENT OF INTERNATIONAL COMMISSION

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, the Minister will know that Willy Brandt, the head of the Socialist International, is now heading a commission to see whether or not there are ways by which the warring factions in the northeast of Ethiopia can be brought to a ceasefire. I understand that the Eritreans, and I think the Tygraians as well, have agreed to a ceasefire. Can the Minister, or will the Minister use his influence with the Government of Ethiopia to get its co-operation with the Brandt Commission and its efforts?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I confess that that is not a matter which I raised with the Ethiopians. I will raise it with them another time. I repeat what I said to the Hon. Member for—

Mr. Chrétien: Saint-Maurice.

Mr. Clark (Yellowhead): I am too accustomed to referring to him as a Minister. I am glad that is behind us. As I said to the Hon. Member for Saint-Maurice earlier today, I think that a very important part of our approach to this question is to determine whether or not the mission upon which former Chancellor Brandt has embarked will in fact, at this point in time, help us deliver aid to the starving.

UNITED NATIONS PROGRAMS

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, my question is also addressed to the Right Hon. Secretary of State for External Affairs and is supplementary to the previous question. The global implications of the Ethiopian food crisis have already called for substantial efforts by the United Nations and national Governments which have spent many billions of dollars since 1974. How impressed is the Minister that these programs have been and are now sufficiently well directed to merit Canada continuing its support for these programs, such as those of the United Nations Food and Agricultural Organization?

• (1500)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there is no doubt at all that Canada must continue to support multilateral approaches to development and, as well, must continue to pursue a very active bilateral program. It is important for us, in this period of active broad attention in Canada to the crisis in Africa, to turn the attention of Canadians to the fact that this crisis did not emerge overnight. If we are to prevent starvation in the future there must be much more attention given by authorities in countries which are affected by starvation, and in countries like ours, to ensuring that there are programs of rehabilitation and agricultural renewal in those societies. That is a commitment of this Government.

Some Hon. Members: Hear, hear!

* * *

HOUSE OF COMMONS

WELCOME TO NEW PAGES

Mr. Speaker: I wish to bring to the attention of Members the presence of the group of pages in the House who started their new duties, along with many of us, last Monday.

Each one of those 40 young men and women is enrolled as a first-year full-time student at either Carleton University or the University of Ottawa, and was selected from over 400 applicants from across Canada to participate in the House's page program.

They will be working with us for one year and I am sure that all Members will want to join with me today in wishing them a rewarding and worth-while experience in the House of Commons.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Speaker: I am sure all Members will want to join me in wishing the pages the best of luck and hope with me that their year with the House of Commons will prove to be a profitable and enriching experience.

ROUTINE PROCEEDINGS

[*Translation*]

SUPPLEMENTARY ESTIMATES (B), 1984-85

A message from Her Excellency the Governor General transmitting Supplementary Estimates (B) with regard to the sums required for the administration of Canada for the financial year ending March 31, 1985 was presented by Hon. Robert de Cotret (President of Treasury Board) and read by Mr. Speaker to the House.

* * *

[*English*]

PETITIONS

TESTING OF CRUISE MISSILE

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I have a petition signed by hundreds of my constituents in Vancouver-Kingsway who pray that the Parliament of Canada will act to refuse further testing of the Cruise missile. They also ask that Canada be declared a nuclear-weapons-free zone and, as well, ask that wasteful spending on the arms race be diverted to fund human needs. Finally, they ask that there be a free vote on these matters in Parliament.

I respectfully present the petition.

NUCLEAR-WEAPONS-FREE ZONE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, it is my duty as the representative for the constituency of Mississauga South to present a petition to the Parliament of Canada, on behalf of 31 residents of my ridings, who are requesting that Canada be declared a nuclear-weapons-free zone.

* * *

SPORTS POOL AND LOTO CANADA WINDING-UP ACT

MEASURE TO ESTABLISH

Hon. Jake Epp (Minister of National Health and Welfare) moved for leave to introduce Bill C-2, an Act respecting the winding up of the Canadian Sports Pool Corporation and Loto Canada Incorporated.

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

ONTARIO AND MANITOBA COURTS AMENDMENT ACT

MEASURE TO ESTABLISH

Hon. John C. Crosbie (Minister of Justice) moved for leave to introduce Bill C-3, an Act to amend various Acts as a consequence of the reconstitution of the courts in Ontario and Manitoba.

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

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FARM PRODUCTS MARKETING AGENCIES ACT

MEASURE TO AMEND

Hon. John Wise (Minister of Agriculture) moved for leave to introduce Bill C-4, an Act to amend the Farm Products Marketing Agencies Act.

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

* * *

FRESHWATER FISH MARKETING ACT

MEASURE TO AMEND

Hon. John A. Fraser (Minister of Fisheries and Oceans) moved for leave to introduce Bill C-5, an Act to amend the Freshwater Fish Marketing Act.

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

* * *

SALTFISH ACT

MEASURE TO AMEND

Hon. John A. Fraser (Minister of Fisheries and Oceans) moved for leave to introduce Bill C-6, an Act to amend the Saltfish Act.

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

* * *

SUPPLEMENTARY ESTIMATES (B), 1984-85

REFERENCE TO STANDING COMMITTEES

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, pursuant to the provisions of Standing Order 63, I move:

That Supplementary Estimates (B) 1984-85, tabled this day, be referred to the several standing committees of the House as follows:

Supplementary Estimates (B), 1984-85

Because the list is rather long and there is a detailed allocation of the Estimates to the committees, if it is agreeable with the House, I ask that the list be printed in *Hansard* as if it had been read.

Mr. Speaker: Is that agreed?

Some Hon. Members: Agreed.

[*Editor's Note: List referred to above is as follows:*]

To the Standing Committee on Agriculture
Agriculture Votes 1b, 5b, 10b, 15b, 25b, and 30b
External Affairs Vote 20b

To the Standing Committee on Communications and Culture
Communications Votes 1b, 5b, 10b, 25b, 45b, 65b, and 70b
Secretary of State Votes 1b, 5b, 10b, 15b, 20b, 25b, 30b, 35b, 45b, 50b and 55b

To the Standing Committee on External Affairs and National Defence
External Affairs Votes 1b, 5b, L12b, 35b, and 40b
National Defence Vote 5b

To the Standing Committee on Finance Trade and Economic Affairs
External Affairs Votes 10b and 25b
Finance Votes 1b, 5b, and 35b
Regional Industrial Expansion Votes 1b and *6b*

To the Standing Committee on Fisheries and Forestry
Agriculture Votes 36b, 37b, 38b
Environment Votes 1b, 5b, 15b, 20b, and 25b
Fisheries and Oceans Votes 1b, 2b, 5b, and 10b

To the Standing Committee on Health Welfare and Social Affairs
Consumer and Corporate Affairs Votes 1b and 10b
Labour Votes 25b, 26b, and L30b
National Health and Welfare Votes 1b, 5b, 10b, L11b, 15b, 25b, 30b, 35b, 40b, 45b, 48b, and 49b

To the Standing Committee on Indian Affairs and Northern Development
Indian Affairs and Northern Development Votes 15b, 20b, 25b, 30b, 40b, and 45b

To the Standing Committee on Justice and Legal Affairs
Justice Votes 1b, 5b, 30b, 45b, and 50b
Solicitor General Votes 1b, 20b, and 25b

To the Standing Committee on Labour Manpower and Immigration
Employment and Immigration Votes 1b, 5b, 10b, 15b, 20b, and 35b
Labour votes 1b, 5b, 10b, and 21b

To the Standing Committee on Management and Members Services
Parliament Vote 5b

To the Standing Committee on Miscellaneous Estimates
Governor General Vote 1b
National Revenue Vote 20b
Privy Council Votes 1b and 2b
Science and Technology Votes 25b and 30b

To the Standing Committee on National Resources and Public Works
Energy, Mines and Resources Votes 1b, 10b, 26b, 35b, 40b, 45b and 55b
Public Works Votes 30b, 50b, 55b, 65b, 70b, 75b, and 80b

To the Standing Committee on Regional Development
Regional Industrial Expansion Votes 10b and 40b

To the Standing Committee on Transport
Transport Votes: 1b, 5b, 10b, 16b, 17b, 35b, 75b, 85b, 90b, 120b, 126b, and 130b

To the Standing Committee on Veterans Affairs
Veterans Affairs Votes: 1b, 5b, 15b, and 20b

Motion agreed to.

BUSINESS OF THE HOUSE

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, there have been consultations between the various House Leaders with respect to the business for tomorrow, at which time we are planning to have the economic statement. I have before me and want to present to the House for approval at this time, by unanimous consent, the following Order:

That, notwithstanding any Standing Order, on Thursday, November 8, 1984, at six o'clock p.m. the House shall suspend its sitting until 6:30 o'clock p.m., and, at that time the business to be considered shall be a statement by the Minister of Finance;

Provided that upon the conclusion of the statement the Minister may lay upon the Table certain Notices of Ways and Means Motions related thereto, and that after a reply to the statement from one Member of each of the other recognized Parties, the Speaker shall adjourn the House.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I simply want to acknowledge that in fact the consultations which the Hon. House Leader has indicated did take place, and in our consultations we recognized that, although this is an unusual situation, the length of speeches of Opposition Party Members responding to the speech would not be longer than the speech of the Minister of Finance (Mr. Wilson).

● (1510)

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like to confirm on behalf of the Official Opposition that the motion read by my friend, the Government House Leader, represents the discussion we had among House Leaders and our understandings. I would also like to confirm that there was a further agreement that the spokesman for the Official Opposition, and the other Opposition Party, would have up to the same length of time as would be taken by the Minister of Finance (Mr. Wilson) in presenting his statement tomorrow evening.

Mr. Speaker: The House has heard the suggestion of the Hon. Government House Leader (Mr. Hnatyshyn). It requires unanimous consent. Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Speaker: Agreed and so ordered.

Mr. Hnatyshyn: Mr. Speaker, there have also been consultations with respect to the conduct of the affairs of the House relating to Private Members' Business. As Your Honour will know, because the draw for Private Members' Business is taking place today and it will, in the course of our procedures, take a couple of weeks in order to have the list promulgated and the Bills or the motions in question put into place for discussion, I have consulted with my opposite numbers in the Opposition and propose that it be made an order of the House that Private Members' hour be suspended until Friday, November 23, 1984.

Mr. Gray (Windsor West): Mr. Speaker, I would like to confirm that the proposal of my hon. friend represents the decision which was reached by the mutual consent of the

Official Opposition and we would certainly have no objection to the motion proceeding.

Mr. Deans: Mr. Speaker, I would also like to confirm that that is the case.

Mr. Speaker: The House has heard the suggestion of the Government House Leader. There must again be unanimous consent. Is it agreed?

Some Hon. Members: Agreed.

Mr. Hnatyshyn: On a point of order, I would like to indicate to the House the business for tomorrow. In order to accommodate the economic statement, and at the request of the New Democratic Party, we will not be proceeding with the Speech from the Throne debate tomorrow but rather will be dealing with government business. Accordingly, I would like to tell the House that the order of business proposed for tomorrow will be, first, the Bill relating to the courts of Manitoba and Ontario which was introduced today by my colleague, the Minister of Justice (Mr. Crosbie); second, the Bill relating to the sports pool and Loto Canada which was introduced by my colleague, the Minister of National Health and Welfare (Mr. Epp); third, the Bill introduced by my colleague, the Minister of Fisheries and Oceans (Mr. Fraser), relating to the Freshwater Fish Marketing Corporation; the fourth item of business will be an item relating to the Saltfish Corporation which was also introduced by my colleague, the Minister of Fisheries and Oceans. The last item of business will be an item introduced by my colleague, the Minister of Agriculture (Mr. Wise), the National Farm Products Marketing Agencies Act amendment with respect to the tobacco farmers.

I would also want to indicate, Mr. Speaker, that there have been consultations with respect to the debate today, which we are all awaiting with anticipation, being Leaders' day, and there has been an understanding arrived at by the House Leaders that with respect to the addresses of the Leader of the Opposition (Mr.Turner), the Prime Minister (Mr. Mulroney) and the Leader of the New Democratic Party (Mr. Broadbent), we would have the three Leaders speak today; and if the Leader of the New Democratic Party finishes after six o'clock, we will not see the clock until his remarks have been concluded. In any event, the arrangement is that once the Leader of the New Democratic Party has concluded his remarks, at whatever time, the House would adjourn at that point.

Mr. Speaker: Should I take from the Government House Leader that there is also, therefore, an agreement that the normal limitations of time do not apply?

Mr. Hnatyshyn: That is right.

Mr. Speaker: As they might in the third case?

Mr. Hnatyshyn: Yes, Sir.

Mr. Speaker: The House has heard that suggestion. We need unanimous consent. Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Speaker: The suggestion is carried. There are no further motions? There being no questions on the Order Paper, I will call Orders of the Day.

* * *

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed from Tuesday, November 6, consideration of the motion of Mr. Ken James for an Address to Her Excellency the Governor General in reply to her Speech at the opening of the session.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, again I would like to say at the outset of my remarks how proud I am to have been re-elected to this House.

Ms. Jewett: Lucky you!

Mr. Turner (Vancouver Quadra): The hon. lady says I am lucky. There is a lady in the gallery, my wife, who helped me get elected, and my family and my sister, and there was a great, great movement on the streets.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Whereas I agree I was fortunate, it was not a matter of luck.

No greater honour can be paid to a Canadian than to have been elected by his fellow citizens to the forum of the nation, to the highest court of the land, this Parliament. I am immensely grateful to the people of Vancouver Quadra and I undertake, Mr. Speaker, to serve them to the best of my abilities, to lead and rebuild a great national Party and to lead that rebuilding from western Canada.

I am grateful, as I have said, to the citizens of Quadra. They have stood up against a national tidal wave to give me the privilege of serving them in this House and I am proud, once again, of the efforts made by my supporters, my wife, my sister and my children and the sacrifices they have undergone in order to facilitate my return to public life.

[*Translation*]

Mr. Speaker, each one of us has the important duty of providing, to provide proper representation for our constituents. Together, we have a duty to serve to the best of our ability the interests of all Canadians. Everyone of us has or should acquire a profound and indestructible respect for the traditions of the House. We rely on you, Mr. Speaker, to preserve and safeguard those traditions.

[*English*]

As well, I would like formally, as I have personally, to congratulate the Prime Minister (Mr. Mulroney) on his impressive election victory.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): It is good to know that in this country a man from humble yet honourable beginnings can aspire to the highest office in this country. He is entitled this day to some personal reflections, some private thoughts of satisfaction and pride, and for this he would be fully excused. A great responsibility has been laid upon his shoulders by the people of Canada, and to respond to that, I wish him courage and good health. I need not wish him much more because I understand he has told his closest aides that he is going to govern as if he had a majority.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): May I, Mr. Speaker, also congratulate the Hon. Member for Sarnia-Lambton (Mr. James) and the Hon. Member for Montreal-Mercier (Mrs. Jacques) who were the mover and seconder respectively of the Address in Reply to the Speech from the Throne.

[*Translation*]

Both Members spoke eloquently and frankly about what we expect of this new legislature, and I wish to congratulate them on their contribution. Having been in the same position many years ago, I am fully aware of the importance of a Member's maiden speech in the House, and I think the Hon. Members did a remarkably good job. I trust we shall have further occasion to hear them in the House during this session.

[*English*]

We are here, Mr. Speaker, for a purpose greater than partisan loyalties. We are here to defend and preserve the democratic institutions of this country, of which this House is by far the most important. A former Opposition Leader and Prime Minister, the Right Hon. John George Diefenbaker, had this to say in this House. These are his words:

> Mr. Speaker, this institution must not fail. Without it there is no freedom. We are here today not only as the custodians of the present and the inheritors of the past, but Mr. Speaker, we are here as well as the hope of this institution's future.

On behalf of the members of my caucus, I promise you, Mr. Speaker, that we will uphold what Mr. Diefenbaker had in mind. But I promise you and the members of the Government that we will be a strong and vigilant Opposition.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): As a matter of fact, when the Hon. Member for Windsor West (Mr. Gray) and I first entered this House of Commons we were in opposition. We have some experience of what that role is. We interpret our position here as recognizing that the people of Canada did accord to the Right Hon. Prime Minister and his colleagues and supporters a massive mandate. But such was the nature of what they said, what they undertook and what they promised, so vague were those undertakings, that we do not extend that approval to any particular piece of legislation and we undertake to examine with care every Bill which comes before this House. If it is good legislation, it will have our approval and pass quickly. If we believe it needs improvement, then we will propose changes and amendments. If we feel it is not in the best interests of the people of Canada, we will oppose it and oppose it vigorously. I might add that we will not oppose just for the sake of opposing. We do not propose to be, as was contemplated by the Prime Minister in an interview he gave to Val Sears of *The Toronto Star*, "purely destructive".

I represent a political party which is a party of reform and innovation, a party of openness, with a willingness to experiment with new ideas. We will respect the rights of the individual and the rule of law. We will defend the social contract. We will work to preserve our social programs with special attention to those in greatest need. I want to remind the Prime Minister that he said during the election campaign, and I use his words, that universal social programs are "a sacred trust not to be tampered with". We on this side of the House, the Official Opposition, will hold him to that particular commitment.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I have said before and I say again in this House that I will not stand by, nor will my colleagues, and watch the social programs built up by successive Liberal Governments being dismantled in the name of economic expediency.

[*Translation*]

Liberals respect the right of every individual Canadian to develop to his or her greatest potential. We believe in equality of opportunity and access to education, training and job opportunities regardless of family background, colour, creed or sex. My colleagues and I believe in providing the widest possible scope for individual initiative and reward for success. But we also believe fundamentally in protection for those who need help or suffer through no fault of their own.

[*English*]

Liberalism, Mr. Speaker, believes strongly in private enterprise but holds that governments should play a positive role in the marketplace where private capital cannot do the job or where the public interest demands such an intervention. We believe that the role of government is to support and encourage private initiative and to provide the framework in which it can grow and create the thousands of jobs we need. Liberalism is not static because the world is not static. Liberalism is pragmatic and not doctrinaire.

[*Translation*]

Liberalism is not rigid for socialist nor single interest dominated. Liberalism rejects monopoly power, whether it is exercised by business, cults, unions or majorities.

A liberal understands that political freedom is impossible without economic freedom. Economic security is necessary for the full development of human personality and human fulfilment.

[*English*]

Liberals are never content with today. We accept change and we seek it. We believe in reform and we fashion it. We

believe, indeed, that the world truly can become a better place to live.

[*Translation*]

I think Sir Wilfrid Laurier probably gave the best definition of Liberal doctrine when he spoke to the Reform Club in Quebec, in the old capital of Quebec, in the following terms, and I quote:

> I am a Liberal, that is, I believe that in this world, there is abuse that must be stopped, there are new horizons to be discovered and new forces to be developed.

Mr. Speaker, the programs introduced by the Liberals over the years are a reflection of Laurier's vision: health insurance, unemployment insurance, old age pensions, the guaranteed income supplement, family allowance, funds made available to educational institutions under established programs financing, on-the-job training for youth, the Canadian Charter of Rights and Freedoms, and the Student Loans Act, a bill I had the privilege of presenting here in the House at the time.

[*English*]

There was a question, Mr. Speaker, directed by my colleague, the Hon. Member for Hamilton East (Ms. Copps), concerning the commitments of the Prime Minister and the Government to the women of this country. There are indeed, as the Prime Minister observed, more women Members in this House today than ever before. I congratulate each and every one of them in every quarter of the House. I congratulate them no matter what partisan loyalties they may share, and I urge the women of this country to stand in greater numbers for public office, for Parliament, for the legislatures and for the municipalities.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The women of this country have helped set the agenda for the last decade and we need more women in public life to help implement that agenda. All issues are women's issues. We must put an end to discrimination against women. We must allow women, by way of legislation and precedent, to have the freedom to choose how they want to live, whether they want to fulfil their careers at home or in the workplace, or both, either full time or part time.

The rules by which this Party will govern legislation affecting women are those of fairness, equality, equity and a real partnership in this country. This Party has always fought and will continue to fight to improve the position of women, whether they work at home, outside the home, or both. We believe in the full equality of women, we believe in equal pay for work of equal value, and we believe that the Human Rights Commission should take a more activist role in making that principle a reality. As my colleague from Hamilton East pointed out, it is the law; it is now up to the federal Government and its agencies to ensure that the law is fulfilled in the federal Public Service, in federal Crown Corporations and in those who fall within federal jurisdiction.

Mr. Chrétien: No more studies. Action!

Mr. Turner (Vancouver Quadra): My colleague from Saint-Maurice (Mr. Chrétien) says: "No more studies. Action!"

● (1530)

We need adequate funding for day care. We do not need any more studies on day care such as the Throne Speech proposes. We need adequate funding for day care.

The Loyal Opposition will support an amendment to the Indian Act affecting Section 12(1)(b). I am glad that the Government intends to make that a priority.

We on this side believe in improving the enforcement of maintenance orders across the country and hope that the legislation contemplates something in that respect. We believe that the Government should follow up the Badgley Report on sexual abuses.

We believe that the Government should continue what we were doing in conducting an audit of all federal and provincial legislation to ensure that it accords with the Charter amendment which will become effective on April 17 next year affecting equality of women. There should be an active audit of every piece of federal and provincial legislation led by the Attorney General.

We also believe in affirmative action and equal access to training, jobs, opportunities and career options. I have been on record, Mr. Speaker, on this subject. We do not believe in a quota system. We believe in a merit system. We believe women ought to have an opportunity to qualify for merit as we believe they easily will. In this respect we will be watching what the Government does on affirmative action because we expect the publication of the Abella Report later this month or next month and we will be watching the Government's response to that particular report.

The cultural heritage of this country must be defended and preserved, Mr. Speaker. There is no longer a majority and a minority in Canada. We are all minorities and the time has come for total accessibility by way of statute, precedent or regulation for all Canadians in business, government and the unions, no matter what their creed, colour, faith or sex, and no matter how long they have lived in this country. In the past Liberal Governments have pursued progressive and humane immigration policies which have enriched the heritage of this country. We have stressed policies which underline the reunification of families. We have welcomed political refugees from Poland, Chile, Vietnam and other countries.

With the greatest respect, the Throne Speech touched only lightly on the subject of multiculturalism. I note, for instance, that there was no mention of compensation or acknowledgement to the Japanese Canadians for the treatment they received during World War II. The Prime Minister proposed that earlier this year. It was also the last question which he happened to direct to my predecessor when my predecessor sat in his seat in the House of Commons. The issue of acknowledgement and the redress which I believe Japanese Canadians are entitled to did not receive mention in this Throne Speech. I

hope that we will learn of the Government's position on this issue before very long.

[*Translation*]

I am happy to see that the Speech from the Throne contains a commitment to preserve both official languages and to protect language minorities throughout Canada. I note that the Government intends to honour its constitutional commitments to our aboriginal peoples. As we all know, these commitments were laid down in the Canada Act, 1982. They are constitutional commitments. However, this throne speech does not mention any progress with respect to aboriginal government, land claim settlements and other issues of interest to Canada's native peoples. We had hoped for more on this subject—

[*English*]

We are going to press for the fulfilment of the Penner Report. The Hon. Member still sits with us. We are going to press the Government to move toward allowing our Indian, Metis and Inuit people to move toward more self-government and more self-reliance and to assure them the dignity to which they are entitled. I regret very much that the Throne Speech did not address this particular concern.

We on this side would also have hoped for more reference in the Throne Speech to the development of all regions of the country, and for more special emphasis on correcting regional disparities and equalizing opportunities across the country. Where was mention of that in the Throne Speech? What support was there for building up the industrial sectors of this country? Why was that not in the Throne Speech?

I have travelled widely in western Canada since the election, Mr. Speaker. I gave a commitment to the people of British Columbia and the other western provinces that I would do my best to ensure that any government would bring western Canadians into the decision-making process and that that feeling of frustration, alienation and impatience could somehow be dissipated by allowing westerners to become more fully represented. I also gave an undertaking that I would make the Liberal Party more relevant again in western Canada. That is an essential priority for me. Canada is not just an Atlantic nation, Mr. Speaker. Canada is an Arctic nation and a Pacific nation. New prosperity in western Canada depends upon the Pacific Rim. Our trade, tariff and transportation policies must reflect this new reality and new direction. I congratulate the Government for making some reference to it in the Speech from the Throne.

Our Party, Mr. Speaker, stands for an independent foreign policy for Canada. We must have close relationships with all our friends and allies. We must keep our NATO commitment. However, we must never simply mimic American policy. Those are grand words in the Throne Speech about restoring "goodwill, partnerships" and "fruitful co-operation" with the United States. I am all for that. I echo those sentiments, but not at the expense of Canadian political sovereignty, the independence of our foreign policy or our cultural or economic integrity.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I sincerely hope that the omission from the Throne Speech of issues between Canada and the United States, such as acid rain, the bilateral problems we have with our fisheries on both the Atlantic and the Pacific coasts, and other bilateral problems, does not mean that the Government does not intend actively to pursue solutions on behalf of the people of Canada.

I am glad that the Government intends to continue the initiatives of the previous Government to upgrade our contribution to the NATO alliance. At the same time, we must not lose sight of the fact that while a strong defence is desirable and necessary, the ultimate goal we seek is peace. It is disappointing and I find it incomprehensible that the Throne Speech does not mention any commitment to the peace initiative of my predecessor, the Right Hon. Pierre Trudeau.

[*Translation*]

Mr. Trudeau has won tremendous respect and admiration in Canada for his efforts to establish a reasonable dialogue on the nuclear arms race. I have met many groups and discussed with them the very active role Canada can play in the search for peace. We shall be keeping a very close watch on the Government's activities in this area.

The throne speech mentioned the tremendous problems facing Third World countries. I would urge the Prime Minister at this point to ensure that Canada will continue to play an important role in reducing the economic gap between North and South.

[*English*]

I welcome the study of a parliamentary committee on Canada's role in the world, but what are we going to do in the meantime? I hope that the Secretary of State for External Affairs (Mr. Clark) will enlighten us in the House at an early opportunity as to what his views and those of the Government are and what priorities and new direction the Government intends to pursue. If this is a Government by study, let them have their study; but I would hope that the Minister, who has travelled widely and once held high public office, would honour us with his thoughts on an early occasion in this House.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): What about all those undertaking and promises that the Tory Party made during the election campaign? During that election the Prime Minister, his colleagues and his candidates across the country showered an avalanche of promises on the heads of the people of Canada. We tried to count them. We gathered 338 together in a booklet.

• (1540)

I am sorry that the Minister of Justice (Mr. Crosbie) is not here. He put a price tag of $20 billion on those promises and then thought that that might have been generously low. We on this side of the House in the Liberal Party did not believe that

the time was right for lavish political promises because the public debt was so high. We knew it and the Prime Minister knew it.

I would like to cite the Prime Minister as quoted in the *Financial Post* of March 4, 1984. He said we must—

—deal with some degree of prudence and frugality with public spending, which is completely out of hand.

When I opened the campaign in Edmonton I set out clearly for the people of Canada the fact that the huge public debt meant that 33 cents out of every tax dollar collected by the people of Canada through their federal Government is now necessary to pay interest. Therefore I say to you, Mr. Speaker, that the Conservative Party knew the facts, the Prime Minister knew the facts, but they went ahead anyway and made those promises. We will remind the Government on every relevant occasion about those commitments to the people of Canada and we will remind our fellow citizens about them as well.

I do not want to anticipate, nor do the rules allow me to anticipate, what the Prime Minister, the right hon. gentleman, will say this afternoon. I have heard his colleague, the Minister of Finance (Mr. Wilson), and we can hear him tomorrow. He will say, as he has already said, that the cupboard is bare. He will say that the situation is, to use his words, "even worse than we had anticipated". That simply will not wash.

Let me quote Allan Maslove, Director of Carleton University's School of Public Administration. In his words the bare cupboard theory is "a bunch of nonsense". The Conservatives knew the situation. They had the same numbers that we had and they were able to see the same forecasts that were available to us in both the private and public sector. But they chose to ignore them.

[*Translation*]

I also said during the election campaign that if the Progressive Conservatives ever came to power, they would have only three choices. They would either have to renege on their promises, raise taxes or cut our social programs. Mr. Speaker, they never had the slightest intention of keeping those promises, because they knew the state the country's finances were in.

[*English*]

They might say on the basis of the polls that they like to receive that promises are just words. That only adds to the cynicism with which Canadians tend to view their elected representatives. I tend to believe that it is a question of trust. It goes to the heart of a parliamentary democracy that governments should do what they say they will do, and if they do not they are not fulfilling the mandate which was given to them by the people of Canada.

The Government is now faced with these three options: renege or welch on those promises, raise taxes, or cut into our social programs. That is the position in which the Government has put itself. That is the position about which we will remind the people of Canada. There are a lot of IOUs out there.

I wonder what Peter Lougheed and Premier Devine are saying to the new Prime Minister. I am sure that the Province of Alberta expects the Government to keep its word on market prices for energy. We will wait and see what the Premier of Ontario has to say about that, if he is still saying anything about anything. You can be sure, Mr. Speaker, that the big blue machine that was donated free of charge for the campaign will soon come calling here on the Hill for some of its demands. We will be interested to see how the Prime Minister responds to that.

What has the Government been doing since September 17? There is an old saying which is: "Actions speak louder than words". There are many words in the Throne Speech but very little action. However, in the case of the Government, it is also a case of say one thing but do another.

The Conservatives promised us lean and efficient government. Those were their words. They have given us the largest federal cabinet in history. Restraint is for others. Restraint is for ordinary Canadians, not for that gang. It is the largest government in the history of this country.

I know that the cabinet choices were difficult. There are the blue Tories and the red Tories. To use the vocabulary of the Prime Minister's friend, Margaret Thatcher, the Government has its "wets" and its "drys". If you look, Mr. Speaker—and you should—it is plain that most of the wets in the caucus ended up high and dry.

It is true that the Government has tried to cut down. It has eliminated the foreign affairs and defence committee of cabinet. There are already winners and losers. To use the Prime Minister's words, he promised Canadians "jobs, jobs, jobs". What did we get? Cut, cut, cut and freeze, freeze, freeze.

The Prime Minister said at Prince Albert as he announced the great Prince Albert charter—and I alluded to this earlier in my question—that "You are going to see tens upon tens of thousands of jobs being created just as quickly as a new government can be sworn in". Where are those jobs? What did the Conservatives do? The minute that they were sworn in their policy was to cut, cut, cut and freeze, freeze and freeze. The Government froze the Special Recovery Projects that were necessary to get the economy moving and put Canadians back to work. It killed the First Chance program which would have given on-the-job training to 100,000 young Canadians a year. In its place it produced a pilot program for 3,000 or 4,000 young people, as the Prime Minister said this afternoon. While we offered a first chance for young Canadians, the Government is offering little more than a fat chance. It says not to bother it now but come back later; it says: "Let us see you in the Spring".

The Government is closing embassies and consulates around the world. I see some diplomats in the House.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): I would think that the gentleman I have in mind got reconfirmed yesterday. We do not know the purpose for these actions and perhaps the right

hon. gentleman, the Minister sitting attentively in the House, will advise us on an appropriate occasion.

I am sorry that the Minister of Regional Industrial Expansion (Mr. Stevens) is not here. He is conducting a fire sale on Crown Corporations such as de Havilland, Canadair, Eldorado, TeleGlobe, and apparently Fishery Products International, according to yesterday's release. There is also some suggestion about getting out of Petro-Canada. All of this is being done without any study or analysis of what the impact of the sale of these firms would be. If there is anything that needs more study it is this. I hope we will know the Government's position very soon.

I asked questions about these sales. What are the terms? Who is eligible to buy these corporations? Will foreign companies be allowed to own our aircraft industry? Who assumes the debt? What will be the impact of these sales on Canadian technology and Canadian jobs?

I remember when the Right Hon. John George Diefenbaker sat in the House. He regretted for a long time the sale of A.V. Roe and the closing down of that plant.

Even the Hon. Member for St. John's East (Mr. McGrath), a former Minister of Fisheries and Oceans, said the following about the proposed sale of one Crown corporation: "There is as much chance of Fishery Products International being sold to the private sector as me going to the moon". I do not know if the Hon. Member is here but he ought to check with Marc Garneau.

[*Translation*]

These important economic changes are not even mentioned in the throne speech. They should be debated in the House, because they are too important to be left to the discretion of one minister. I hope the Minister of Finance will give full attention to these issues in his economic statement tomorrow.

[*English*]

The promise of lean government seems to apply to everyone but the Government itself. Restraint is for others. Its ministry of 40 is the largest in Canadian history. The first thing the Government did was almost double the budgets for Ministers' political staffs.

● (1550)

Mr. Chrétien: Political commissars.

Mr. Turner (Vancouver Quadra): Then they appointed political chiefs of staff. On Jack Webster's show I called them "political commissioners".

Mr. Chrétien: Under Erik.

Mr. Turner (Vancouver Quadra): There are political commissars for each Minister at $80,000 a year per head.

Some Hon. Members: Shame.

Mr. Turner (Vancouver Quadra): I know that an aide to the Prime Minister describes these changes as, and I quote this invisible aide, "a slight upgrading of the salary structure but not a major one". All I can say is welcome to 1984. That comment will get the George Orwell prize for double-speak for sure.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): What next do we have? The next time the Prime Minister and his colleagues go with their staff to Meech Lake, perhaps it will be a dacha for each one of the Ministers and for each one of the commissars.

This is the Party that spoke so fervently about the rights of Parliament. Not only are these commissars paid more than Members, but they have more access to Cabinet and more influence than Members and they will be the Prime Minister's eyes and ears in every Minister's office in every department.

Mr. Chrétien: Nielsen.

Mr. Turner (Vancouver Quadra): Yes, I am going to talk about the Deputy Prime Minister in a moment.

Some Hon. Members: Oh, oh!

Mr. Deans: He is not worth talking about.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): I am afraid that this vast assembly of Tories elected by the people of Canada, those who sit forlornly in the back-benches and in the wings will be the forgotten men and women of the country, the forgotten men and women of Parliament, because their authority has now been taken over by the commissariat.

Some Hon. Members: Shame.

Mr. Gauthier: They are the book ends.

Mr. Turner (Vancouver Quadra): The Tories, Mr. Speaker, promised open and generous government. They are giving us secretive government, closed government, a very centralized government, even at this very early stage. Why? Ministers must get approval from the Deputy Prime Minister, the Hon. Member for Yukon (Mr. Nielsen). I congratulate him sincerely on his post. He and I have known each other for years, before he sat in Parliament. We have flown over his constituency in his plane. Nearly "bought it" once!

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): I want to tell you, Mr. Speaker, that Ministers must now get the approval of the Deputy Prime Minister before making public statements. The watchwords will be, "Have you checked it with Erik?"

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): As a matter of fact, Members are not allowed to have a drink with our colleagues

here in the Press Gallery without worrying about whether Erik is going to come through the door.

Mr. Chrétien: Check with Erik. Can we go to the bathroom? Check with Erik.

Some Hon. Members: Oh, oh!

Mr. Foster: Go to the john? Check with Erik.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): It used to be follow John. Now you have to get permission.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): Woe betide his dictum and his fiat.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): The motto of the Deputy Prime Minister has become, after Theodore Roosevelt, "Speak softly. Carry a big stick". But that is just when he is dealing with his Cabinet colleagues. I say to the Members sitting behind him: Beware, watch out, and protect yourselves!

Some Hon. Members: Oh, oh!

Mr. Chrétien: You ain't seen nothing yet.

Mr. Rodriguez: You, too.

Mr. Turner (Vancouver Quadra): I am sorry he is not here but I find it inconceivable, for instance, that when the Minister of Justice appeared at the roast for my colleague, the Hon. Member for Saint-Henri-Westmount, (Mr. Johnston), and my sister was also there and competing with Mr. Crosbie for attention—

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): —he said, I am sorry I cannot be as eloquent as I usually am because I am "not allowed to speak".

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): That was the most disappointing news I had heard because I was counting on the Minister of Justice to raise the standard of debate from the other side of the House and to make it a little more interesting in here.

This is but one of the many reversals we have witnessed since the Ministers were sworn in, Mr. Speaker. I saw the "born again" Minister of National Revenue (Mr. Beatty) earlier. When in opposition he attacked the Government vehemently for trying to collect the $3.5 billion in taxes owed to Ottawa. Now, suddenly, he intends to get tough. I use his words. He said he was going to "get tough with income tax evaders".

Mr. Chrétien: That is terrible.

Mr. Turner (Vancouver Quadra): I tell you, Mr. Speaker, what a difference and what a wonderful change a large staff and a chauffeur can do to a man.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): During the campaign the Progressive Conservative Party built up enormous expectations in the people of Canada. This Throne Speech has frustrated those expectations. It offers only meditation, contemplation, rumination, and, most of all, hesitation.

Mr. Broadbent: Sounds like a Liberal to me.

Mr. Turner (Vancouver Quadra): New Democrats are impatient, Mr. Speaker; they have an exaggerated opinion of their own importance. But I want to warn the Hon. Member for Oshawa (Mr. Broadbent) not to let that chauffeur and car go to his head.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Chrétien: His price was a car.

Mr. Turner (Vancouver Quadra): At least it was a General Motors product. As the session goes on, maybe the price will be higher.

One of the most important programs in our country is medicare. It is being threatened by user fees and extra billing. During the campaign the Prime Minister had an answer, which I will quote:

> The answer is clearly, in the circumstances, more money to maintain the services . . . and it's a question of where your priorities are.

Obviously the protection of medicare is not a priority with this Government. It is not even mentioned in the Throne Speech.

The Prime Minister indicated a willingness to address the issue of pensions for homemakers. He made a commitment in the debate on national television affecting womens' issues, but there is no mention of homemakers' pensions in the Throne Speech.

There were 39 specific promises made by the Progressive Conservatives in the energy area. Not a single one received even an honourable mention. In fact, the whole energy sector was ignored. I think this is what the Minister of Energy, Mines and Resources (Miss Carney) admitted during the election campaign, that was that quiet little accord with the provincial ministers—this is carrying it a little too far. We could at least have heard something in the Throne Speech as to the direction of this Government. Farmers and fishermen at least get a passing reference. But where is the promise to change the advance payments crops Act to double cash advance levels?

We realized the necessity, as the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) said in Question Period, to trigger a further payout of $500 million in advance payments under the Western Grain Stabilization Plan. The Prime Minister's colleague, the Premier of Saskatchewan, says even that is not enough. When will the Government tell western farmers what they can expect? Where is the promise to remove the 9 per cent federal sales tax on diesel fuel and gasoline used by farmers and fishermen? Where are the 46 specific promises to our multicultural communities? They are not there.

Where are the commitments to regional development, that special assistance to the Atlantic Provinces announced in Halifax? They are not there. Where are the commitments to housing? Housing starts have dropped by 14,000 this October. What does the Government intend to do? Where is the commitment to remove the capital gains tax on the transfer of farm land? Farms in western Canada are immobilized until the Government makes up its mind and the Minister of Finance tells us whether or not that commitment will be fulfilled. Where is the commitment to roll back the freight rate increases on grain for western farmers? Where is the commitment to freeze rail line abandonments?

Mr. Blaikie: You don't want to kill the Crow.

Mr. Turner (Vancouver Quadra): There were many more promises made which I will not list. They are there. They are not mentioned and they will not be fulfilled.

• (1600)

The point is: it is fine to make grand gestures during election campaigns, but the real acid test begins today. I say to the Prime Minister: "What are you going to deliver to the people of Canada?"

The Minister of Finance just told us today that in his economic statement tomorrow there will be expenditure cuts. We are seeing the plan as it develops, the old one-two punch—first, the Throne Speech to try to soften us up, and then tomorrow the knock-out punch in this financial statement. Maybe when Canadians pick themselves up off the floor on Friday morning we will have at last a clear indication of where the Government will take us.

Tremendous expectations were raised during the campaign. What we are presented with in the Throne Speech is a series of consultations. It is government by study, by seminar. The word "consultation" is used eight times. "Consensus" is mentioned eight times. "Co-operation" is mentioned seven times—

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): —but no action. We expected a bold plan of action. We now have a Government which gives us no action but goes into a retreat. They are not monks and we are not living in a monastery. Canadians want action. They do not want contemplation. Canadians do not want studies and they do not want seminars. Perhaps what is most disappointing is that there is really no vision of the future in that Throne Speech. There are no new goals to inspire us, no new directions in which to lead us. Instead we are presented with a long list of studies, consultations, consensus and process.

That is not leadership. Studies are not action. Process is not an agenda for progress. The Prime Minister and his Party have a massive majority. We can see it in this House. We can see it all around us. Now they are the Government. Now they must fact the tough issues and difficult decisions. That is what their role is. That is what the Canadian people put them into office to do, not to study, contemplate, ruminate and meditate.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Harry Truman, a former President of the United States, would not have been happy with yesterday's result across the border. However, I commend his words on one ocasion to the Prime Minister:

> A leader has to lead, or otherwise he has no business in politics.

A government which promised jobs, jobs, jobs is telling 1.5 million unemployed Canadians to wait until spring. They are saying "Go away, give us time; we want to reflect upon it. We cannot talk to you now. Come back next year when we have studied everything".

For this reason I propose, seconded by the Hon. Member for Windsor West (Mr. Gray), the following amendment to the Address in Reply to the Speech from the Throne:

> That the Address be amended by adding the following words:
>
> "But this House condemns your advisers for their failure to demonstrate leadership and to provide plans for immediate action in the creation of tens upon tens of thousands of new jobs".

Mr. Speaker: I have checked the amendment and it appears to the Chair to be in order.

[*Translation*]

Right Hon. Brian Mulroney (Prime Minister): First, Mr. Speaker, I should like to express my gratitude to the constituents of the riding of Manicouagan where I was born. At a critical, very critical moment in my life, my constituents, my childhood friends and others gave me outstanding support, for which I am deeply grateful today.

[*English*]

I was touched by the thoughtful and eloquent comments of the Right Hon. Leader of the Opposition (Mr. Turner) at the beginning of his remarks. Then they went downhill. However, I thank him for his generous and appreciated thoughtful observations. I want to tell him—and I speak with some knowledge as a Quebec Conservative who watched many elections go by—that he should take some heart from the realization that he is now the leader of the largest group of Liberals elected anywhere in the world.

Some Hon. Members: Hear, hear!

Mr. Mulroney: It is nice to see his Quebec lieutenant seated exactly where he should be—two sword lengths away.

[*Translation*]

How things change after an election, Mr. Speaker! The "common man" from Shawinigan has become the spokesman for Bay Street. How extraordinary! A revolution! As legal adviser, he will undoubtedly defend the interests of the multinationals and American corporations. What a dreadful omen for the future!

[*English*]

I was impressed by the ringing declaration of the Leader of the Opposition to the effect—and I think I got it right—that governments, it was said, should always do what they say they are going to do, with just about that degree of emphasis.

The Throne Speech of 1980 given by the then government contained the following words, and I paraphrase but modestly: "18 cents a gallon is too much". "We must reduce the rate of unemployment". It was 800,000 then and it rose to 1.5 million. "We are going to arrest the growth in the size of government". It was $60 billion per year then. It is $100 billion now and climbing every day as a result of their mismanagement. Then the big one in the Throne Speech: "Elect us and we are going to reduce the deficit in a planned and orderly way". It was because of four solemn undertakings made and violated by the Liberal Party that the Canadian people placed not the Right Hon. Leader of the Opposition, because he was not here, but his colleagues in opposition for a long, long time.

Some Hon. Members: Hear, hear!

Mr. Mulroney: The Right Hon. Leader of the Opposition alluded to a growing concern in recent years about the perception of Parliament and the fact that it does not appear to be in full control of government, parliamentary committees are less than effective and the role of the individual Member is under attack. Canadians, irrespective of politics, want to know that the elected Members are in charge to the extent humanly possible of Canada's affairs and that government, again irrespective of stripe, is accountable to the duly-elected Member of Parliament.

• (1610)

Therefore, for that reason among others we announced the creation of a parliamentary task force to deal with this vital matter. I am honoured today to be able to tell you, Mr. Speaker, that one of the most outstanding Parliamentarians of my generation has accepted the chairmanship. I refer to the Hon. James McGrath.

Some Hon. Members: Hear, hear!

Mr. Mulroney: In congratulating the Hon. Member for Sarnia-Lambton (Mr. James) for his conviction in and great knowledge of the petrochemical industry in his area, I want as well, and I think he would want me to do it, to—

[*Translation*]

—underline the graceful and eloquent manner in which the Hon. Member for Montreal-Mercier (Mrs. Jacques) seconded the Address in reply to the Speech from the Throne yesterday. Although she is the youngest Member of the House of Commons, Mr. Speaker, she delivered her speech with obvious ease and self-assurance, and I think that she belongs to the generation of Quebecers and Canadians who are now striving for a stronger, more open and more generous Canada.

[*English*]

In terms of improvements, there are many. I will not list them today, but one of the dramatic improvements that have been made since the new Government took office has been the quality of some of the ambassadors appointed. Yesterday, in a moving speech by Stephen Lewis, the new Canadian ambassador to the United Nations, with regard to Ethiopia and the problems of Africa, he cut out and set out important policies and views. He spoke movingly of the situation in Africa. I know I speak for all Members of this House in saying, as did the Secretary of State for External Affairs (Mr. Clark), that we shall provide leadership and assistance in this grave crisis.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Mulroney: It was with deep consternation and sorrow that we learned last week of the tragic death of Mrs. Gandhi, and again I would like to extend my personal heartfelt condolences and those of all my fellow Canadians to her son, the Prime Minister, and to the other members of her family. Canada is determined to maintain close and cordial relations with the world's most populous democracy.

[*English*]

Still in the area of external affairs, yesterday I had the opportunity of conveying personal congratulations and those of my Party—and I know I spoke for all Members of this House—to President Reagan as Leader of the United States of America.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I know I spoke for all Members of this House, even some people in the galleries. In fact, I may say parenthetically that the Liberal convention was a dismaying event. Not the result; I was delighted with the result. I refer to the visceral anti-American feelings that were expressed. The hostility to our friends saddened and disappointed many Canadians.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Canadians responded on September 4. The United States is our friend, neighbour, ally and largest trading partner. We value our friendship with the United Kingdom, France, the United States, and our other allies and supporters. Recognition of this is an act of maturity, not of servility. Our intention as a government is to maintain those first-class relationships around the world.

[*Translation*]

In a few moments, with your permission, Mr. Speaker, I will have to leave for the airport. I have already mentioned this to

the Leader of the New Democratic Party and asked him to forgive me, but I must go to the airport to welcome Laurent Fabius, the new Prime Minister of France.

This relationship is a cornerstone of our foreign policy which will help us in establishing and maintaining warm and fruitful relations with France at all times and under all circumstances.

[*English*]

I do not mean to be unduly critical today. Even if I tried to be critical of the previous Government, I could not do as good a job as was done by the Leader of the Opposition during the Liberal leadership convention. He was tremendous: deficit spending, declining productivity, declining commitment to research and development, abusive treatment of the private sector, the 1981 Budget, the MacEachen Budget, the NEP which just about extinguished the entrepreneurial spirit and debilitated the private sector.

We are going to re-energize the private sector in this country because that is the way new jobs are created.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I must say that it was with sadness when I saw the Right Hon. Leader of the Opposition—

[*Translation*]

—reverse his stand in the middle of the election campaign, when, after he had made serious and important comments about the National Energy Program, he went to Halifax, and, probably after consulting with Senator Davey, who is also from Bay Street and who is here today, said that he was in favour of the National Energy Program.

[*English*]

It was an astonishing conversion and a debilitating one. That kind of retroactive provision is odious. Canadian wealth, prosperity and new opportunities are not built on confiscating somebody's property.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I say this because my right hon. friend was by and large not responsible. Nor was he responsible, but this is the heritage, for the downgrading of our military obligations, the churlish and vexatious treatment of the United States of America, our greatest friend, neighbour and ally, the United Kingdom and others.

We were left with unemployment at tragically high levels, an industrial base that had been gravely eroded and to which the Leader of the Opposition quite properly addressed his considerable ideas and force of character during the leadership campaign. The industrial base of the country was gravely eroded, and has been. The private sector has been undercapitalized and unappreciated by a series of these governments.

Today, not a word of contrition, not a single little *mea culpa* for what has happened to the country, not an ounce of humility. The Liberal Party has been wiped out in the provinces, reduced to a rump here and we do not get even a little 'I'm sorry'. I am not asking for much, just a little bit of an acknowledgement that indeed perhaps the Liberals were not—

[*Translation*]

—in secure possession of the truth at all times. They are perhaps somewhat less perfect that the Hon. Member from Papineau (Mr. Ouellet) used to say occasionally! But that is not the point. I must respectfully say that I do not see how the Leader of the Opposition (Mr. Turner) can have the gall to criticize us for anything after having been with his colleagues in power for 20 years. As for us, we have only been in power for two months, but I can tell you this: Give us 20 years, and it is coming, and you will not recognize this country. Moreover, the whole area of federal-provincial relations will also be completely changed.

The Leader of the Opposition belittles the process of consultation and the notion of respect toward the provinces that are mentioned in the Speech from the Throne. We believe that these are important and even vital gestures in a federal state, and that we cannot operate without healthy and dignified consultations. This must be understood.

The Hon. Member for the Thousands Islands, who has been named his deputy for Quebec, accused me during the election campaign, and this shows the mentality of that party. The Hon. Member for the Thousands Islands, who is here today, said in an important speech in Quebec that the then Leader of the Opposition—

An Hon. Member: Laval-des-Rapides.

Mr. Mulroney: I am sorry, the Hon. Member for Laval-des-Rapides (Mr. Garneau) said that the then Leader of the Opposition was leading a party of Orangemen. That is wrong: As the Hon. Member can see, I lead a party made up of Orangemen, Knights of Columbus, Ladies of Sainte-Anne, Daughters of Isabelle, Kiwanis and Lions' clubs members, of former Liberals, former Creditists and of all those who believe that the time has come for renewal and prosperity in Canada. To speak about Orangemen is to bring back a lot of nonsense from the 1940s. In fact, that was the traditional bogeyman of the Liberal Party in 1940. I think that after sober consisteration the people in Quebec and in the rest of Canada came to the conclusion that they were going to put an end to the monopoly of the Liberal Party over the francophone vote in this country. Enough of that nonsense! We are going to vote for a new party and a new prosperity in Canada.

I regret to say that the Leader of the Opposition went to Quebec and found three separatists. Three. As for me, I discovered a population saddened by such statements and determined to reject them and to respond to the call for unity and progress. The people of Quebec and Canada decided that, since it was harbouring such harmful attitudes, the Liberal Party needed a period of rest, of reorientation and of renewal which might last a long time.

• (1620)

[*English*]

I have already conveyed to my friend, the Hon. Leader of the New Democratic Party, my regrets at having to leave somewhat early to go to the airport to welcome the Prime Minister of France. However, before concluding I simply want to say that the agenda before the House as set out in the Throne Speech strikes me as being reasonable, appropriate and fair for the country. We seek an end to confrontation. We seek an end to division and conflict. We seek a new era of co-operation and understanding.

I am fully aware of the limitations of the thought itself. I know that there will be difficult moments. I think, for example, of the area of federal-provincial co-operation in which, for 15 years, the people of Newfoundland and Labrador asked for one thing of the Government. They asked for an honourable deal in the offshore and they were told consistently either to do it the Liberal Government's way or it would not be done at all. We applied the great traditions of building upon regions and, understanding the vitality and the necessity of that strength and in a spirit of honourable compromise, we went to Newfoundland—and we will be back again—to conclude an arrangement with Newfoundland and Labrador with regard to the development of that magnificent resource, in the firm belief that people from Newfoundland are entitled to fairness as well and that what is good and prosperous for Newfoundland is good for Canada.

[*Translation*]

And we have approached the West exactly the same way. We are going to negotiate with Ontario and Quebec. We are, however, going to stop building judo clubs in Quebec churches. That was a hobby of the Member for Papineau (Mr. Ouellet). We are going to or at least we shall try to reach some kind of agreement with the elected government of Quebec, and start a reasonable and intelligent dialogue in order to create jobs for Quebecers and Canadians. That is this Government's mandate, both in Quebec, Alberta and Newfoundland, and we intend to fulfil that mandate.

[*English*]

There is no suggestion, Mr. Speaker, not today nor during the election campaign, that we pretend to have all of the answers. We recognize the seriousness of the problems. May I say parenthetically to my right hon. friend that in regard to the litany that he not improperly set out, there was a very important caveat made in Prince Albert, in Sherbrooke and in Halifax. If he takes the time to read the statement that I released that day, he would see that we indicated that these programs and policies were good for Canada and would be introduced in a timely manner depending upon the state of the finances as we found them.

Some Hon. Members: Oh, oh!

Mr. Mulroney: Tomorrow night the Minister of Finance (Mr. Wilson) will set this out in detail. The "Hon. Member for Shawinigan or Toronto"—

[*Translation*]

I am not too sure. Does a guy from Shawinigan go to Quebec City to practise law? No. To Montreal? No. To Shawinigan? No. To Toronto? Yes. I like Toronto, but I did not say during my election campaign: You have a choice between the guy from Main Street and the guy from Bay Street. The guy from Main Street is now the guy from Bay Street. I like both Main Street and Bay Street, and they both voted for our party.

[*English*]

So we put in the important caveat that these programs would be introduced. Pursuant to the statement that will be made by the Minister of Finance tomorrow evening, Mr. Speaker, we will bring forward programs that we believe are reasonable, that are important for the re-energizing of the Canadian economy, that are consistent with our traditions and that people can believe in. We believe that in this spirit of renewal and co-operation and in the search—and it is only a search—for a new consensus, we can and indeed we shall bring a new degree of prosperity to Canada and to Canadians.

Some Hon. Members: Hear, hear!

• (1630)

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would like to begin my comments by referring to the speech of the Prime Minister (Mr. Mulroney) in a way that he will well understand. What I am about to say is not said in any mean spirit, but rarely have I heard a former truck driver talk so much about Bay Street, or a prime minister say so little about his Throne Speech.

I do want to begin, most sincerely, by congratulating both the mover and the seconder of the motion. These two Members spoke well, seriously and with conviction. I congratulate them on their beginnings in this Parliament.

I would like to speak about what I thought would be the substance of the debate—the future of Canada. Instead, what we had was a rehash of an election campaign which I thought had been put behind us. In that connection I say that the Throne Speech should assess the problems of a nation, regional, between groups and between individuals, and it should lay out in general terms a new Government's approach to those problems. It should not pretend to provide all the answers, but it should at least pretend to set a new direction and provide a new beginning for the nation following an election.

Without belabouring the problems—because the people of our country know the problems—I would like to indicate some of the matters which, in the view of my colleagues, and I think the vast majority of Canadians, ought to be addressed by this Parliament. Most of the problems ought to be addressed before the House adjourns for the Christmas break. I do not mean

that the problems should be solved, but provision for solutions ought to be started. What are some of the problems?

[*Translation*]

Unemployment: one out of every eight Canadians has been without a job for the past two years. Among our young people, 18 per cent are unemployed. Poverty: 4.3 million Canadians are now living below the poverty line. Moreover, most of our single-parent families whose head is a woman are also living below the poverty line.

The tax system: it has become increasingly unfair. Over the past 10 years, the number of Canadians whose income exceeds $50,000 per year and who are paying absolutely no income tax has increased from 300 to over 8,000.

[*English*]

Add to these particular problems, that are very real, the problems of our farmers. During the past decade, year in and year out, farmers have had a decline in their real income. Add to that the problems which are becoming increasingly evident for men, and particularly women, who are faced with technological change. One can see that any government coming to power in Canada at this particular moment, whatever its ideological stripe, has its problems set out.

Canadians voted for change. I sincerely congratulate the Prime Minister and his Party. They won one of the great political victories in the history of our country and they deserve to be commended for getting the democratic support of the majority of our people. Having received that support, and having obtained a mandate for change, leadership of a very high order is required, leadership which will indeed begin to address the problems and do so from within the framework of the changes which were promised in the election campaign. The people of Canada are looking for change which will be compassionate, serious and which will provide a greater opportunity for Canadians, young and old, men and women.

If we begin to assess the Throne Speech—and I think in this debate we should spend a little time on that—and if we look at the speech in terms of providing change, what do we find? First, we must consider the stated goals and look at what is found in this Throne Speech as compared with previous Throne Speeches provided by the Liberal Government.

In this speech we find a commitment to "national reconciliation". That is a replacement for the Liberal wording which covered the same objective. The Liberals preferred to offer a "new era of federal-provincial consultation".

On the subject of social justice, we heard a commitment to "value and support the comprehensive social security system", instead of the Liberal words of "strengthening the safety net". Perhaps that expression is a little less elegant, but it is the same goal.

On the question of economic renewal, instead of Liberal talk about a "critical national objective", the Conservatives give us a "critical national challenge". Having listened to the Throne Speech, I was not at all surprised to hear on the news that evening the finance critic for the Liberal Party saying that the Conservative Throne Speech could have been written by a Liberal. I would make a small correction to that statement—it was written by a Liberal.

If there is nothing new in terms of the stated objectives of this Government, if it is essentially a reformulation using new buzz words and new concepts of goals which were provided by the previous Liberal government, I would say right away that the New Democratic Party supports the same goals. I would also say that when the day comes—and I believe it will come—that the New Democratic Party will write a Throne Speech for the people of Canada, and if we talk about the same laudable goals, we will use new terminology. My concern is not with the spurious battle of words. I would rather get on with what I regard to be the essence of such a debate and the essence of such a Throne Speech. It is not over that type of matter that I feel we should be having disputes. My concerns are a little different.

My concern is not about the general goals, which I have said are quite laudable; my concerns are with specifics. The specifics, such as they were in the Throne Speech, almost without exception, were the unfulfilled specifics of the old Liberal agenda. I will not document that case. However, I believe any journalist—and there are a number of journalists who actually do their homework—looking through the list of specific Throne Speech commitments provided by the new so-called Conservative Government would find very quickly that the specific commitments which relate to some of these goals are, by and large, on the unfulfilled agenda of the past Parliament.

● (1640)

I want to add right away, Mr. Speaker, that many of those particular specific commitments we would support as well. However, I raise this point for the consideration of the people of Canada, those men and women who are regarding this debate as it takes place in the House of Commons, those men and women in Atlantic Canada—

[*Translation*]

—in the fine province of Quebec, in the province of Ontario and in Western Canada who have voted for a change.

[*English*]

I have a simple question: where is the change? Where is the change, Mr. Speaker? Where is the new beginning we were promised?

With respect to the Throne Speech, what really does concern me is not simply the absence of the specifics, and I will come back to some of those in a moment, but what is the economic philosophy which permeates the Throne Speech. The political agenda of this Government began to be set out pretty clearly shortly after September 4 in statements made by the Prime Minister from Meech Lake, by statements made by the Minister of National Revenue (Mr. Beatty), the Minister of Finance (Mr. Wilson), and other Ministers of the Crown. It is perhaps best illustrated by a phrase from the Throne Speech

itself—which I understand was added at the last moment—which is this:

That we must deal urgently with the deficit is beyond dispute.

This is not simply the view, Mr. Speaker, expressed by the Leader of the Opposition (Mr. Turner), at least the view he expressed before the summer campaign got under way. It is also the view which had begun to be established by the previous Liberal Government. The Liberal Throne Speech of last year used the following words: the Government would pursue—

—a fiscal policy track which will contain and then curb the federal deficit as recovery strengthens.

The case I want to make, Mr. Speaker—and I do so for all members of my Party from coast to coast as well as for all the men and women of our country—that if they considered all the implications of this debate, they would find that this fundamental approach pursued by the previous Liberal Government in its latter years, and reiterated with great emphasis by this new Conservative Government, is fundamentally wrong. This approach by the Government mistakes the symptoms for the disease. By attacking on a priority basis the symptoms of a disease instead of its causes, there is serious risk of doing irreparable damage to the patient.

I want to say, Mr. Speaker, that our problem is one of bad economic performance. Our problem in Canada is that too many men and women are collecting unemployment insurance cheques instead of paycheques. Our problem is that there is too much suffering and too few jobs in the country. Our need as a nation is not to repeat the errors of the past but to learn from them. Our need is not to have a government which plans to implement recent Liberal policy. What we need is a government which would change that Liberal policy.

I say with a great deal of emphasis, Mr. Speaker, that the current mess our economy is in and its ramifications throughout our land were indeed the creation of the Liberal Party of Canada. There can be no doubt about that. However, I also want to say that the Liberal Government just a few years ago began to try to extricate itself from this mess. It began then to see as a disease what I have described as the symptoms. It began to go just a few years ago in a direction which the Conservative Party has now pursued and will be pursuing with a great deal of vigour, I am sure, tomorrow night. That is to say, it began a series of policies and programs with which Canadians are now pretty familiar. I want to remind the Conservatives of the Liberal origin of their current policy. We had in recent years the six and five program, civil service cut-backs, reductions in family allowances, reductions in pensions, and increased loopholes provided in our tax system for upper-income Canadians. We had not millions but billions of dollars in the form of give-aways in an unaccountable fashion introduced into the corporate tax system, give-aways which went out to the corporate sector without performance criteria being attached to them. All of these things, I say, are within the framework of the kind of policy which is now being pursued but incorrectly described by this new Government as being a new policy. These policies were begun by the Liberals.

What did the Liberals say that these policies would lead to? They said that they would lead to economic recovery, that they would begin to turn the mess around which the Liberals had created from 1968 up to the end of the 1970s. But what did we receive instead? We had upper-income Canadians who received the tax breaks, yes, but last year investment in the economy went down, not up. We had thousands of corporations taking advantage of the tax benefits, and I do not criticize them for doing so. Anyone would take a tax benefit if he could. However, the same corporations, according to the president of one of our chartered banks, indicated there was a whole batch of programs which gave them windfall profits they did not need. They received largesse from the taxpayers but did not invest it. We did not create more jobs, Mr. Speaker, we created fewer jobs, and it is to these kinds of programs that we want to put an end.

I want to say to the Conservative Government that, in my view, the approach that it is now embarking upon could turn out to be not only disastrous for the people of Canada but could be its own political undoing. Partisan politics is something that that Party understands very well. I ask the Conservative Government to consider those parts of the world that have already put into operation, on a deeply penetrating basis, the kind of approach which the Liberals started in recent years and which we heard in the Throne Speech and in statements earlier this month from the Prime Minister and the Minister of Finance. It has not been applied in the United States. Mr. Reagan was originally elected on a campaign to reduce the deficit. He went around the United States saying that the top priority should be the reduction of the deficit. When Mr. Reagan came to power, what did he do? Did he reduce the deficit? Not at all. The United States under the Reagan administration has had the most massive increase in the deficit of any period since World War II. The United States has also had the most rapid economic growth, the lowest level of inflation and the best job-creation rate of any industrialized country in recent years. Mr. Reagan preached one thing but practised another when it came to major fiscal policy.

Where have we seen the application of this new Conservative approach, Mr. Speaker? Where have we seen it put into operation? We have seen it put into operation in the United Kingdom by Margaret Thatcher, who made the mistake of not only taking up the rhetoric of Mr. Reagan but the substance. What she has produced in the United Kingdom is an unmitigated disaster. High unemployment persists, social conflict has exacerbated. Instead of bringing a sense of renewal of purpose to the people of Great Britain, Mrs. Thatcher has brought to them a new level of despondency.

• (1650)

I do not have to go to the United Kingdom either, Mr. Speaker. I can go right to the West Coast and the Social Credit Government of Mr. Bennett. We have seen in the Province of British Columbia that Conservative philosophy which the present Prime Minister has advocated in this Throne Speech. That province, once wealthy in opportunities for men and women, in jobs and social services, has gone persistently

downhill ever since Mr. Bennett applied the economic philosophy of the so-called new Conservative Government we have with us today. Not only has unemployment worsened but, I say with care and concern, so have relationships among the people of British Columbia. We have never seen such conflict and antagonism within the same community as we now find in British Columbia. Anyone would be pretty naive and foolish to think the people of British Columbia are fundamentally different from Canadians elsewhere. Not at all. When you have a misapplication of an economic philosophy, when you have a government that wants to determine its policies to benefit the quick and the slick, a government that tries to turn recent economic history upside down by putting forward the wrong set of priorities, you create the kind of disharmony and tension that we have in British Columbia. My Party will have nothing to do with that for the country as a whole.

There was a time, Mr. Speaker, when the Prime Minister himself, it seemed to me, in the election campaign had a view very similar to what I am expressing. One of the speeches he made in the summer of 1984 seemed to indicate, in my view, that he had a proper sense of economic priorities for this nation. He said in Vancouver on August 24, appropriately enough in light of what I have just said, that "clearly there can be no drastic reduction in the deficit until interest rates are lower and the country gets back to work. Massive cuts now would guarantee a recession". Well, I say to you, Mr. Speaker, the Prime Minister was right when he said that in the summer of 1984, and he should be applying consistently the same thought as a matter of policy in November, 1984, in the House of Commons.

I suggest, Mr. Speaker, that there are very specific things that could be done to implement the general goals which were outlined in the Throne Speech, and with which I happen to agree, where it talked about economic renewal, co-operation and social justice. I also want to suggest that there are proposals the Prime Minister himself made during the election campaign but which we now find notably absent from what he plans to do as Prime Minister.

Let us consider first of all economic renewal. I believe it to be the case that we really want to reduce the deficit at some point. Every sensible politician, every sensible Canadian, indeed every sensible person around the world, wants at some point to have a reduction in his deficit. You would have to be pretty mindless to say, no, we must go on forever with increasing deficits. That is a spurious caricature of the position some people take. No one really takes that position. But if you begin with your priority of economic growth, which is what we begin with, then when you get that, you will have revenue because people have jobs. The Government will receive taxes from both individuals and companies because the people are working and the companies are making profits instead of suffering losses.

Therefore, the priorities should be jobs, jobs, jobs, as the Prime Minister once said. We should be setting targets for unemployment reduction. It seems to me that, as certain other nations have done in recent times, you could set a target of a 2 per cent to 3 per cent reduction per year in unemployment. Why in God's name, when we have 1.5 million Canadians suffering unemployment, do we have to wait, as this Throne Speech says, until next spring? Why can we not set those targets now to give Canadians some help?

Some Hon. Members: Hear, hear!

Mr. Broadbent: What are some of the things that could be done in terms of economic renewal, Mr. Speaker? Well, as the Prime Minister promised at one point in the campaign, we could have a reduction in interest rates. We have suggested, and I will not go over the details now, a process which, as a matter of fact, certain Conservative circles endorsed, as I found in a learned Journal not long ago, as one approach to interest rate reduction. I will commend the article to the Prime Minister. He could bring down interest rates, and that would make it easier for business to borrow and expand. But I say, not only to the Prime Minister but to the Leader of the Opposition, that if we have a 1 per cent or 2 per cent reduction in interest rates, the carrying charges for our very substantial national debt would be reduced by millions of dollars each year. In addition, we should do something which seems to me should hardly be seen as radical in a modern world. Instead of having a corporate tax policy that simply gives out money to corporations in the rather naive hope, whatever the market circumstances may be, that they will reinvest the money and use it for productive purposes, we should put an end to this largesse. We should say to corporations: Yes, if you perform, if you have a retraining program and affirmative action programs for women, if you expand because you have purchased equipment from another Canadian firm, then yes, then and only then you will get money from the Canadian taxpayer. That is the kind of policy we think should be put in place.

[*Translation*]

Mr. Speaker, we must establish a youth initiative assistance program, such as the one which was part of our party platform last summer, to help young people, put to good use both their knowledge and skills. Such a program would encourage economic initiatives and create 100,000 new jobs for our young men and women. It would result in major economic spin-offs.

[*English*]

Next, Mr. Speaker, in terms of economic renewal, we could have some resource upgrading. Surely the time is long overdue in this resource-rich land of ours that we took seriously the task of upgrading into finished form more of the products of our forests, mines and fishery instead of simply dealing, as we have for so long in our history, with the export of the raw product. It is time now to upgrade our resources and get more of those secondary jobs. New investment is required there.

The income of farmers has been going down for a decade. The Conservatives could implement what they promised, which is to remove the tax on fuels for our farmers so that they could do their job more efficiently. Consumers would benefit and so would they as producers.

These proposals, Mr. Speaker, would put the priorities right. We are not wed to all of these ideas, but some of them make

excellent economic sense. All of them we would like to see implemented, but I plead with the Government, if it is talking about economic renewal, to forget this recently acquired version of Reaganism. Look at what has happened in the United Kingdom and in British Columbia. Let it implement instead the priorities that the Prime Minister promised to the people of Canada in August when he sought the office of Prime Minister.

If I may, Mr. Speaker, I would like to move from the question of economic renewal to that of co-operation. The Prime Minister has spoken often about that, and I believe that he believes it very genuinely. I say candidly that one of the pleasant aspects of the personality of the Prime Minister is that he does have a disposition to try to make friends instead of making enemies, and that is good in any nation. It is particularly good in a federal state like Canada. I also say that he is going to discover before long, whether in dealing with the Premiers or with President Reagan, that a warm handshake and a smile are not sufficient. If we want a co-operative attitude to develop in our country, it seems to me that certain basic policies, rather than just attitudes, must be implemented.

• (1700)

Consider taxation. We in my Party talked a lot in the summer campaign about taxation from the point of view of justice and fairness. It is wrong that a pensioner and a working man and woman in this land should be paying plenty of taxes when a rich person does not have to pay a cent. Certainly from the point of view of justice we should have a change which ensures that everyone pays his or her share.

I also want to recast the argument, Mr. Speaker, because it is not simply from the point of view of justice that my Party speaks about the need for tax reform. We believe in co-operation too. We believe that men and women working in the private and public sectors should have a more co-operative attitude toward one another. Through you, Mr. Speaker, I ask the Prime Minister whether he would not have a much greater chance of obtaining that from working people, like IWA members, steelworkers or the many men and women in our country who are not in trade unions at all, if he said that there is going to be tax reform so that upper income Canadians will have to pay their share. Otherwise, other Canadians may ask, "Why should we co-operate? Why should we not get all we can out of the market system? Why should we have a built-in obligation to try to achieve community if those who are most able to pay are not paying a cent?" Therefore, I say to the Prime Minister that it is not simply for justice but also to develop a sense of co-operation that tax fairness is important.

I come to the issue of social justice, which was also addressed in the Throne Speech. Instead of merely giving us an agenda of the unfulfilled commitments of the previous Liberal Government, some of whose items are quite good and some of whose items men and women in all Parties of the House agree with, why did the Government not bring forward something that was really new in the justice field?

With regard to pensions, they are setting up a new consultative process. It makes sense to consult with the provinces about a lot of things. We have had commissions, we have had study groups, and we have had parliamentary groups. It seems to me that in the past decade we have had half the country studying pension reform. Could the Government not have said that it will begin now with some legislation to initiate pension reform?

On the subject of daycare, everyone in the country knows that the majority of women growing up now are going to be working outside the home. There has been a decisive turning point, not only in the history of Canada, but in the history of all developed societies. Some women will indeed work, get their satisfaction and make their contribution in the home, but the majority of women growing up are going to work outside the home. Anyone who has studied this problem knows very well, from either the male or female perspective, that if we are concerned about the development of children, something must be done quickly about daycare facilities. Why do we have to set up a committee of the House, as is proposed in the Throne Speech, to look into the idea of daycare? Would it not have made more sense to set up the committee on the basis that the principle of daycare is now assumed, that we are going to have it in Canada, and have that committee report back, perhaps in three months, about the methods of raising revenue in our federal system to make it a real possibility? At the same time we should introduce a minimum tax on all those who are earning more than $50,000 a year, something which we have proposed. From that tax alone more than $400 million in additional revenue would be raised. That money is more than adequate for the initial downpayment which has been advocated by the Canadian Daycare Advocacy Association to give a start to daycare. That is what we could do with it.

I now turn to another area of social justice, that is, the equality principle for women. Surely, Mr. Speaker, if there was an aspect of the campaign which we all lived through in the summer of 1984 which was not simply symbolic but a change of fundamental importance to the history of our land, it was the presence of women in the campaign. They were not all necessarily candidates. My Party had a lot of women, but I say frankly that we did not have a sufficient number of them in terms of what we would like in the future. I am not talking simply about the level of candidate participation. I am talking about women in our society, whether in Montreal, British Columbia, Ontario or on the Prairies. Let us put the issue of the equality of women on the political agenda of our country where it belongs.

As I read the Throne Speech, Mr. Speaker, and I read it with care, I was more than disturbed, I was deeply disappointed, because in reading that wording I found that when one got beyond the rhetoric to a consideration of the specifics, there was in fact a regression in the commitment made to women. There was a move backwards rather than forwards. I want to remind the Prime Minister of what he said in the election on the issue of fundamental importance to us, the issue of equality

between the sexes. He said this with reference to the principle of equal pay for work of equal value:

● (1710)

[*Translation*]

Of course, I will go further. I will make sure that this equality principle is adhered to by all those who are eager to do business with the federal government.

[*English*]

He said that on August 15 during the NAC debate in the election campaign. That was an unequivocal commitment to ensure that companies doing business with the Government of Canada would need to have in operation the principle of equal pay for work of equal value.

On the other important issue affecting Canadian women, that of affirmative action, in March of last year the Prime Minister said the following, which was repeated significantly in May at the lunches with leaders in Toronto:

When seeking Government business, companies will be required to detail their action plans, timetables and programs for attracting, training and advancing women within their operations. This, in my view, is a legitimate and fair requirement.

I say through you, Mr. Speaker, to the Prime Minister that if it was appropriate to make commitments in the summer about the principle of equal pay for work of equal value, if it was appropriate to insist on behalf of Canadian women that private companies produce affirmative action programs during an election campaign, it ought to have been in the Throne Speech which we had this week.

Some Hon. Members: Hear, hear!

Mr. Broadbent: I would like to conclude with the following words: Canadians do want change, they do want conciliation, they do want economic renewal and co-operation, all of which values are to be found in the Throne Speech. There are things which can be done and there are things which should be done. It is clear, in my view, that the Liberal Party does not really know what it wants. It said one thing in July, another thing in August, and another thing in the House of Commons. However, something is clear, and that is, that we in the New Democratic Party will maintain consistent with what we promised. When a laid-off worker in the Yukon calls, we will be listening. When a woman telephone worker in Newfoundland complains about sexual discrimination, we will be with her. The next time a farmer in Saskatchewan must take action to defend his or her family farm against a bank, we will be one their side. In short, in the summer of 1984 the New Democratic Party campaigned day in and day out for the ordinary person of this country, and I pledge that the same Party will work day in and day out in the House of Commons for the same people. Thank you very much.

Some Hon. Members: Hear, hear!

Mr. Speaker: Does the Hon. Member for Oshawa (Mr. Broadbent) wish to move a subamendment?

Mr. Broadbent: Mr. Speaker, I move:

That the amendment be amended by adding the following words:

"and specifically, that your government has failed, 1. to set jobs as its top and immediate priority; and to set targets and outline specific new programs to put Canadians back to work; 2. to reform the tax system to ensure wealthy Canadians pay their fair share of taxes and that corporations use their tax breaks to create more jobs; and, 3. to provide immediate measures to bring about equality for women in Canada.

Mr. Speaker: I have examined the subamendment proposed by the Hon. Member for Oshawa (Mr. Broadbent) and find it proper.

At this point we are continuing debate on the subamendment moved by the Hon. Member for Oshawa.

On motion of Mrs. Browes the debate was adjourned.

On motion of Mr. Hnatyshyn the House adjourned at 5.14 p.m.

HOUSE OF COMMONS

Thursday, November 8, 1984

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

ONTARIO AND MANITOBA COURTS AMENDMENT ACT

MEASURE TO ESTABLISH

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, I rise on a point of order. I just want to indicate before we proceed with this legislation that the Minister of Justice (Mr. Crosbie) is just coming from Cabinet where we have been discussing matters; he will be here in a moment. I believe he is coming in now, so I guess we can get on with the business.

Hon. John C. Crosbie (Minister of Justice) moved that Bill C-3, an Act to amend various Acts as a consequence of the reconstitution of the courts in Ontario and Manitoba, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, it is very good of you to be so patient and understanding at such an early stage in what I am sure will be your most eminent career as Speaker.

The legislation before us is necessary because of initiatives taken by two provinces, Ontario and Manitoba. It has to do with the reorganization of the courts in those two provinces. In putting forward this legislation, we are responding to requests from those two provinces to bring our laws into conformity with their legislation.

In the case of Ontario, they are reconstituting the County and District Courts into a single District Court of Ontario. In the case of Manitoba, this reflects the merger of the County Courts in Manitoba with the Court of Queen's Bench which was effective on July 1, 1984.

These amendments, as anybody who has read the Bill will agree, are largely technical in nature. Their purpose is to delete obsolete references in federal legislation to courts and judicial officers in those two provinces. The amendments, you will also note, are contained in the schedule to the Bill. With respect to Ontario, they have a new Courts of Justice Act there, as I say, which provides for a province-wide District Court. There are two amendments that might require a little further explanation.

There is an amendment to Section 34 of the Judges Act which preserves the present requirement that judges reside within the county or district to which they are appointed or assigned, subject to a discretion in the Governor-in-Council to permit residence elsewhere of the judges of the District Court. It is preferable for a judge to reside within his own county or district.

I see the Hon. Member for Vancouver-Kingsway (Mr. Waddell) is back in the House. It is a bit of a surprise to see him back here. Nevertheless, I welcome him back. I note with some interest that he is not the justice critic. The justice critic is a colleague of his from the lower mainland. I hope the lower mainland will not be any lower than it was in the last Parliament.

Mr. Deans: Unlike the Tories, we wanted someone who knew what they were talking about.

Mr. Crosbie: I am glad to see that he has been re-elevated to the justice level after his experience with the issue of prostitution.

Mr. Deans: Tell us about the economic statement tonight.

Mr. Crosbie: I would sooner discuss what I am discussing because this is what I am supposed to discuss. I am a member of the silent service. I am going to keep strictly within my own area of jurisdiction.

This is a matter of tremendous national importance. It is important that a judge reside in his own county or district. Please don't try to divert me.

Another very significant part of this legislation is that we are amending the Railway Act because the Province of Ontario has abolished the office of clerk of the peace and has requested the transfer of the record-keeping functions presently exercised by that officer under the Railway Act to the office of the Crown Attorney. If you understand that, you are far ahead of me.

With respect to Manitoba, all references to the former County Courts are deleted and now the references are to the Court of Queen's Bench of Manitoba. One thing that might be noted as well in the amendments is the repeal of paragraph 21(5)(d) of the Judges Act which presently prohibits the payment of travelling allowances to a judge of the Court of Queen's Bench for attendance at the City of Winnipeg. Since these courts have merged, a number of judges are required to reside in judicial centres other than Winnipeg, so we are repealing that provision to permit the payment of validly incurred travelling expenses by judges of the court for their attendance at the capital.

All of these amendments are deemed to have come into effect in Manitoba on July 1, 1984. This will permit the filing of all legal documents and so on without any confusion in the court process. That is the purpose of this Bill.

I would like on this first occasion on which I am speaking to the House as Minister of Justice to make a few general points as to the way I hope to approach the responsibilities of this office.

Mr. Deans: Did you clear this with Erik?

Mr. Crosbie: I clear everything I do with Erik. However, I am not saying what Erik that is. I have an Erik in my office. As a matter of fact, the Hon. House Leader for the New Democratic Party often gives me an earache.

Mr. Deans: The ache you give me isn't in my ear.

• (1110)

Mr. Crosbie: I am not going to comment on what happens to other parts of the gentleman's anatomy. They are all unmentionable.

This is my first occasion to address the House as Minister of Justice. I want all Hon. Members to know that I am following in a tremendous tradition. Sir John A. Macdonald was our first Minister of Justice. I do not say this to make any other Members of the House nervous; it just happens to be a fact that Sir John A. Macdonald was the first Minister of Justice of this country. The Hon. House Leader for the NDP would be interested in the fact that one of that Minister's first accomplishments was legalizing trade unions in the country. He brought in the legislation that made it possible for trade unions to function in this country.

We are a caring Party. We are a Party that is responsible for the legitimization of the entire trade union movement.

Some Hon. Members: Hear, hear!

Mr. Crosbie: One hundred years before the poor House Leader for the NDP appeared on the scene, we legalized trade unions in this country. He would not be here today if we had not done so.

Mr. Deans: I beg your pardon? What has that to do with anything?

Mr. Crosbie: Mr. Speaker, my predecessor, Sir John A.—I am Sir John C., he was Sir John A.—was responsible as well for the formation of the Northwest Mounted Police. These were two of his accomplishments while he was Minister of Justice.

It was a Conservative Minister of Justice, Sir John Thompson, who, from 1885 to 1892, codified the Canadian criminal law. The Criminal Code was brought in under his tenure as Minister of Justice. Of course, he became Prime Minister as well if only for a few hours or a few days.

It was a Conservative Minister of Justice, Davie Fulton, who of course is still a distinguished member of the Canadian community living in British Columbia, who brought in the first Bill of Rights for Canada in 1960. It was a Conservative Minister of Justice, Senator Jacques Flynn, a member of the other House, who initiated the criminal law review in 1979. The Hon. House Leader of the NDP will be interested in the fact that that was the first fundamental review of the Criminal Code undertaken since the Criminal Code came into effect in 1893. That review is still under way. The Law Reform Commission of Canada has had much to do with the Criminal Code review that is under way and with the changes that were introduced in the House some months ago. Many of these changes will be reintroduced.

If it is permissible, Mr. Speaker, I might just outline some of the things to which I hope the House will attend while I am Minister of Justice over the period of the next three or four years.

Mr. Waddell: Conservative Ministers of Justice also hanged Louis Riel.

Mr. Crosbie: I knew someone from the other side would bring that up. I believe this year is the 100th anniversary of that sad occasion.

Shortly, Mr. Speaker, I will be introducing some changes to the Criminal Code which I hope the House will find possible to pass quickly. These will be non-controversial changes and many of them will be procedural changes to the Criminal Code which are long overdue.

After the Christmas break, we will be introducing other amendments to the Criminal Code in more controversial areas. For example, the area of soliciting and the problem of prostitution will have to be dealt with by legislation brought before this House within the next few months. We are now waiting for the report of the committee of Mr. Paul Fraser which was appointed some months ago to investigate and report in connection with the fields of prostitution and pornography.

We have received a report from Professor Badgley on child abuse which is another area of concern, of course, to Canadians. If any Member would like a copy of that 1,300-page report, we can supply that Member with a copy. We will have to deal with that area.

The area of hate propaganda will be dealt with and those amendments will come after Christmas as well. Provisions or new suggestions with respect to impaired and drunken driving will be introduced to the House. These are all issues that will hopefully be dealt with by Hon. Members of this House in the next six months, and I hope that we will make progress during the next year. Other amendments to the Criminal Code will be brought in after that. Hopefully, if the plan works, we will have a completely revised Criminal Code in place in Canada at the end of the next three or four years. This will require much attention and work from the Standing Committee on Justice and Legal Affairs.

• (1115)

In addition to these areas, as Minister of Justice I hope to be introducing to the House, within the next several months, suggested amendments to the Divorce Act. Particular attention will be given to improving the law with respect to the enforcement of maintenance orders. This will ensure that people who are awarded maintenance, and who badly need to be supported, can receive that support in a more effective manner, or can enforce the orders for maintenance and support that they obtain. We also hope to improve the mediation process in connection with the whole area of divorce. In addition to the legislation in that area, I hope to keep the NDP critic busy.

We will be bringing in legislation immediately after Christmas which will deal with the Charter of Rights and Freedoms, which was enacted as part of our Constitution in 1982. That legislation will amend many of the statutes of Canada because of inconsistencies with the provisions of the Charter of Rights and Freedoms. In addition, there are areas of great importance in which it is not clear whether particular provisions of the present Canadian legal system are in violation of the Canadian Charter of Rights and Freedoms. I will be asking the House to consider those areas and to give advice on areas of great difficulty and subtlety. It should be an extremely interesting and important subject of discussion in committee, as well as in the House. As I have said, there will be legislation introduced in the House as soon as possible after the Christmas break.

I am also charged with the responsibility of suggesting to the Government policies and positions with respect to the issue of the constitutional conference, which must be held by April 17 of next year, on aboriginal issues. I am currently involved in becoming properly briefed and understanding what the issues are, in order to prepare for that conference. My colleague the Minister of Indian Affairs and Northern Development (Mr. Crombie) and myself have already met. As well, we will be meeting with the provinces and representatives of aboriginal groups to prepare for that most important constitutional conference.

How do I want to approach the justice area? As I see it, it is largely an area which is non-partisan. That is the way in which I intend to approach it. In other words, if anyone has suggestions, no matter who they might be—they might even be a member of the NDP, not to say the Liberal Party—the suggestions will be treated on their merits. Of course, I would be surprised if their suggestions have any merits, but it will all be dealt with in a non-partisan manner. If there are any suggestions from the Conservative caucus, of course, they will be treated in the same manner.

Seriously speaking, I view most of this area as being one which is not very partisan, and I would want to approach it in that sense. I would be amenable to changes which are introduced if they appear to be sensible and reasonable. Nothing could be more sensible and reasonable than that. I am prepared to listen to critics of both the NDP and Liberal Parties, and if their suggestions are worth-while, I would certainly be prepared to make changes in accordance therewith. I am interested in seeing the law reformed and changed, but only after it has been given sufficient thought.

• (1120)

I do not want to rush at things or endanger individual rights because there is a certain evil present in society. I do not want to change the law too rapidly in order to try to eradicate that particular anti-social behaviour and in so doing endanger everyone's individual rights. We must be extremely careful of what we do in the areas of pornography, child abuse, hate propaganda, soliciting and the like, in order to ensure that we take a balanced approach and act with concern and compassion, that we do not panic in our desire to improve society and to do away with the social evil. I want to be careful in this regard as I am a believer, Mr. Speaker, in individual rights, particularly in these areas.

I will be asking the House of Commons standing committee for its views and opinions on matters which go before it or on matters to which it might be referred.

With respect to judges, Mr. Speaker, I will be introducing amendments to the Judges Act as well later on. I am now considering the question of salaries and the emoluments of judges. There was a report made by Mr. Otto Lang in committee about a year and a half ago, I believe, with respect to statutory provisions concerning compensation for judges and what should be done. No action was taken in connection with that report. Therefore, the issue of compensation for our judges who are appointed by the Government of Canada to the provincial Superior Courts, District and County Courts, as well as our own Federal Court, is a matter which must be dealt with by the House in the next few months as well.

I have to act, Mr. Speaker, as spokesman for our judges who are not in the position to act publicly, in any event, with respect to their own interests and concerns. They are appointed to the bench and cannot involve themselves in public debate or controversy. The position of the Minister of Justice, therefore, is that he must act as their representative and I intend to do so. If I feel that their needs are clear and that certain actions should be taken which are fair and equitable, even if they might be controversial and not popular with the public, I will put forward their case and ask the House to be sympathetic in its decision as to what should be done in connection with salaries and other provisions relating to the judges of this country, who have an extremely difficult task, Mr. Speaker, a task which has become of tremendously increased significance since we adopted the Constitution in 1982 and the Charter of Rights and Freedoms. Our judges have been given by the people of this country, or their representatives, tremendous powers to decide whether legislation is valid or invalid, whether or not it is in order and whether or not it corresponds with the Charter of Rights and Freedoms. We need, therefore, a first-class bench. We need first-class men and women appointed to the judiciary of this country who will act as our judges, and the events of the last several years have given that need even greater importance.

With respect to the appointment of judges, Mr. Speaker, I must say that I am interested in appointing nothing but first-class, qualified men and women as judges across this country. Everyone will be considered no matter what their beliefs might be. I intend to consult the provincial Attorneys General during the process of appointment of judges. They will not be ignored, as in some cases they were in the past. There will be a definite process of consultation with the provincial Attorneys General and Ministers of Justice before judicial appointments are made. There will be consultation, of course, with the Chief Justices of the courts and other colleagues, as well as Hon. Members of this House, in order to have their views as to people they think should be considered for judicial appointment. We will be happy to receive any suggestions, which we will look into and ensure that consideration is given.

• (1125)

Of course, we will continue the practice of referring those under consideration for judicial appointment to a committee of the Canadian Bar Association for review and evaluation. To date we have not made any judicial appointments but there will be some coming up in the immediate future, including an appointment to the Supreme Court of Canada which, of course, is very important.

Mr. Justice Ritchie has had to retire due to ill health. He would have retired by next June in any event, having reached the statutory age of 75, but because of the state of his health he has retired a few months earlier. I would like to congratulate him on his long judicial career in the Supreme Court of Canada. He was appointed by Prime Minister Diefenbaker and his Government in, I think, 1959 and has had a most distinguished judicial career. I well remember him as the federal counsel to the royal commission which investigated the terms of union between Newfoundland and Canada. I hope that Mr. Justice Ritchie's health will improve as he retires from the bench, and that he will have a long and healthy retirement having performed a great service to his fellow Canadians in his position on the Supreme Court of Canada in recent years.

In ending these few remarks, Mr. Speaker, I want to assure Members of the House that I am fully cognizant of the responsibility imposed on us to ensure the proper functioning of the judicial system. The courts are now the forum in which we are trying to define our contemporary social goals. They are there to arbitrate conflicting points of view which will be put forward on fundamental issues involving everyone in this country. They have a very difficult task and I will do what I can to assist them in the time that I am here as Minister of Justice and Attorney General of Canada. We are stressing co-operation with the provinces and I intend to see that there is co-operation and consultation with the provinces. I believe that the unpleasant situation which arose in Saskatchewan in recent years concerning the number of judges is about to be terminated. It should be resolved within the next several weeks, I am glad to say.

I just wanted to take this opportunity, Mr. Speaker, to outline some of the matters that will be coming before Members of the House in the justice area and the way that I will approach my task, non-partisan, fair and objective as ever. As any of the Members who have been here before will know, I always try to act objectively and in a non-partisan manner. I am sorry to see there is only a rump left on the other side who, of course, can testify to that.

Mr. Waddell: Short-term pain for long-term gain.

Mr. Crosbie: When I see that short-term rump opposite me, 40 on the left and 30 on the right, I must say it was much easier in this House when I was on the other side because I did not have to look at the NDP. We could ignore the fact that they were there. Now I am struck with the brutal reality of having to face them every day.

Mr. Waddell: It beats Joey Smallwood.

Mr. Crosbie: It is certainly a daunting task to see the spurious indignation gather on their brows as they rise to ask a question. But I have no doubt that our colleagues opposite in the Liberal ranks will quickly develop the same amount of spurious indignation and vainglorious air that the NDP have. But they will keep us on our toes.

I want to congratulate the former Solicitor General on his new position as justice critic. The hon. gentleman, who is now the financial critic for the Opposition, is not here today, but it was just several months ago that he became Minister of Justice. Early in June he was appointed by the now Leader of the Opposition (Mr. Turner) as Minister of Justice. As I said at his roast a week or two ago, lo and behold, within three months justice had triumphed! Now he is the finance critic and I am the Minister of Justice. This is the reward you get for all your hard work, Mr. Speaker!

• (1130)

So now, justice having triumphed, we are here and I look forward in the next three or four years to the Opposition keeping us on our toes. The more effective they can be, the better it will be for us. I invite them to ask me the toughest, meanest, dirtiest kinds of questions they can, and I will respond in my usual statesman-like fashion. I move second reading of the Bill.

Hon. Bob Kaplan (York Centre): Mr. Speaker, in taking the floor for the first time as justice critic I would like to respond to the warm good wishes of the Minister of Justice (Mr. Crosbie) and extend my own warm good wishes to him. I know he does not have the job that he wanted. At least, I understand that he does not have the job that he wanted. However, I gathered from his exposé of his priorities that he is moving forward into what I have certainly always considered a job of vital importance to Canada and to all Canadians.

I would like to address for a moment the menu that he laid out of his plans for the coming parliamentary session. I look forward to dealing with all the issues which he raised. I must

express disappointment that some of them will be delayed even as long as to the beginning of next year, as he indicated. For example, the Minister talked about righteous indignation from this side. However, it actually happened that there was righteous indignation from the other side when we indicated that the problems of street prostitution and pornography would be referred to the Fraser Commission. Tories asked why it should be referred to a commission when we all know what should be done, or at least the Conservatives know what should be done. Wherever I went during the election campaign I heard the Tory solution for dealing with street prostitution. Now I learn from the Minister, in his first intervention in the House, that they are waiting for the Fraser Commission which was set up by the former Government to deal with street prostitution. That is unbelievable. I wonder what the Tories from the West Coast will be telling their constituents has led the Government to lose the sense of purpose which it had to deal with that subject.

I hope the Minister will address that issue sooner. I agree with the public protest on the subject. I think it is a subject which does need action and I am disappointed, as I know all of the supporters of the Government must be, that the new Government will be waiting for the Fraser Commission to report.

With regard to the other aspect, the subject of pornography, it has become even more urgent as a result of the decision last week, on which the Minister of Justice must surely have been briefed by his officials. Stores in the Province of Ontario which were formerly under municipal regulation as to the exposing of sexually explicit material are now no longer subject to regulations. Sexually explicit material in Ontario can again be put lawfully within reach and view of the entire community, including children and the areas of public schools.

This was an issue in which my own municipality and the other municipalities in my region had acted by putting forward by-laws which worked well but which have now been found to be invalid. So the pornography issue, even more than the prostitution issue, is an urgent issue for action. This Government, with the tremendous mandate it has, is waiting for the Fraser Commission to report on subjects about which they knew all the answers during the election. Now we find we must wait.

In his remarks the Minister spoke about bringing forward the divorce legislation and bringing forward some parts of the omnibus Criminal Code which had been brought forward by Mr. MacGuigan when he was Minister of Justice. The Minister spoke on a number of other subjects and I look forward to having them brought forward quickly. I would like to indicate that my menu will be a responsive one, not a list of things that we will be introducing. Being in the Opposition our role is to respond. I want to tell the Minister that we will not copy the practice of the former Opposition of opposing everything for the sake of opposing it.

[*Translation*]

We would do what my leader . . . The Leader of the Opposition (Mr. Turner) said yesterday that we in the opposition are prepared to approve and help expedite any proposed legislation we can agree with, if it is good legislation. I can assure the Minister of Justice (Mr. Crosbie) that he will have my full co-operation and that of my Party. I may say that the same policy will apply to the legislation before the House today.

[*English*]

Bill C-3 is a small piece of the former legislation, Bill C-55. I do not know why the Minister has not addressed judicial salaries in this legislation. I do not know why he has left out some of the other pieces which were contained in Bill C-55. As he indicated, the judicial salary issue is a very important one on which he will have received representations, as I have, from the Canadian Bar Association. He will have read the report of a former Minister of Justice, Otto Lang, on that subject. If the Minister wants to bring matters forward even more quickly than he indicated, he will not find this Opposition, like the former Opposition, wanting to force the House into long periods of eventually meaningless debate before anything could get past the fabulous present Deputy Prime Minister (Mr. Nielsen).

I want to deal with one other subject on the Minister's menu, and that is his offer to provide the Attorneys General of the provinces with full consultation about the appointment of federal judges. I think that is a sensible policy. I know it was the purpose of the former Government and former Ministers of Justice always to consult with Attorneys General about appointments being made in the provinces, or to seek to do so. However, I do not think that should be a one-way street. Justice, in one aspect and in another, is a shared area of jurisdiction. The Attorneys General of the provinces have their responsibilities and the Attorney General of Canada and the Minister of Justice has his. I believe that if full consultation is to take place with the provincial governments with regard to federal appointments, there should also be consultation by the provincial governments with the federal Minister with regard to appointments which they propose to make within the system of justice.

I have discussed that with some provincial Attorneys General and found total unwillingness to have any form of consultation at all about the appointments within their areas of jurisdiction. Now we have a Government with the same political colour as the governments in most of the provinces of our country. Perhaps that will assist the present Minister in a proper kind of co-operative relationship. If consultation is to take place with the provinces on federal appointments, I do not see any reason why, in the public interest and in the interest of an effective system of justice, there should not be consultation by provincial Attorneys General about appointments within their responsibility with the federal Minister. In the interests of an effective federal system the Minister of Justice should be willing to encourage the provinces to come forward and to have that type of consultation.

Before turning briefly to the Bill I would also like to recognize the tremendous contribution to Canada of Mr. Justice Ritchie who, in this past week, has retired because of ill health nearly a year before the expiration of his term. He is a brilliant man from a very distinguished family who has done a tremendous job in that court. On behalf of my Party I also want to send him our good wishes that the decision he has made to withdraw from the heavy responsibility of being a Supreme Court judge will assist him in his recovery and that he will indeed enjoy many years of happy and productive retirement.

● (1140)

I had the good fortune to have Ken McFarlane as an excutive assistant for a few months. He is an individual who worked as Mr. Justice Ritchies' law clerk. I could see, from Ken's approach to the law, the type of integrity, vigour, discipline and endless hours of work that Mr. Justice Ritchie applied to the Public Service on the highest bench in our land. Again, I wish him a speedy recovery and many years of good health.

Starting with this Bill, as I have indicated, I want to begin the practice that I hope to be able to follow of not objecting just for the sake of objecting. One great reason to commend this Bill is that in respect of virtually all of its provisions it is identical to good Liberal legislation which was already on the Order Paper when the election was called.

I have nothing further to say about it except that I look forward to briefs being submitted before the committee by interested groups. I close as I began by wishing the Minister well but not too well in his term as Minister of Justice.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I too commence my remarks today by congratulating the Minister of Justice (Mr. Crosbie) on his appointment to that very important portfolio. I think all Members of the House are aware of the unbridled enthusiasm with which he has approached that important responsibility so far. We will be looking with great interest at the initiatives he will be taking in the near future as outlined in the Speech from the Throne as well as in the remarks he has made today.

I was somewhat surprised that the Minister was able to be as expansive as he was on a Bill which I had initially regarded as being somewhat technical in nature. Of course, given the Minister's history, I suppose that is not particularly surprising.

Of course, I should also thank the Minister because he honoured my constituents and I with his presence in Burnaby on a number of occasions. In fact, prior to 1978 he came to Burnaby and was invited to support the local candidate. At that time I won very narrowly. In 1980 he was invited back twice. Following that, the majority doubled. I want to particularly thank the Minister on this occasion because in the last election it was decided that the heavy hitter would be brought in. When the heavy hitter, the present Minister of Justice, was brought in on several occasions to do battle with the forces of darkness in Burnaby, of course the majority tripled. Therefore I want to extend a cordial invitation to the Minister of Justice to visit Burnaby on many, many occasions in the future in order that that trend might continue.

Mr. Crosbie: They will come to their senses.

Mr. Robinson: I also want to congratulate the Hon. Member for York Centre (Mr. Kaplan) on his appointment as spokesperson for the Liberal Party on justice. I certainly hope that the sensitivity to civil liberties which he displayed so clearly in his term as Solicitor General will continue in his new capacity as critic of the Ministry of Justice.

While I will not go on at great length with respect to this particular Bill, I believe that the Minister might want to enlighten us about subsection (3), subsection (a) and subsection (ii). We can wait for that enlightenment in due course.

I look forward to co-operating with the Government when it introduces good legislation on those rare occasions; and of course, on behalf of my caucus and joined by my caucus colleagues, to oppose vigorously legislation which is bad.

The Minister stated that there is an appointment forthcoming to the Supreme Court of Canada. I join with the Minister and the Hon. Member for York Centre in wishing Mr. Justice Ritchie well in the future. He has made an outstanding contribution to justice in this country. I urge the Minister and the Prime Minister (Mr. Mulroney) to very seriously consider sending an early signal of the Government's recognition of the importance of the equality of women in this country by the appointment of a second woman to the Supreme Court of Canada. I certainly hope that the Minister and the Prime Minister will seriously consider the appointment of one of the outstanding women who are active in the judiciary and law in the Maritimes.

At the same time I believe we must seriously consider the method of appointment. We must look very seriously at ways of reforming the method of judicial appointment in this country, such as the possibility of involving Parliament. The Prime Minister has indicated on a number of occasions that he believes it is important that Parliament play a role in the nomination of important positions in our society, particularly at a time when the Charter of Rights involves some very significant, social and indeed economic questions. I believe it is appropriate that the mechanism for the appointment of judges be re-examined.

I note with interest that the old Liberal patronage and appointment of Crown agents appears to be alive and well. The Minister of Justice has already issued an early edict which states that the Liberals are to be disbanded and that he will be appointing his Tory cronies to take their place. It is interesting to note that a Government that has expressed its outcry about patronage is already placing its friends in those little plum positions right across the country.

There will be many opportunities in the course of this Parliament to speak at greater length about some of the important questions of legislation that the Minister has addressed, but I want to indicate at this time that we certainly

share the Minister's commitment to very fundamental change in the area of divorce law. We hope that this will be an early initiative. We will also look at the whole question of enforcement of maintenance orders.

In addition, the Criminal Code must be overhauled. There are many areas in which this change is long overdue. I certainly pledge my co-operation and that of my Party in moving toward progressive changes to the Criminal Code. The community has very serious concerns about other issues on which the Minister has indicated the Government will be taking action, such as the question of soliciting and pornography. I would caution the Minister to proceed with great care, particularly in the area of soliciting, because I believe we must be aware of the fact that a simplistic knee-jerk response by amending the Criminal Code and in many cases further victimizing women who are already victims would be a most unwise policy. We must look very carefully at the causes of prostitution, whether they be economic or social, while also recognizing the interest of the community in having a safe environment in which people are not harassed and in which women are not harassed by potential clients.

It is also important for the Government to examine and implement the important recommendations of the Canadian Human Rights Commission for changes to human rights legislation. These recommendations have sat idle for far too long. Year after year the Liberal Government refused to listen to the recommendations of the Canadian Human Rights Commission to expand protection of minorities in this country to include sexual orientation and political belief, for example, as prohibited grounds of discrimination. I hope this Government will be prepared to move where the previous Government stood silent.

Reference has also been made to the Badgley Commission. I was certainly disappointed to note the silence in the Speech from the Throne on the very important recommendations of that commission. The commission documented, in effect, a national crisis—the serious and widespread problem of sexual abuse of children. Although there was no reference to that question in the Speech from the Throne, I hope the Government would be prepared to move very early, for example, in establishing the office of Commissioner reporting directly to the Prime Minister, as was recommended by the Badgley Commission.

● (1150)

As well, we have seen evidence of another great inequity in our law. It was clearly documented in the courts of Toronto over the last few days and weeks. I am referring to the inequity in Canada's laws with respect to abortion. Certainly I believe it is essential to recognize that the evidence produced in the courtroom in Toronto, evidence indicating that many Canadian women are denied access to safe therapeutic abortions, particularly poor women and women in rural areas, cries out for response by this Parliament. We must not only look at a repeal of those provisions of the Criminal Code dealing with abortion and recognize that this is fundamentally a decision which must be made by a woman in consultation with her doctor. At the same time we must look at far greater resources for prevention, resources in the areas of sex education, birth control and further research on safe and effective birth control methods.

Reference has been made to the Charter of Rights and Freedoms. I remind Hon. Members of the House that this Charter was fought by Members of the Tory caucus. It contains an override provision which can effectively nullify the most basic rights contained in that Charter. At the time that Section 15 on equality rights comes into effect, certainly we will be seeking the assurance of the Government that it will in fact bring all federal legislation, as well as other areas within federal jurisdiction, into conformity with those provisions of the Charter of Rights and Freedoms.

On the legislation before the House, certainly we support the Bill. I note that the enlightened administration in the Province of Manitoba is moving forward to consolidate the courts. I hope the Government will be prepared to take its future direction on the administration of justice from that government, which has certainly made a number of very progressive changes in the field of judicial reform and law reform.

We support this Bill. I certainly look forward to co-operating with the Government in areas where legislative change is overdue and to vigorously resisting the moves of the dinosaur wing in the Conservative Party which would take legislative change and law reform backward in the country.

Mr. Stackhouse: Mr. Speaker, would the Hon. Member permit a question?

The Acting Speaker (Mr. Paproski): There are no questions after the first three speakers today. However, it can be done by unanimous consent. Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Stackhouse: In view of there being in excess of 60,000 abortions per year, why does the Hon. Member think the present law provides an inadequate opportunity to the women of Canada seeking abortions?

Mr. Robinson: Mr. Speaker, I invite the Hon. Member to review the evidence presented to the court in Toronto and to review the report of the Badgley Commission which contained very clear and eloquent evidence and documentation of the fact that access to safe therapeutic abortion is not a reality for thousands of Canadian women. I would be pleased to provide that material to the Hon. Member.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I did not intend to participate in this debate until the Hon. Member for Burnaby (Mr. Robinson) mentioned dinosaurs. It happens that dinosaurs are in my riding. There are hundreds of them under the hills there. They are there because they were unable to adjust to changing conditions. I suggest that will be the same case with the New Democratic Party. It refuses to adjust to

changing conditions. The Progressive Conservative Party is out to change things in the country.

I will always be on the side of the unborn child. I do not think anyone has the right to take the life of an unborn child or a born child.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Mr. Crosbie, seconded by Mr. Fraser, moves that Bill C-3, an Act to amend various Acts as a consequence of the reconstitution of the courts in Ontario and Manitoba, be read the second time and referred to the Standing Committee on Justice and Legal Affairs. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to the Standing Committee on Justice and Legal Affairs.

* * *

SPORTS POOL AND LOTO CANADA WINDING-UP ACT

MEASURE TO ESTABLISH

Hon. Jake Epp (Minister of National Health and Welfare) moved that Bill C-2, an Act respecting the winding up of the Canada Sports Pool Corporation and Loto Canada Incorporated, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

He said: Mr. Speaker, first I want to take the opportunity to congratulate you in assuming the high office which you have taken on behalf of all of us in the House of Commons.

The legislation before us today marks the culmination of a four-year debate on whether the federal Government ought to have re-entered the lotteries field and the end to the very controversial Canada Sports Pool Corporation. After consideration of the debate, first on the proposal and then on the enactment of the federal sports pool lottery, we as a government have concluded that sole jurisdiction for lotteries must be restored to the provinces. It is for that reason the Bill is before us today.

As Hon. Members of the House will know, the purpose of this Bill is to wind up the previous government's Loto Canada and Canada Sports Pool Corporation, making good our Party's long-standing policy to keep the federal Government out of the lottery or gaming business.

On the surface of it, the Bill would appear to be very straightforward and uncontentious, compared with other legislative initiatives announced in the Speech from the Throne by Her Excellency the Governor General on Monday. This particular legislation may be viewed by some as a rather mundane initiative, an initiative which may lead observers to ask why it has received such early and prompt attention by the new Government. I want to explain that today.

There are good reasons for the Government giving the Bill an early priority. First, by introducing the Bill we are making good on a long-standing belief that the federal Government has no business in the gaming and lottery field. Hence, by introducing this Bill early in the life of the new Parliament, we are demonstrating to the House and to Canadians that the Government is committed to keeping its word on long-standing policy positions and campaign commitments. If that is not patently obvious after hearing the Speech from the Throne, it will become obvious as the House begins to consider this and other pieces of legislation brought before it in the weeks and months ahead.

Second, and possibly more important than the first reason, is the fact that this Bill stands as a symbol. As all Hon. Members of the House will know, federal involvement in the lottery field has been and continues to be a major irritant in the area of federal-provincial relations. The manner of linking the sports pool proposal funding to the 1988 Winter Olympics in Calgary, the use of an Order in Council to alter the terms of legislation passed by this House and the enormous administrative problems of the corporation since it was formed have convinced us further that, quite apart from the issue of jurisdiction, the Canada Sports Pool Corporation must be brought to an end.

• (1200)

I want to say in terms of the negotiations with the provinces, reflecting specifically on the issue of the Calgary Olympics to be held in 1988—and I am sure all Members join with me in wishing the organizers, the City of Calgary, and the residents of Alberta well in the preparations for the Olympics—that my colleague the Minister of State for Fitness and Amateur Sport (Mr. Jelinek) will be entering this debate later today to explain that position as well. Over the course of the previous government's life, countless measures of shared responsibility have been thrust on to the national agenda. In fact, it almost became one of the watchwords day by day in the House—that is, the difficulties, the controversies, or the confrontation that existed between the former government and the various provincial governments.

These measures have run the range from essentially housekeeping and administrative matters to those of split jurisdiction. That has gone all the way from minor legislation to the manner in which the patriation of our Constitution took place. While our recent history of federal-provincial negotiations has touched a wide range of unrelated issues, those negotiations have at the same time been characterized by one common denominator. That denominator we want to remove. Almost without exception these relationships have too often been acrimonious, confrontational and divisive. Through that process, Canadians have not been well served.

During the recent election campaign, the Prime Minister (Mr. Mulroney) and all members of our Party made a com-

mitment to the people of Canada that, if elected, we would endeavour to embark upon a new era of federal-provincial relations. This new approach will be based on a solid foundation of trust, respect and understanding and will, of necessity, be born of the realization that our political system, its institutions, this very House of Commons, our geography, diversity and history, have all conspired to create a climate in which interdependence between the federal and provincial governments is a simple fact of our political life. Yet sadly, more often than not this fact has not been recognized.

In Monday's Speech from the Throne, repeated references were made to the Government's firm conviction that it is time to renew our relations with the provinces. It is time to reconcile long-standing differences. It is time to work together in a genuine atmosphere of co-operation, trust, and respect. It is time, quite simply, for a fresh start. This legislation, as I said earlier, became a symbol of that irritation between the provinces and the federal Government. That is why it has received such early priority from our Government.

That being the case and the reason for the legislation, let us turn to the specifics of this legislation which, if Members have read Bill C-2, they will see is very brief and straightforward. I would like to take a short look at the history of the sports pool and Loto Canada which, with the passage of this legislation, will become history.

As all Members are aware, the federal Government created Loto Canada for the purpose of raising money to help defray the cost of the 1976 Montreal Olympics. I remember as a new Member in 1972 that the first parliamentary committee I served on was the Standing Committee on Miscellaneous Estimates. As a new Member, I did not know what miscellaneous estimates was all about. I found very quickly that the first piece of legislation put before us was the Loto Canada Bill. That was the coin legislation which allowed the Government to strike specific coins to help defray the cost of the Montreal Olympics.

At that time we had various representatives come before the committee. When we asked them how this legislation would help defray costs, we were always assured that there would be no overrun, that there would be no deficit. The then Mayor of the City of Montreal appeared before the committee and made the famous statement about certain abilities that he thought he would have. Of course, none of us has yet seen that happen. We will leave that also to the matter of history.

The point was made that the Loto Canada Bill should be put into place for a period of time and for a specific purpose. The period of time was to help defray the costs from Montreal. That was its specific purpose. It was not to be an opportunity for the federal Government suddenly to see a voluntary tax approach taken beyond the Olympic requirement or objective. History has proven since then that once the federal Government saw that it had an opportunity to get that kind of money, it wanted to stay in that field.

I recall debating with the then Postmaster General whether that was really the way to go. I asked whether we should not be straightforward with the Canadian people and say that the Olympic cause, the Olympic movement, the hosting of the Olympics, was important for all Canadians, whether it was in Montreal in 1976 or in Calgary in 1988, and tell Canadians "This is our cost. This is what we are going to put before the Canadian people. We are going to raise the money by a legitimate means because it is for a legitimate purpose, rather then go into the whole matter of lotteries". We know the history.

It was also said at that time that the Olympics would be self-financing. I will not go through that history. All of us are aware of it. What is important is that in 1979 my colleague who has been elevated to the position of joining you, Mr. Speaker, and others in the Chair, the Hon. Member for Edmonton North (Mr. Paproski), had responsibilities in the Government for Loto Canada and he acted decisively with the intention of getting the federal Government out of the lottery field. He took the guideline of proper federal-provincial relations, met with the provinces and made a commitment on behalf of the Government. The commitment was straightforward: the federal Government would get out of the lottery field. The provinces, having exclusive operational rights within that field would in reciprocity give the federal Government for its purposes, primarily for fitness and amateur sport, a sum of money, then established at an amount of $25 million annualized, to be increased through a calculation based on the inflation rate. That money would come to the federal Government coffers for the specific purpose of fitness and amateur sport. The federal Government would be getting out of that field.

An agreement was signed. At that time it was $25 million per year. That figure is now in the order of approximately $35 million. We as a federal Government signed that agreement in good faith and the provinces signed that agreement in good faith.

After the 1980 election campaign, the then Leader of the Opposition pledged that he would restore the federal Government's power to conduct lotteries. I know that Liberals opposite have been saying throughout those four years that a bad deal had been struck. They might even be saying that today.

Mr. Boudria: A rotten deal.

Mr. Epp (Provencher): They even call it a rotten deal. I want to tell the House and Canadians how rotten a deal it was that the Liberals had. I do not know of any other government getting into the lottery field and in fact losing money, but it did that. Not only did it get back into the lottery field, but it lost money.

Mr. Boudria: It is not a lottery, it is a pool.

Mr. Epp (Provencher): Well, if $46 million does not mean much to the Hon. Member, he can explain that. That being the case in 1980, the Government took very specific steps to try and get back into the lottery field or gaming business. There were no negotiations with the provinces. It simply said it was coming back in.

What it has done will become more evident not only as this debate unfolds but as the days unfold. There were some very interesting means taken to get back in. While today I do not have the liberty to expose that, the method that was used by the former government to circumvent Parliament, and to circumvent federal-provincial agreements, in order to get back into a field that it saw to be lucrative will become evident. The manner in which that government did it was wrong, Mr. Speaker. I say to Hon. Members opposite that the reason it failed was because they began with the wrong premise, quite apart from whether we agree on lotteries or not.

• (1210)

I suggest that Hon. Members be very careful when they take a look at what was done. Suffice it to say that the federal Government got back into the lottery gaming field by saying that it was not a lottery. However, we find it very interesting to note that it was not to be seen as a lottery but was to have the same effect as a lottery. Obviously, Mr. Speaker, that is not a method that is acceptable to us.

Another controversy developed during that period of time. The question came up as to whether or not the $200 million commitment that was made to the organizing committee for the 1988 Calgary Winter Olympics would still be in place if the Government got out of the sports pool or if the pool did not make any money. The Minister of State for Fitness and Amateur Sport will go into this in greater detail today, but the Prime Minister has said that that commitment stands. That commitment will be honoured by the Government of Canada because it was made on the same basis as the commitment that was made in 1972 to the Montreal Olympics. An Olympic committee cannot go before the International Olympic Committee without a letter of approval from the Government of the proposed host country, so that project was a legitimate project and a commitment was made. We were not going to use the success or failure of the lottery as a criterion upon which that $200 million commitment would stand.

I could go into further detail about the steps that the former government took. Suffice it to say that the proposal of the former government has met with absolute failure. We opposed that proposal. However, how deep is that failure?

Some Hon. Members might wonder why the Minister of National Health and Welfare is proposing this Bill today. As a Private Member, I took a very strong position against the lottery. Perhaps some Hon. Members are wondering whether or not it is a personal matter. The reason it is being put forward by me is that under the terms of the Financial Administration Act, that is the legal means by which it must be done.

What has happened to the Sports Pool Corporation? I have already said that the Sports Pool Corporation lost money. It was losing money at an average of $1 million to $1.5 million per week during the time of its existence. Once the accounts are settled, we will see that it has lost about $46 million.

The argument was made that proceeds from the pool would be used for amateur sport. To legitimize the proposal, it was even said that the proceeds from the sports pool would be used for medical research. As a Private Member, I had the opportunity to ask the chairman of the Medical Research Council when he last appeared before the standing committee how much money his people had received from the Sports Pool Corporation for medical research. Do you know what his answer was, Mr. Speaker? It was zero, nothing. I asked him another question. Because medical research funding requires long-term projections, I asked him how much he had budgeted over the next five years or so for moneys that he was to receive from the Sports Pool Corporation. Do you know what he said, Mr. Speaker? He said "Nothing". I asked him if he ever expected to receive any money from the Sports Pool Corporation for medical research, because that provision was in the legislation that we passed and was one of its objectives. From the look on his face, I simply did not need an answer at all.

To date, the Sports Pool Corporation has lost an average of between $1 million and $1.5 million per week. It spent $10.5 million for start-up funding. It received a loan of $20 million from the federal Government to keep it solvent. That money is gone. The corporation has lawsuits pending against it and provincial governments are in strong opposition to it. I say to Hon. Members opposite that its objectives were to fund medical research, to help our amateur athletes who need help and to help fund, in part or in whole, the $200 million commitment to the Calgary Olympic organizing committee. Those commitments still exist and need to be met. As well, what could we have done with that $46 million to help those three causes? The point is that we are $46 million further behind than we would have been if we had never seen the Sports Pool Corporation. That is the reason this legislation is before us.

Additionally, Mr. Speaker, it is interesting to note that Loto Canada was to be wound up. In fact, Mr. Speaker, as a Minister of the Crown in 1979 you had done so. We now find out that, through Orders in Council, it has not been done. That is why this legislation is more than just an attempt to end the Sports Pool Corporation. It is more than an attempt to end Loto Canada. It is a symbol made by our Government to the people of Canada that we do not feel that the federal Government should be in the gaming business, that the federal Government should not be in the lottery business and that when we sign agreements with the provinces, those agreements must be maintained, respected and honoured.

If projects are proposed which are legitimate, worth-while and supported by the Canadian people, we will fund those projects through the proper means here on the floor of the House of Commons rather than through lottery legislation which the Liberal Government tried twice to put through. The Liberal Government tried by some magic to colour the vision of Canadians so that they would see that the lottery business is painless, that it does not affect them and that it is simply a matter of doing business. We are debating a symbol today, Mr. Speaker.

I say to you, Mr. Speaker, and to all Members of the House that the timing of this legislation is obvious. Its purpose is

clear. I commend it to all Members of the House for speedy passage.

Mr. Sergio Marchi (York West): Mr. Speaker—

Some Hon. Members: Hear, hear!

Mr. Marchi: Thank you for the great round of applause. It gives me great pleasure to rise in this Chamber to participate for the very first time in a debate in the Thirty-third Parliament of Canada. In addition to being critic for multiculturalism, I am also pleased to rise as the official critic for the Ministry of State for Fitness and Amateur Sport.

I address myself to the Bill that is before us today. Consequently, I will have to reserve my traditional maiden speech, which offers me an opportunity to outline the values, traditions and aspirations of my riding, for a later date. Nonetheless, I wish to take this opportunity to thank sincerely the constituents of York West for their confidence and support. I can assure them that that trust and faith which they have placed in me will be fully and enthusiastically reciprocated.

In the time allotted to me, I would like to place this Bill that is before us today and its implications in proper perspective. The present Government administration has opted to dismantle the Sports Pool Corporation. However, I believe that before analysing the merits of this Bill, it is necessary to examine what mechanism was put in place and why it was established in the first place.

● (1220)

The athletic events pools were set up to generate funds over the long term, in order to encourage and assist amateur sports, the arts, medical research and, perhaps most importantly, the 1988 Calgary Winter Olympic Games. Of special note are the much talked about Olympic Games to which the previous government made a financial commitment of $200 million. The sports pool, among other revenues, was specifically designed to assist in that financial commitment.

It should be made very clear from the outset that this sports pool was not a lottery. I say that because the previous government had no intention of invading the lottery business, a field which is currently held by the provinces. I believe that that intention is clearly defended and demonstrated by the present Bill. The Bill makes absolutely no reference to the word or to the concept of a lottery, something very different indeed from the time when Government members were in opposition.

In terms of the definition, in a lottery a number is taken at random and there is a chance of winning. A sports pool is primarily a test of a person's intelligence and that individual's knowledge of sports, all of which must be used in determining who the winner or loser will be. It is a system which has been adopted particularly in Europe, as well as by many other countries in the world.

I reiterate that the long-term concept of this strategy was a noble one. It was one which addressed itself to the very real needs of the Olympic organizing committee, Canadian athletes, coaches and officials. It was a recognition that in 1988 the eyes of the international community would be upon us. It was felt that it was our national obligation to stage a truly first-rate national and international event.

However, unlike the government of the day, I do not wish to dwell on the past or to study endlessly the decisions and initiatives taken in the past. Nor do I wish to provide slogans in place of concrete measures of action. It is on an action plan and on the future that Canadians voted on September 4, and I would like to discuss this Bill on those terms.

Towards this end, a central concern in the winding down of a sports pool mechanism infers that there will be, and needs to be, an alternative to take its place; the winding up of another action plan. It is quite debatable whether this Bill, on its own, is right or wrong, effective or inneffective, appropriate or inappropriate. Yet I would respectfully submit that the debate would be fruitless and unproductive for Canadian interests if it was not complemented by specifically defined and iron-clad measures which would replace the goals and objectives of the previous structure in an effective and responsible manner. However, I fear that this is exactly what we have. To date, as far as I can recollect, the House has not been told by the Government, nor by the Minister, of any such system.

On the one hand, the present Government is committed to a contribution of $200 million for the Winter Olympic Games in Calgary. On the other hand, it has decided to dismantle a mechanism which was to aid in this effort. However, I have not heard, nor has the House heard, in any detail the precise measures on how those moneys will be raised. It is all very fine to promise $200 million. It makes wonderful and popular headlines to support the Olympics and our athletes. Yet the Government must deliver on those promises, for the expectations of the Canadian people, Canadian athletes, coaches and officials, the Olympic organizing committee, the Province of Alberta and the City of Calgary are great, and rightfully so. The Government cannot afford to play political, partisan games with such a national and international event, for the risks are too great.

Consequently, the real issue *vis-à-vis* this Bill is: From where are the revenues going to come? It has been some two months since the Minister made the commitment, yet we are still unclear as to from where, how and when these moneys will come. I would like to know, and I am sure the House would like to know, if the Minister himself knows. On September 18 the Minister was quoted in *The Citizen* of Ottawa as follows:

> A different form of gaming operation could, and I emphasize the word could, continue after that because clearly we have to keep our commitment to the Calgary Olympics and we will.

The Minister went on to say:

> —the question is how we're going to do that.

Those remarks have two very serious implications. First, they suggest that after all the howling that was done by the previous Opposition members on the sports pool concept, the Minister has thrown out the possibility that he will simply replace the sports pool with another similar strategy. The statements which have been given by the Minister and his Party in the House on the sports pool concept not only run

counter to what was consistently stated in the House and across the country, but also give a new definition to the word "hypocrisy".

Second, if the Minister does not choose to take this route—and according to his reported comments in *The Citizen*, this is by no means sure—it suggests that he and the Government are at a loss as to how to keep this very fundamental and significant promise.

In *The Calgary Herald* of September 20, the Minister announced, in relation to the sports pool program, that:

> Coming up with a different funding system will be a priority.

My question is: Where is that system and where is the priority attached to that system? There was absolutely no mention made of such a priority in the Throne Speech. It leaves one to wonder if this commitment was merely another of the Government's slogans.

Canadians are also asking themselves if the Government will dip into the federal treasury to come up with the necessary funds. Will it come from general revenues, will it come from the private sector, or will it come from donations? What about the provinces?

We have heard a great deal about the co-operation and mutual respect which exists between the new federal Government and the provincial governments. It would make you believe that anything could be achieved overnight. Well, with respect to this and many other issues of the day, let me say that that night has indeed been very long and very painful. To date, there has been no public agreement that the provinces would help contribute to the federal Government's financial commitment. To date, we have not seen co-operation, consensus, or mutual respect. Great slogans but no action. In fact, it is my understanding that both the Province of British Columbia and the Province of Alberta have refused to participate as partners in the financing of the $200 million. Is this the climate of co-operation that the Prime Minister (Mr. Mulroney) and his Government have lectured on tirelessly for the last several months?

In addition, the federal Government has not worked out a financial compensation arrangement with the provinces in return for the decision to dismantle the sports pool program. According to the Tory provincial governments, it was perceived as an obstacle to competition. The Government had a golden opportunity to negotiate a financial agreement with the provinces which would have erased many of the worries and financial tensions that the Olympic Games certainly face today. Even during the ill-fated government of the Right Hon. Member for Yellowhead (Mr. Clark) in 1979, the administration negotiated a deal with the provinces which provided that, in return for $35 million annually, the federal Government would remove itself from the lottery business and allow that field to be taken up exclusively by the provincial governments. While the financial aspects of the settlement were absolutely lacking in fundamental, arithmetical logic, since the projected lottery-generated revenues were in the neighbourhood of $200 million annually—and it has been said that it has been very easy to trade in your Cadillac to get a Volkswagen—it nevertheless demonstrated, at the very least, a concern for the national will.

• (1230)

This Government led by the Prime Minister, in its great desire to please the provinces, has forgotten that it has a national mandate and responsibility. It has not recognized, I believe, that Canadians respect and demand a government which protects, encourages and fosters a national will and purpose. Even the Hon. Member for Edmonton North (Mr. Paproski), the former Minister of State for Fitness and Amateur Sports under the Clark Government, agrees that a negotiated settlement would have been fundamentally correct and necessary. In *Hansard* of March 27, 1984, as reported at page 2472, the Hon. Member for Edmonton North asked the then Minister of State for Fitness and Amateur Sport:

> But I would like to ask the present Minister, who is at least a golfer, why has he not sat down with his provincial counterparts to reach a compromise as far as the sports lottery is concerned—

Such a compromise to date, to my recollection, has not been attained and neither, perhaps, pursued. As everyone well recognizes, Mr. Speaker, negotiations are accomplished successfully from a point of strength, not weakness, as has been demonstrated so ably by this present administration.

As I outlined at the beginning of my remarks, the eyes of the world will be upon us in 1988. This event is made all the more important because of the successful staging of the 1984 Summer Olympics in Los Angeles. The Los Angeles organizing committee raised approximately $469 million and showed a profit of $150 million. The president of that committee, Mr. Peter Ueberroth, declared: "After Los Angeles, any city in the world should be able to survive an Olympics". Calgary and, in general, Canada must live up to that challenge. We must meet that challenge head on and I feel we should strive to surpass it, setting challenges for other countries to meet.

I would like to assure Hon. Members, Mr. Speaker, that we on this side have always been firmly committed as a government to amateur sports and to the pursuit of athletic exellence by Canadians of all backgrounds and from all walks of life. Our last Liberal government gave the strongest guarantee ever offered so that Calgary would play host to the Olympic Games in 1988. To complement this initiative, the Canadian Olympic Association publicly endorsed the creation of a sports pool program as one intiative to be used to raise the necessary funds and to focus attention on the Winter Olympic Games. At the same time that Canadian Olympic Association censured the Opposition for its attempts to discredit the sports pool program.

Moreover, Mr. Speaker, we need to be reminded that it was a Liberal government that helped amateur sports throughout Canada, that paid the lion's share in order to send our athletes to Los Angeles where they made Canada extremely proud and honoured by their athletic abilities. We as Liberals support the participation of Canada in the Commonwealth Games, in the Canada Games, in the PanAmerican Games and in the Olym-

pic Games. However, we as Canadians recognize that we must have money to enable us to ensure that our participation is a responsible and successful one and that our athletes receive the necessary training and resources they require in order to perform well on the international stage of athletics. We need programs and strategies, Mr. Speaker, in order to ensure that those moneys will be generated. Canadians want and deserve to know what will be replacing that which is being removed. How will it be replaced and when? These are the fundamental questions to which Canadians want immediate answers.

When we debate and discuss the Olympic Games and amateur sports in general, we are also talking, to a large degree, about Canada's youth and their great appetite for adventure and achievement. Our future may lie beyond their vision but I would submit that it is not beyond our control. It is the will of our Government and of all Canadians which will determine, in part, their destiny. It is my every hope, Mr. Speaker, a hope which I believe is shared by all the citizens of our country, that as the years pass the efforts of our Government in encouraging athletic excellence in amateur sports and the Olympic Games will be judged as positive and constructive. I endorse the motion of the Hon. Member.

The Acting Speaker (Mr. Paproski): The Hon. Member for Thunder Bay-Nipigon (Mr. Epp). It is the other Mr. Epp; I thought it was the Minister getting up again!

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, thank you for solving the interesting question of how to deal with certain similarities of name, if little else, although in speaking this morning to the Bill to dissolve the sports pool, we will have occasion to see a similarity of view.

I am very pleased to be able to speak this early in the Thirty-third Parliament on an important measure. I believe I will have an opportunity during the debate on the Throne Speech to speak as well and consequently my comments to my constituents and relating to the past election can be held over. Today I would particularly like to address the matter before us.

Before I do so, I would like to congratulate my friend of similar name on his responsibility as Minister of National Health and Welfare. I hope he will have a good time. I wish him well in the great responsibility he faces in maintaining the social security system of our country.

I was also pleased to see the Hon. Member for York West (Mr. Marchi) on his feet speaking to this measure. We have been waiting with bated breath for our friends in the Liberal caucus to name their spokesman for fitness and amateur sport, given that the list announced earlier did not include any such person. Since the Hon. Member is also responsible for multiculturalism, as I am, we clearly will become acquainted.

The Bill before us deals with a measure passed in the last Parliament which was designed to create a sports pool in order to raise money, not just for the Olympics in 1988 but for various other objectives. It was designed to raise money for fitness and amateur sport generally, for the support of arts and culture, including, although not necessarily restricted to, capital projects in that area. It was also, as has been recognized earlier today, designed to raise money for the purposes of supporting medical and health research.

All of these things are, of course, very important matters to the people of Canada. They are matters which deserve substantial support. However, the preceding government intended to support these important activities not from the general revenues of the country but by the method of gambling on the federal as well as the provincial level. It was clearly a matter of supporting excellent ends by the use of highly dubious means.

There have not been many comments in the debate to this point on the questionable nature of those means so I would like to give my own observations. In fact there is a large area of agreement between myself and my colleagues in the last Parliament, going back to the 1970s, the views of the present Minister of National Health and Welfare and, for that matter, those of the Minister of State for Fitness and Amateur Sport (Mr. Jelinek), who I regret not seeing here today.

● (1240)

I would like to put on record the views stated by various members of our Party in years past in order to have an indication of the importance of these matters. The House will pardon the historian particularly enjoying documents while he is in the process of adding to the documentation. In 1976 the then Hon. Member for Winnipeg North Centre, Mr. Knowles, spoke as follows in the debate on Loto Canada:

> It is because we believe that physical fitness, amateur sport and recreation are important aspects of Canadian life that we think they should be financed out of general taxation and, therefore, paid for on the basis of the ability to pay.
>
> We do not believe that aspects of life as important as physical fitness, amateur sport and recreation should be financed by gambling, which calls on the poor to pay for it, instead of taxation which is levied according to ability to pay.

Although I will not say much about the importance of fitness and amateur sport to all of us, let me say that those sentiments clearly state my position and that of my colleagues. In debate on the legislation which established what we are today concluding, the sports pool itself, the Hon. Member for Hamilton Mountain (Mr. Deans) spoke as follows on November 18, 1982:

> It is clear that if we believe the health and well-being of the people is important, then we must be prepared to make a financial commitment to that end.

He added:

> The intent of the legislation is quite clear; it will introduce an attitude in the country that gambling is an acceptable way for government to raise money. It is not acceptable, Mr. Speaker.

Later he said:

> But when we in Canada make a commitment to health care, health services and provision of adequate facilities for health, whether it be in the sense of providing immediate care or research, we believe in doing it out of tax revenues. Also we believe that it should be funded in a way to allow the people charged with the responsibility of ensuring the continuation of the health care service to do some reasonable fiscal planning, to budget and to commit dollars for years down the road in order to complete the projects which they have undertaken.

Those are fascinating comments given what the Hon. Minister has indicated about some questions he put to the head of

the Medical Research Council. In further debate the then Hon. Member for Selkirk-Interlake, Mr. Sargeant, on April 19, 1983, made this observation of the impact of organizations such as this sports pool:

What is the nature of the Minister's voluntary taxation—his non-tax source of revenue? For one thing, it is a form of taxation that takes proportionately more from the poor than it does from the rich.

When one thinks about it, it is not really surprising that it is the poor and not the rich who fall for other Government betting schemes. Lotteries, this sports pool and other government-run gambling are turning millions of Canadians into gamblers. The rags to riches, easy money outlook bred by lottery advertising is naturally appealing to poorer Canadians.

He added some observations about the people who tend to buy lottery tickets and presumably participate in the sports pools:

A 1977 profile commissioned by Loto Canada found that 54 per cent of the buyers of lottery tickets earned less than $20,000 a year. A similar study conducted by Gallup found that 73 per cent of people who earned less than $6,000 a year took part in Wintario.

That in my province of Ontario is another dimension of the cause for concern that we feel in our caucus about the proposal which the previous government put on the law books and the pool it created.

Let me quote one more member of my caucus, the Hon. Member for Beaches (Mr. Young), as follows:

I always considered support for arts and culture and support for medical and health research to be a responsibility in the best interest of Canadians as a whole and certainly Canada as a society. I considered this to be a responsibility of all Canadians not just those people at the low end of the income scale who may be tempted because of the economic conditions in which they find themselves as a result of government policy to try to find a way out of those difficulties by buying dreams through the kinds of programs about which the Government is talking. That is what the Government is doing. It is selling dreams. The chances or the odds of an individual who participates in that kind of activity, these lotteries or sports pools, actually coming out a winner are decidedly low.

The debate in the last Parliament was fascinating on that point as Members considered the likelihood with which one might be struck by lightning; it is twice as likely as winning a lottery. That does not prevent the organizers of lotteries from spotlighting every successful winner in order to encourage people, particularly the unfortunate, to take part in these lotteries.

What I found fascinating was the fact that members of the then Conservative Opposition felt the same way about these matters. You will understand, Mr. Speaker, why I look particularly at the Hon. Member for Provencher (Mr. Epp) and the Hon. Member for Halton in making these comments. There really is some fascinating material here which I rather regret was not put on the record at any length this morning. The Hon. Minister referred to strong views but he did not really give us the depth and strength of those views while speaking to the Bill presently before us. When he spoke on November 18, 1982 as an opposition member, the Minister said:

We are being asked today by this Government to accept a Bill which allows the federal Government to get back into the gaming industry. What we are debating here today is action which in 1970 was illegal. In 1970 it was prohibited by virtue of the Canadian Criminal Code. Suddenly after ten or 12 years we not only have had legalized gambling, government-sponsored—in fact governments being beneficiaries of that gambling—but gambling has become a part of the Canadian pattern. Today we seem to say that we have to increase this new source of revenue, not because we want to justify that new source, but because the Government needs it for valid programs. It is based on this theory that the ends justify the means.

I did not at the outset mean to parrot him, but I do not think I could have said it any better concerning my own repugnance at what has happened in Canadian society since these amendments to the Criminal Code. I am sorry that the proposal before us this morning is only the abolition of one of those bodies. The Minister, then simply the Hon. Member for Provencher, went on to say:

The carrot is put forward to the people, Mr. Speaker, that they might somehow get out of the economic difficulties in which they find themselves by buying one chance, one hope which somehow might extricate them from the daily living that is faced by most Canadians. It is a fantasy based on advertising, glib, glossy advertising, the kind that, if corporations used it, many of us in this House would get up and argue borders very closely on false advertising, if in fact it is not false advertising. But because governments do it, somehow there is legitimacy. I suggest that is wrong.

I heartily agree. I do not think it could have been said better by a member of our caucus.

Mr. Deans: Oh, maybe marginally.

Mr. Epp (Thunder Bay-Nipigon): Marginally. The Hon. Minister would always be welcome over here, perhaps, Mr. House Leader.

Mr. Deans: For a visit.

Mr. Epp (Thunder Bay-Nipigon): For a visit. Well, there may be something to extract from that a little later. The Hon. Member for Halton also had some fascinating observations to make:

At the outset, I would like to say that this sports pool is nothing more than an indirect taxation by devious ways and means. It is an underhanded way of collecting money from the Canadian public because the Government has failed in its responsibility time and time again to collect it by normal means.

That is a splendid statement, one which I do not intend to allow the Hon. Minister of State for Fitness and Amateur Sport to forget in this Parliament. It is one we might inscribe in an appropriate place and keep constantly spotlighted, as is done in a stadium when the great athletes are performing, in order to be sure we do not forget it.

● (1250)

He went on to comment on the proposal before the House on this day in late June of 1983 by saying the following:

As a former athlete I support anything which can be done to help amateur athletes in this country. But certainly not by establishing the phony, sleazy programs the Government is talking about which would be taking advantage primarily of the poor people of this nation, and then misleading them with false and misleading advertising.

That was splendidly spoken. With those comments on the record from both of the Opposition Parties in preceding Parliaments, I regretted this morning that the Minister's observations did not in fact extend to these considerations. I was disappointed to see him focusing particularly on the federal-provincial ramifications of all of this. He is concerned about the pursuit of the policy which the government of 1979

followed in turning the field over to the provinces. That is virtuous at the federal level presumably, a vice lift to the provinces. We might remind ourselves immediately, of course, that the Parliament of Canada declares what is illegal in this country, if it does not in fact define all the vice that exists. To leave our provincial colleagues in their governments responsible for this behaviour if in fact it is immoral, if it has vicious consequences and if the social ends are as evil as the Member for Provencher and the Member for Halton suggested in 1982 and 1983, seems to me highly regrettable. We should in fact be giving the sort of consideration to this whole question which the then opposition member for Provencher did in fact propose.

If I might take one more selection from the parliamentary record of years past, I find on November 18, 1982 the then representative from Provencher declared, in words which I convey to him strongly and powerfully this afternoon:

> I suggest to the Minister that he seriously consider setting up an all-party committee to study the subject of lotteries and what they mean to the Canadian public, both in the immediate and long term, before this Bill is passed.

I daresay it is not appropriate to propose a motion in that direction. As a new Member I am open to instruction on these matters. I see that the opposition member in that Parliament did not in fact move a motion either, but he proferred advice to the Minister as I now do. I think this is really quite a serious matter. Both of us have provincial colleagues who have taken action which we must regret. I am candid in recognizing that the New Democratic Government of Manitoba was into the field very early, about 1970. I regret that. I think it was a wrong action. I regret equally that the Government of Ontario has been in the lottery field so largely with the Wintario program in particular. It has in fact used that extensively for the very purposes for which the late Government planned to use the sports pool.

Surely, given more than a decade of experience with gaming it would be appropriate at this point to take a good look at it. While as a new Member I may hesitate to add to the number of committees we will have in the House, this is one of the important moral and social matters which certainly deserves consideration and I commend it to the Minister.

In connection with the Wintario grants, the impression I have in northern Ontario is that the largesse which comes from Queen's Park and makes possible the establishment of sports facilities of various sorts can be the sort of gift which some of us occasionally experience. Initially everything seems splendid. In this case with the capital grants fully in the ground and above it with buildings erected, local communities find themselves suddenly having to support the operation of facilities they did not have before. The consequence can be a heavier burden of taxation than those people have known before. That surely is another of the consequences of gambling revenue because it seems to be such cheap money. There is no reason why a small community should not have facilities given that this money is in provincial hands ready to be disbursed wherever it may be.

There is, of course, concern about the financing of the 1988 Winter Olympics in Calgary and other activities in fitness and amateur sports. I share the concern of the Member for York West (Mr. Marchi) to know how the Government plans to do this. I took care to obtain the governing Party's campaign handbook last night and also to get some sense of what the policy might be in order to have marks by which we might judge at an early point.

I note in the campaign handbook a statement that the PC Government would explore tax incentives for corporate support for sports and fitness programs. I note that the policy statement given to sports organizations saying that the PCs are committed to maintaining the highest level of federal support for amateur sport in Canada is very likely to be contradicted beginning this evening. We have had an indication in one area and another that all Canadians are going to have to suffer cuts in the expenditures of the Government, so it seems highly unlikely that that particular statement given to sports groups across the country during the last election will in fact be maintained and that they will in fact maintain the highest level of federal support. It looks as if some trimming in the funding made available in that area is inevitable. We will be watching with great concern.

This same section goes on to comment on a commitment to develop a charitable donations tax credit. That brings me to my concluding observations and expression of concern about the way in which all of this may unfold. The Canadian fiscal structure is presently shot full of one tax break and another, whether for individuals or for corporations. I found it very interesting when talking to a Thunder Bay accountant a few weeks ago to hear him say: "When you get to the House of Commons, do your best to simplify that tax structure. Stop trying to achieve social aims through the fiscal system because it becomes more and more complex as each of these is carried through".

My personal opinion about the tax breaks is that we ought to be really rigorous in reviewing all of them. I am intensely suspicious about the use of every one of these. Perhaps the greatest concern I feel about the proposal that there be more such incentives is the concern that all Members of Parliament share, I am sure. That is a concern that we have genuine responsible government in this country. The great problem with using arrangements of this sort is that they inevitably become veiled in the confidentiality which applies to fiscal dealings of government with individuals and corporations. When they are so veiled it becomes quite impossible for Parliament to have any close contact with what is happening. We need a rigorous reconsideration of all of them.

On this day on which the Government plans to put forward an economic statement we need a recognition that one of the factors in the deficit that bothers the Government so deeply is in fact an incredible level of tax expenditures of one break and another. In fact, I suspect that the deficit is largely matched by the breaks to individuals and corporations. It would be good to have all the detail we can possibly have on that. The proposal that we have in addition to it as a means of financing

fitness and amateur sport, Mr. Speaker, seems to me not much less dubious for other reasons than was the proposal to establish the sports pool in 1982-1983.

In conclusion, Mr. Speaker, let me applaud the measure which was put forward by the Minister of National Health and Welfare, subject only to my concern about a proper provision for the employees of the sports pool. I would like to call on the Government to be principled in its entire rejection of gambling in Canada. An all-Party committee to review this seems to me quite essential. We ought to think about the possibility of amending the Criminal Code.

Finally, I would like to say that I await with concern the statement on funding for amateur sport, whenever it is made, and question the intention to use more tax incentives in this area. Thank you for your patience, Mr. Speaker.

[*Translation*]

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

PARLIAMENT HILL

PRESENCE OF PEACE CAMP

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, the Prime Minister (Mr. Mulroney), speaking about the Peace Camp on Parliament Hill, was quoted recently as having said: "I think they made their point. It's been amply made, it's been well made. It's really a question of how much more you want to make a point."

How can the Prime Minister say that these young people have made their point when, last year, countries of the world spent over $700 billion on arms, when $100 billion of that was spent on nuclear weapons, when we now have in the world 50,000 nuclear weapons which have one million times the destructive power of the Hiroshima bomb, when there is a new nuclear test taking place in the world every week which is really a rehearsal for nuclear war? The nuclear weapons that exist now can destroy 800 million lives in less than one day. Despite that, the Prime Minister has said that these young people have made their point.

I would ask the Prime Minister to agree that this important vigil, that this important reminder stay on Parliament Hill until the nations of the world ban nuclear madness from the face of the earth.

* * *

BANK OF CANADA

INFLUENCE ON INTEREST RATES

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, strong downward pressures have appeared on interest rate markets both here and in the United States. Clearly, new, strong, conservative Governments with effective mandates for business oriented policies are largely responsible for the increase in confidence that has led to falling interest rates.

In the United States, three-month Treasury bills were auctioned on November 5 for 8.82 per cent. Today our three-month Treasury bills were auctioned to yield 11.2 per cent, which is a drop of 22 basis points from last week.

Traders have indicated to me that they feel that our interest rates could drop much more rapidly if the Bank of Canada would discontinue its practice of relating exchange rates to interest rates.

May I suggest to the Minister of Finance (Mr. Wilson) that, in view of the fact that interest rates, while dropping here are dropping much more rapidly in the United States, he instruct the Bank of Canada to stop influencing interest rate markets in Canada and let rates drop as low as they can. This will save the country substantial costs in financing the national debt, and more than anything else will stimulate new business activity and the consequent result of increasing new job opportunities.

* * *

INTERNATIONAL UNION FOR THE CONSERVATION OF NATURE

MEMBERSHIP APPLICATION OF GREENPEACE INTERNATIONAL

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I feel that the House and the people of Canada should know that the Government of Canda appears to have instructed an Environment Canada official in Madrid to urge fellow members of the International Union for the Conservation of Nature to reject Greenpeace International's application to join this respected international organization.

Greenpeace is an internationally recognized Canadian conservation group, with operations in over 15 countries and official status at the United Nations. It is ridiculous that the Canadian Government would be so petty as to even consider opposing Greenpeace's entry into the IUCN, and it is clearly inappropriate for any Government in an organization that is comprised mostly of N.G.O's. I have already notified the Minister of the Environment (Mrs. Blais-Grenier) of my Party's objection to this, but I want the House to know that New Democrats are not alone.

I have a telegram that was sent to the President of the IUCN in which 20 of the largest non government members of the IUCN, including the World Wildlife Federation, state that the efforts by the Government of Canada to block Greenpeace's entry into the IUCN risk "opening the door to unnecessary dissension and discord that will detract from and hinder the important work that we are all committed to accomplishing under the world conservation banner".

Obviously, Environment Canada's actions in Madrid are misguided and unpopular, and I call on the Minister of the Environment to make a statement, preferably in the House, to the effect that both passive and active opposition to Greenpeace's entry into the IUCN will cease.

* * *

FEDERAL-PROVINCIAL RELATIONS

GOVERNMENT'S ATTITUDE

Mr. Bill Lesick (Edmonton East): Mr. Speaker, three days ago the agenda of the new Government was presented to the Canadian people. However, the Leader of the Opposition (Mr. Turner) has criticized the Throne Speech, saying that the expectations of Canadians were not fulfilled.

Let us look at the area of federal-provincial relations.

Are Canadians disappointed that both levels of government, including Quebec, have embarked on a new path of co-operation and not confrontation? No.

Are Canadians disappointed that the federal Government has invited labour, business, and government to an economic summit to work out new strategies based on consensus? Absolutely not.

Will Canadians be disappointed that all 11 leaders in Canada will sit down to plan for our future? No.

I do not believe that the expectations of the people in my region, in my province, have been unfulfilled. In fact, they are relieved.

Perhaps the Leader of the Opposition will want to applaud this new atittude once he understands that it is absolutely necessary if we are to develop a sound future for our next generation. As an Albertan I feel confident that the concerns of my province will finally be heard and understood.

* * *

TRADE

ENTRY OF CANADIAN STEEL PRODUCTS TO UNITED STATES

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am rising to express my extreme regret about the Government's handling of the United States Trade and Tariff Act 1984. You will be aware that as of next week legislation in the United States Congress will be passed which will adversely affect Canada's steel industry by requiring identification of Canadian pipe entering the United States.

S.O. 21

I rise on behalf of the people of Hamilton and all those who are concerned about the steel industry, particularly in view of the Government's alleged positive relationship with the President of the United States. It seems to me that it would have been appropriate for the Minister for International Trade (Mr. Kelleher) at the very least to go to the United States directly to lobby, to ensure that Canadians would be exempted from the trade and tariff changes that will adversely affect our industry as of November 13.

In view of the new spirit of co-operation that has been developed between the Canadian and American Governments, I would suggest that the Prime Minister (Mr. Mulroney) exercise his influence with the President of the United States with a little more than a tea party at the Rose Garden, by ensuring that the Congressional Act which will become effective on November 13 will exempt Canadian steel from the labelling provisions.

* * *

TOURISM

GEORGIAN COLLEGE'S PROPOSAL TO ESTABLISH RESOURCE CENTRE

Mr. Ron Stewart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker, the Minister of State for Tourism (Mr. McMillan) is aware of the proposal for a tourism-hospitality industry resource centre at Georgian College in my riding. The project will provide employment and improve the quality of tourism at a time when this important industry is facing a number of difficult challenges.

Under the former Liberal Government, Simcoe South was generally overlooked in the area of tourism. Georgian College had 800 applications for the 280 places in its tourism management program this year. Although it is the third largest co-op college in Ontario, it has, in the past, received very little federal assistance.

Georgian College's proposal is estimated to cost $3.5 million, a modest price tag for a project that will deliver over 600 training places in tourism management by 1986. The proposal has the endorsement of TIAC, Tourism Ontario, and a commitment of financial assistance from the Ontario Government. In addition, in his speech in Barrie on August 11 the Prime Minister (Mr. Mulroney) expressed his keen interest in this project.

Georgian College offers a first rate tourism management program. The proposed resource centre will be a valuable additon to the existing program.

The new P.C. Government has recognized the importance of tourism by establishing a Ministry of State for Tourism, and by appointing a capable Minister to head it. I urge him to look seriously at this urgently needed project.

S.O. 21

STATUS OF WOMEN

CONDEMNATION OF THRONE SPEECH CONTENT

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, during the election campaign a special debate was held in Toronto on women's issues. The commitments of the Tory Party now in Government would, in hindsight, appear to be public relations window dressing, given the emptiness of the Speech from the Throne.

Canadian women deserve the respect held out to them in the Speech from the Throne, as do all Canadians. Canadian women also deserve action with programs, policies, and legislation to bring them into the mainstream of Canadian economic life.

What the women of Canada have been given by the Tory Government is a study. Some place, somewhere in this city must be a warehouse full of studies regarding women and the economy.

An Hon. Member: They are all yours.

• (1410)

Mr. Gauthier: Right, use them.

The Tory Government must act now to implement the shelter allowance program for single parents advocated by the Right Hon. Leader of the Opposition (Mr. Turner) during the election campaign. The Tory Government must act now to begin negotiations with the provinces for the implementation of a national daycare system which will provide women with greater access to jobs and training.

The Speech from the Throne has been called a motherhood speech. It is nothing but empty promises. Unfortunately for single and working mothers the Speech from the Throne is empty, and fails to recognize that in difficult economic times there is more to motherhood than being all things to all people. This Speech from the Throne is a disaster.

* * *

[*Translation*]

EMPLOYMENT

UNCERTAINTY ABOUT FORTHCOMING FINANCIAL STATEMENT

Mr. Mike Cassidy (Ottawa Centre): Thank you, Mr. Speaker. I wish to express the concern of my constituents and my Party and also of 300,000 members of the Public Service about rumours and leaks according to which 15,000 Public Service jobs are to disappear tonight, as part of Mr. Wilson's statement. These rumours seem to be part of a deliberate campaign aimed at getting the public to anticipate changes that will cost jobs instead of creating them.

[*English*]

People voted for change in my riding of Ottawa Centre and across Canada, but in my opinion very few voted to make the Public Service a scapegoat in order to appease the business community. There are real challenges for the Public Service to be met, but under the Liberal Government the Public Service was overmanaged, and its morale suffered from repeated six and five freezes and other such steps. I would not like to see the same thing continued under the new Government.

To give an example, the new Government has let 200 contract employees in Canada Employment and Immigration go, despite the fact that unemployment is at record levels and that jobs counsellors in CEIC cannot do the job adequately now because there are too few of them.

As Leader of the Progressive Conservative Party, the Prime Minister (Mr. Mulroney) promised during the election campaign that, while the Government supported a need for restraint in government spending, "we are not in favour of this goal being achieved on the backs of public servants". I call upon the Government to live up to this commitment and not make public employees sacrificial victims in its budgetary policy.

* * *

THE ECONOMY

PREPARATION OF GOVERNMENT'S ECONOMIC STATEMENT

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, sloth and wastefulness, arrogance and corruption, these were the characteristics of a Liberal-Socialist alliance too long in power. Their pigeons came home to roost on September 4. On the other hand, sound financial management and prudence in the handling of the public purse will be the hallmarks of the new Government.

Since September 17 the Cabinet, and in particular the Minister of Finance (Mr. Wilson), have been diligently working on an economic statement which will show the true state of Canada's national finances and will set us on the road to economic recovery. Controlling the deficit, that legacy of the Trudeau years which hangs around the necks of Canadians like a stone, will have to be uppermost in the mind of the Minister.

I urge all parliamentarians and all Canadians to listen carefully this evening at 6.30 when the Minister of Finance will pull the switch, thereby putting Canada back on the track toward a bright and prosperous future.

* * *

AGRICULTURE

WESTERN GRAIN STABILIZATION ACT—PAY-OUTS TO FARMERS

Mr. Gordon Taylor (Bow River): Mr. Speaker, the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) when he was a member of the Liberal Government, along with his Liberal colleagues procrastinated for some 15 months before bringing in amendments to the Western Grain Stabilization Act. He and the Liberal Minister of Agriculture dilly-dallied while some 400 farmers went bankrupt. Progressive Conserva-

tive members pleaded, argued, entreated, and even prayed for a pay-out so farmers could plant their crops last spring. But the Liberals refused, and finally in the dying days of the last Parliament they brought in the Bill. They promised a pay-out of $300 million.

However, yesterday the same Hon. Member for Winnipeg-Fort Garry shed crocodile tears and talked about a pay-out of $500 million. What gall! What hypocrisy! This PC Government lost no time in completing the pay-out, and because of the excellent attitude of the Ministers of Transport, of Agriculture, and of the Wheat Board, hundreds of farmers are now rethinking about opting out. PCs will change the Act in order to trigger a pay-out when a pay-out is needed. The Liberals talk. The PCs act.

ORAL QUESTION PERIOD

[*English*]

EDUCATION

SUGGESTED TOPIC FOR NATIONAL ECONOMIC SUMMIT AGENDA

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. It was inconceivable to those of us on this side of the House that there was no mention of post-secondary education in the Throne Speech. On behalf of the students of the University of British Columbia and other universities across the country, does the Prime Minister intend to make it his personal priority when he meets the Premiers at the upcoming summit to place post-secondary education on the agenda? If so, would he consult the students of the country so that they may help set the agenda for the national economic summit?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, indeed it is our intention to discuss it with the Premiers next week. This is one of the reasons why it was not mentioned in any specifics a little earlier this week. Notwithstanding the observation yesterday of the Right Hon. Leader of the Opposition that he thought we were indulging in perhaps too much consultation, I would be delighted to take his suggestion and consult further with the students.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I am sure the university students of the country would welcome any opportunity to give the right hon. gentleman some advice.

USE OF TAX MONEY BY PROVINCES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in approaching the Premiers, in discussing the question of post-secondary education, and in negotiating agreements with them next March, would the Prime Minister tell

the House whether he would favour attaching some conditions or setting some sort of guidelines so that we in the House can be assured that money of the taxpayers of Canada destined to post-secondary education is used by the provinces of Canada for the purpose of education?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think the manner in which the question is set out indicates the fundamental difference between our two Parties. The Right Hon. Leader of the Opposition appears to presuppose that if we make an agreement with the provinces they will do something improper. We believe the contrary, that if we strike a deal with the provinces, they are honourable people and they will follow through.

Mr. Turner (Vancouver Quadra): Before meeting the Premiers, I think the right hon. gentleman ought to look at the facts to see how that money is actually being spent by the provinces.

[*Translation*]

NATIONAL OBJECTIVES—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, could the Right Hon. Prime Minister inform the House and students across the country whether he is in favour of setting national objectives, with the agreement of the provinces, in the field of post-secondary education?

Right Hon. Brian Mulroney (Prime Minister): The Leader of the Opposition is right in bringing up an issue that is absolutely vital, and on which I would say an unprecedented amount of consultation and co-operation will be necessary. In fact, this has been the position taken by the Leader of the Opposition, and rightly so, throughout his public life, and I can assure him that it will be ours as well, especially in an area as vitally important as this one.

Starting next Tuesday, we shall be consulting not only on the principle but also on implementation procedures.

* * *

[*English*]

YOUTH

MINISTER'S AREAS OF RESPONSIBILITY

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my question is directed to the Minister of State for Youth. However, with your indulgence and, through you, I should like to offer my congratulations to the Minister on her appointment to such a sensitive post at this time of crisis for our youth.

● (1420)

Will the Minister enlighten this House and the youth of Canada on the areas of her responsibilities with respect to legislative procedure and programs, as well as the criteria for the allocation of grants? For example, will she comment on her

input to the decision which cut direct job training for youth to a mere $27 million, as announced by her colleague, the Minister of Employment and Immigration?

[*Translation*]

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, first I would like to thank my hon. colleague for her words of congratulations. I think that in the coming months, she will be able to appreciate what I intend to accomplish in the Department for which the Right Hon. Prime Minister has made me responsible.

As for the Hon. Member's question about future legislation, I may remind her that, through no fault of my own, I am the third Minister in seven months to head this Department. With my departmental officials, we are first trying to clean house. We shall be consulting young people themselves, but not through studies of statistics and statistics on studies, of which we have had more than enough from my predecessors.

Some Hon. Members: Hear, hear!

Mrs. Champagne: As for the grant funding to which you referred, we will know after this evening. It is not for me to say now what amounts will be allocated for youth.

[*English*]

Finally, the Hon. Member referred to the announcement made by the Minister of Employment and Immigration. This is not my responsibility right now, even though we have conferred. This is a pilot project. I will be delighted to work along with her to develop new ones.

Some Hon. Members: Hear, hear!

PRESS STATEMENT ATTRIBUTED TO MINISTER

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I am very disappointed that, while cleaning house, she had to cut out one-third of the budget for our youth. However, the question was not related to the dollars in the grant. It was related to criteria. Perhaps we can come back to that.

In particular, I am concerned about an interview which the Minister had with Mr. Bernard Descôteaux of *Le Devoir*, in which she stated:

[*Translation*]

She would like to suggest that people look at the 85 per cent who are doing well.

[*English*]

I am really concerned that young people in difficulty, *les décrocheurs*, have to turn elsewhere. Will young Canadians have to turn to these other 85 per cent, according to our Minister, for help, or will they get some help, those who are in need, those who are contemplating suicide, and those who have not done well, drop-outs, and students? Are they going to turn elsewhere or to you, Mrs. Minister?

[*Translation*]

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, perhaps I may point out that at the time of the interview, 85 per cent of young Canadians were able to function normally, despite difficult economic conditions. I also said, if I am being quoted correctly, that of course we were going to take care of people in difficulty. I feel, however, that it is also up to young Canadians and I am thinking of those who are able to function with everybody's help to do their share. In this Government, Mr. Speaker, everyone will have to do his share, and that includes Canada's youth.

* * *

STATUS OF WOMEN

ECONOMIC EQUALITY—GOVERNMENT POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Right Hon. Prime Minister.

During the election campaign, the Prime Minister promised that his Government would make changes in the Liberals' policies. More specifically, he promised Canadian women a number of policies on economic equality. He said that Canadian corporations seeking federal government contracts would have to provide affirmative action programs and equal pay for work of equal value. In the Throne Speech, the Government made a complete turnabout. Why?

Right Hon. Brian Mulroney (Prime Minister): I think my hon. friend, the Leader of the New Democratic Party, is mistaken. In fact, there was a great deal in the Throne Speech about the status of women in Canada, including the particular issue he is raising. I can say that at this very moment, we have programs that are being quickly examined by Cabinet and my office so as not to delay implementation of the principle in question.

[*English*]

REQUEST FOR GOVERNMENT ACTION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Prime Minister is giving the House the same old answers that we used to hear from the Liberal Government when he sat on this side of the House. When the Prime Minister made the promise during the election campaign—

Some Hon. Members: Oh, oh!

Mr. Broadbent: Well, we don't want to bring back the other people who used to break their promises, to go back on that side. One is as bad as the other. They are a little sensitive, these guys to my right.

Mr. Speaker: Order, please. The Hon. Member for Oshawa on a supplementary question.

Mr. Broadbent: Another 30 years in opposition will do you a lot of good, fellows.

Some Hon. Members: Hear, hear!

Mr. Axworthy: You should know, Ed.

Mr. Broadbent: Just look at Nova Scotia.

The Prime Minister knows what is in the Throne Speech. He also knows that there is no commitment to implement these specific promises he made. He promised Canadian women concrete action, that as Prime Minister he would insist that all companies doing business with the Government have programs such as affirmative action, equal pay for work of equal value, in place. Why is he not now giving that to the people of Canada, the women, instead of studying it again for the future?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, when I see the spectacle that is going on in front of me, I should remind all of the people over there that one thing the Canadian people cannot stand is a lovers' quarrel in public.

Some Hon. Members: Hear, hear!

Mr. Mulroney: You have got along all these years; don't spoil it now.

Our commitment, the pursuit of equality for women, is at the top of our legislative and governmental priorities. I can assure the Hon. Member that we shall be acting on many fronts to satisfy the very legitimate request of all Canadian women that fairness and equality of opportunity be theirs.

Some Hon. Members: Hear, hear!

IMPLEMENTATION OF ELECTION PROMISE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Prime Minister has spent most of the period since September 4 reading the former Prime Minister's answers to questions. I warn him, because he saw what happened to the guy on my right, and to his predecessor, that he will not be around for nearly the same period of time unless he changes his approach.

I want to ask the Prime Minister this question because he is both Prime Minister and a lawyer of considerable reputation. He knows that Section 19 of the Human Rights Act will permit the Government of Canada, without making a study and without bringing legislation before the House, actually to implement the promises made in regard to equality for women. If he believes, as he said in the NAC debate, as he said in British Columbia, and as he said in Toronto during the summer of 1984, that his Government will act on equality, why does he not use the Human Rights Act, consider the unequal state in which Canadian women have been living for decades, and implement now the promises he made? We do not need more studies.

• (1430)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in fairness I think the Hon. Member would acknowledge that the House has only been in session for some three days and that there will be an economic statement tonight which, of necessity, requires priority treatment. The priority we plan to give to equality in the status of women in a number of important areas is, I can assure the Hon. Member, at the top of our list, and there shall be effective action in those areas.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF PRIME MINISTER OF FRANCE

Mr. Speaker: Given the very special relationship that exists between our countries—

[*Translation*]

I would like to draw the attention of the House to the presence in our gallery of the Prime Minister of France, His Excellency Mr. Laurent Fabius, who is accompanied by a parliamentary delegation from France.

Some Hon. Members: Hear, hear!

[*English*]

Mr. Speaker: Before calling the Hon. Member for Eglinton-Lawrence, may I remind the House that the purpose of Question Period is short answers and short questions.

* * *

EDUCATION

PROVINCES' USE OF FEDERAL FUNDING

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, my question is addressed to the Hon. Secretary of State. First, I would like to congratulate him not only on his re-election but on his appointment to his important portfolio.

The Minister well knows that for years one of the ongoing concerns of the previous Government, and of all students and all members of faculties of institutions across the country, has been that funds transferred by the Government of Canada to the provinces for post-secondary education might have been partially, or even largely, diverted to other areas and purposes. Does the Secretary of State intend to implement the law which requires him to determine what each province actually spends in the area of post-secondary education, and report this to the House? Does the Secretary of State intend to ferret out the truth and find out where the provinces are actually spending the money given them by the federal Government which was intended to be devoted exclusively to the benefit of post-secondary education?

Hon. Walter McLean (Secretary of State): Mr. Speaker, I would like to acknowledge the good wishes of the Hon. Member and in turn offer my congratulations to him.

The Hon. Member will recall that it was the amendment put forward by the Hon. Minister of Employment and Immigration during debate on Bill C-12 dealing with post-secondary funding which called for the responsible action in reporting of which the Hon. Member speaks.

Mr. de Corneille: The Minister, by pointing out this fact, which I would have wanted to have mentioned if there were time—

Some Hon. Members: Oh, oh!

Mr. Speaker: No. The Hon. Member knows full well that his opportunity now is to place a supplementary question.

PRIME MINISTERS' POSITION

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, my supplementary question is in fact addressed to the Right Hon. Prime Minister. I am sure he has been listening well to the very point the Secretary of State just mentioned. How does the Prime Minister square the views of the Secretary of State with his own when, in Chicoutimi, Quebec, in the heat of the election campaign, he said that he found repugnant the provisions of this amendment which was in fact moved by his own Minister of Employment and Immigration? He said that he found this amendment repugnant in that it required the provinces to be brought to give an account of how they spend federal funds earmarked for higher education.

[*Translation*]

"It is a dimension of the Act which I find repugnant—"

[*English*]

The Prime Minister said that he wanted it changed.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it was the attitude of the former Government that I found repugnant. That was made very clear.

* * *

EMPLOYMENT

CANADA WORKS PROGRAM ANNOUNCEMENT

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Minister of Employment and Immigration and relates to one of the few employment projects that she has announced to date, the Canada Works Program. I would like to know why the Minister is following the Liberal practice of denying funding to women's crisis centres under the Canada Works Program? That is a program which is very necessary for many people right across the country, and the Minister's program and guidelines specifically disallow funding to women's crisis centres.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member knows when he refers to the Canada Works Program which I announced that it will indeed create some 70,000 new jobs and many of those jobs, I trust, will be allocated to women, as I have encouraged all Members of Parliament to see to it. This is so that women will indeed receive a larger number of jobs than they did last year under the program as it was being managed at that time. I would urge the Hon. Member to put forward good and viable proposals which will all be considered.

FUNDING OF WOMEN'S CRISIS CENTRES

Mr. Rod Murphy (Churchill): Mr. Speaker, I presume that the Minister is now reversing her regulations and guidelines and is now saying to us that crisis centres will be eligible for funding. Is that what she is saying to us? If she is not saying that to us, could she be very specific in explaining why those groups will not be eligible for funding?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member will know that I again instituted the establishment of constituency advisory boards in order to bring to the attention of Members and of the Minister those projects which should be funded. I would urge the Hon. Member to attend to his constituency advisory board, to appoint one if he has not yet done so, and to ask it to bring forward its recommendations.

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REGIONAL DEVELOPMENT

GLACE BAY COAL PROJECT

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. First let me congratulate the Minister on his appointment and wish him well in his deliberations.

As the Minister knows, a fire destroyed the Number 26 colliery in Glace Bay in April, 1984, taking the life of one man and displacing 1,200 workers. Recently the regional Minister for Nova Scotia announced that that coal mine would be sealed and that certain moneys would be allocated for the development of another coal mine. Unfortunately, that Minister did not make known in his announcement its dollar value, the number of jobs that would be created by the coal mine, or the duration of those jobs. Is the Minister prepared to provide the details of that announcement? Furthermore, is he prepared to give a firm commitment to a new coal development in the Town of Glace Bay?

• (1440)

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I thank the Hon. Member for his question. I would indicate that we too are most concerned about the situation to which he refers. As far as the 1B expenditure is concerned, the Hon. Member will be pleased to

learn that we have agreed to the employment of over a hundred people for 10 weeks to go ahead with the clean-up operation that is necessary in the 1B situation. That is in anticipation of taking a fresh look at the feasibility of opening 1B itself. As far as the total amount to be expended is concerned, I was speaking with Joseph Shannon this morning and he is still unable to identify the exact amount, but I can assure the Hon. Member that I will provide that detail when it is available.

PLIGHT OF OLDER MINERS

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, my supplementary question is directed to the same Minister. Although we have not got a very strong commitment from the Minister, I would point out to him that in the briefs submitted by the Mayor of Glace Bay and the President of the United Mine Workers of America, a number of factors were raised, with all of which I agree. However, there was one glaring omission, a pre-retirement package for older miners at the Cape Breton Development Corporation.

Would the Minister issue a directive, pursuant to Section 99 of the new Financial Administration Act, suggesting that the Corporation President enter into negotiations with the UMW and/or invoke the provisions of the Labour Adjustment Program, thereby enabling miners who are 55 years of age and older to avail themselves of a pre-retirement plan, thus creating new jobs for younger Canadians in that area?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member, who has referred to my meeting with Jake Campbell and His Worship, the Mayor of Glace Bay, I am sure he will be very pleased to learn that Jake Campbell has sent a telex to me, as a result of this Government's fast action, to say that the people of Glace Bay smile once again.

Some Hon. Members: Hear, hear!

* * *

EDUCATION

UNIVERSITY FUNDING

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, my question is directed to the Prime Minister. I am sure that the delegates from the Canadian Federation of Students who are in the galleries will be interested in the Prime Minister's response to the Hon. Leader of the Opposition when he indicated that the complete omission from the Throne Speech of any reference whatsoever to post-secondary education actually reflects a very high priority on the part of the Government.

Is it the intention of the Prime Minister to engage in consultations with the university community, and most particularly students, with respect to defining goals and priorities for universities, and as well to ensure that adequate funding will be provided from both the federal and provincial Governments?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in regard to the comment of the Hon. Member about students, I do not think that I could improve by an adjective on a statement in regard to that important element of our society which was made by the Hon. Leader of the Opposition during the leadership campaign when he said to students, "Your generation is going to be strangled if Ottawa continues to go into debt at the current pace". He made that statement on April 3 of last year. I agree with that statement. Students require economic growth, and economic growth requires dealing with a Government's expenditures which are out of control, and dealing with the deficit, to create co-operation with the provinces and the private sector, and to create a climate which will allow for the creation of jobs so that our young people can go back to work.

Mr. McCurdy: Mr. Speaker, I gather that the Prime Minister believes that it is more advantageous for students to go into debt than it is for the Government to go into slight debt in order to ensure not only that there will be educational opportunity but also the prospect of real economic growth.

REQUEST FOR INTRODUCTION OF LEGISLATION

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I will pursue my supplementary question to the Prime Minister along these lines. Will the Government consider a new post-secondary education act, as proposed by the Canadian Association of University Teachers, which is supported by the Canadian Federation of Students, to provide the following: one, a national tripartite, independent post-secondary education advisory council involving the federal and provincial Governments and the post-secondary education community; two, a House of Commons standing committee on science, research and post-secondary education to provide a periodic review of government initiatives in regard to post-secondary initiatives; and, three—

Mr. Speaker: Order, please. With great respect, I will allow the question as it has been asked to remain and be answered, but I feel that I should advise the new Member, in order to help all new Members, that the questions were put in reverse order. The first question may be a long and detailed question, but the second question must, by tradition, be a short and supplementary question. Therefore, I will let the question stand as it has been put so far.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I thought that the suggestions made by my hon. friend were worthy of active consideration. Pursuant to meetings which began this morning between the Secretary of State in regard to post-secondary education, I thank him for those suggestions and the Government will take them into active consideration.

Oral Questions

AUDITOR GENERAL

COST OF LITIGATION INVOLVING PETRO-CANADA

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is directed to the President of the Treasury Board and is in connection with a lawsuit being brought by the Auditor General against Petro-Canada and Petrofina. With respect to that transaction the President of the Treasury Board will know that we are paying the lawyers for the Auditor General through one budget, we are paying the judges through another budget, and we are paying for the defalcations of Petro-Canada in one way or another, which is all costing the taxpayers a lot of money. I would ask the President of the Treasury Board if he would step in to ensure that interdepartmental rivalries get cleaned up in a hurry so that they will not cost the country a lot of money for this nonsense?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I would like to tell the Hon. Member that I am well aware of the case.

Mr. Chrétien: You are lucky to have him.

Mr. de Cotret: Sure, we are lucky to have all of our colleagues here with us.

Mr. Chrétien: We are nicer to you than they are.

Mr. de Cotret: Ask questions. I have been waiting for them.

The question is one of which I am well aware. There is a suit which has been brought by the Auditor General, and I have had a number of discussions with him. We want the courts to decide on that matter, and we are following it very closely.

AUDITOR'S ACCESS TO CROWN CORPORATIONS

Hon. Bob Kaplan (York Centre): My question is supplementary, and is directed to the Minister of Justice, who should take some responsibility for the case which is now before the courts. After campaigning so actively with all Members opposite on a program that would allow the Auditor General to be given complete access to the ways in which all taxpayers' money is being spent, including Crown corporations, how can the Government now claim that this is a matter which it should study, when it promised the Canadian people that the Auditor General would be given access to all such corporations?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, this is a matter which refers to the confidences of the previous administration. We are trying to save their hides, for some reason.

Some Hon. Members: Oh, oh!

Mr. Crosbie: It just shows how impartial we are in the carrying out of our duties. There are important constitutional issues involved.

Some Hon. Members: Oh, oh!

Mr. Crosbie: Wait until I have answered the question. Then you can howl, yowl, jowl and do what you like.

There is a lot of information which can be given to the Auditor General other than confidences of the Privy Council. Perhaps that will be found to be sufficient before the matter is concluded.

* * *

● (1450)

NORTHERN DEVELOPMENT

FUTURE OF CYPRUS ANVIL MINE IN YUKON

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. I will begin by congratulating him on being named to a post which is among the most interesting and challenging of any portfolio in government.

Some Hon. Members: Hear, hear!

Mr. Penner: Recently the Minister was visiting communities north of sixty, and while he was in the community of Faro in Yukon he held out a very good measure of hope to the people there concerning the long-term future of the Cyprus Anvil mine which is presently not in production. I wonder whether the Minister at this time would be prepared to tell the House what plans he has, or what he is considering to do—of course, in consultation with the Hon. Member for Yukon—to get this mine back into production. Once it is back into production, what will he do to assure the people of Faro that that operation is going to continue as long as there is ore there to be mined?

I am asking this question quite apart from the current labour dispute, and the lock-out which is happening there. I am thinking of the long-term future of that important economic development project in Yukon.

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, first of all, please allow me to thank the Hon. Member for his kind thoughts, and also to congratulate him on his critic portfolio. I welcome him back to the field in which he has long experience and, indeed, in which he is considered an expert.

With respect to the Hon. Member's question, let me say, Mr. Speaker, it is true, as he indicated, that I met on October 24 with a number of people in Faro in order to deal with the question of the closing of the mine. At that time I was asked if I would do my best, along with other parties, to see if we could get the mine opened. In particular, I was asked if I would seek a private sector solution, to engage in discussions with those parties who could assist, and to do that as soon as I could. Since that time I have been doing so.

I have concluded the first round of discussions. There are many parties with whom to discuss and there are many complex issues which must be dealt with. I am now engaged in a second round of negotiations and discussions which are more

focused, and I hope I will be able to report good progress as soon as possible.

CROWN CORPORATION PROPOSAL

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, specifically, has the Minister given consideration to the creation of a new Crown corporation—

Some Hon. Members: Oh, oh!

Mr. Penner: —a new Crown corporation involving the White Pass and Yukon route railway and the Northern Canada Power Commission, a Crown corporation which could assist Cyprus Anvil with its transportation and power needs? I raise this, Mr. Speaker, because it was a proposal which was put forward by the Hon. Member for Yukon during the recent election campaign.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I think it goes without saying that I am always willing to listen to the entreaties of the Hon. Member for Yukon.

Mr. Axworthy: You do not have a choice.

Mr. Crombie: Let me say, Mr. Speaker, specifically on the question of White Pass, there is no question but that the role of White Pass in the Yukon with respect to the transportation component is extremely important. The role of the NCPC with respect to energy costs is extremely important to any future opportunities for the opening of the mine. However, I can say to the Hon. Member, Mr. Speaker, that there has been absolutely no suggestion other than today by the Hon. Member, certainly not by any person who has been involved in Faro, any person I spoke to, nor, indeed, by any party to the matter, in relation to a Crown corporation.

If it be that the Hon. Member for Yukon would like to pursue that matter, my door is always open.

Some Hon. Members: Hear, hear!

* * *

CHILDREN

SEXUAL ABUSE—BADGLEY COMMISSION RECOMMENDATIONS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Minister of Justice on this momentous and happy day for justice in Canada. In August the Badgley Commission issued a very comprehensive report documenting the shocking national tragedy of sexual abuse of children. Incredibly the Speech from the Throne was totally silent on this very serious problem. What specific early action does the Minister intend to take in response to the very important recommendations of the Badgley Commission?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, as the Hon. Member no doubt knows because he does his homework—I believe he has that reputation—

Mr. Broadbent: Right!

Mr. Riis: Hear, hear!

Mr. Crosbie: —although he was demoted by the Hon. Leader of his Party.

Mr. Murphy: So were you.

Mr. Broadbent: What is your position, John?

Some Hon. Members: Hear, hear!

Mr. Speaker: Order.

Mr. Axworthy: You have something in common with him. John.

Mr. Speaker: Order.

Mr. Crosbie: It is a very raucous reception, Mr. Speaker. I apologize for them. No, I regard myself as having been elevated to the universe.

Mr. Broadbent: You were supposed to feel that way.

Mr. Axworthy: Elevated right out of finance into justice.

Mr. Crosbie: The only penalty I am suffering is now having to watch the honourable gentlemen opposite face on.

The report, as the hon. le gentleman knows, Mr. Speaker, makes recommendations which involve both federal and provincial jurisdiction. Our officials are in consultation with provincial officials now. There will be a meeting of Ministers of Justice and Attorneys General on November 22 and November 23 in which the report will be discussed among other matters. Certainly action will be taken, but in taking action we must be careful that we do not injure or damage the rights of individuals as well. There has to be a fine balance. This matter is very much on our minds, and action will be taken.

[*Translation*]

GOVERNMENT POSITION

Mr. Svend J. Robinson (Burnaby): My supplementary is directed to the Right Hon. Prime Minister.

The Badgley Commission was unanimous in its recommendation that the Government immediately establish an office of commissioners reporting directly to the Prime Minister's office, to fight the sexual abuse of children.

When does the Prime Minister intend to set up this office, which is of vital importance to Canadian children?

Right Hon. Brian Mulroney (Prime Minister): As the Minister said earlier, we must first wait for the results of talks with his provincial counterparts, which will take place within the next few days.

* * *

[*English*]

CONSUMER AFFAIRS

LABELLING OF IRRADIATED FOODS

Mrs. Jennifer Cossitt (Leeds-Grenville): Mr. Speaker, my question is for the Minister of Consumer and Corporate Affairs and concerns the labelling of irradiated foods. The Department has been studying this issue for some time, in conjunction with the Department of National Health and Welfare in order to determine the best label to use to identify foods which have been treated with gamma rays. Would the Minister advise the House what decision, if any, has been made on the selection of a label which will assist consumers in identifying which foods have been subjected to irradiation?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, a communiqué on the labelling of these foods was issued by my department in July 1983 and sent to the various manufacturers and associations concerned. Replies received until April 1984 are now being analyzed and consultations with the World Health Organization are taking place. We shall be communicating the different data within the next few months.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

PLIGHT OF OLDER PERSONS INELIGIBLE FOR BENEFITS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, you will recall, I am sure, in the last Parliament that the present Minister of Employment and Immigration claimed she was vitally concerned about the problems of those Canadians in the age group of 55 years to 65 years who could neither find employment nor qualify for unemployment insurance benefits. What does the Minister propose to do about that problem now?

• (1500)

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I can inform the Hon. Member that this is still very much a grave concern of mine. He will be hearing later today about the steps that will be taken with regard to the unemployment insurance account.

GOVERNMENT POSITION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, regardless of what might happen with the unemployment insurance account, is the Minister prepared to assure those individuals one of two things: that this Government will produce jobs for them as the Prime Minister said he would; or they will be given unemployment insurance until such time as the jobs are available?

Hon. Flora MacDonald (Minister of Employment and Immigration): I understand the very real concern of the Hon. Member, but I ask him at least to contain that concern for a few hours when he will know that there will be certain steps taken.

* * *

PETITIONS

NUCLEAR-WEAPONS-FREE ZONE

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Mississauga South (Mr. Blenkarn) on Wednesday, November 7, 1984 meets the requirements of the Standing Orders as to form.

TESTING OF CRUISE MISSILE

Mr. Speaker: The petition presented by the Hon. Member for Vancouver-Kingsway (Mr. Waddell) on Wednesday, November 7, 1984 does not meet the requirements of the Standing Orders as to form.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, it is customary at this point to allow me, as House Leader for the Official Opposition, to pose a question to my colleague, the Government House Leader, as to his plans for the business of the House for the coming week. With your permission I would like to do so at this time.

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, I appreciate the tradition established with respect to the practice of having a discussion on Thursdays outlining the business of the House, not only for Members of this Chamber but for the general public. Before I get into that, I want first to extend to the Hon. Member for Windsor West (Mr. Gray) my congratulations on his appointment to that very important task which I had the honour of performing for some few months, that of Opposition House Leader. I also extend my congratulations to the Hon. Member for Hamilton Mountain (Mr. Deans) who has been reappointed by his caucus as the House Leader.

An Hon. Member: Elected.

Mr. Hnatyshyn: He was elected, as I was elected by popular vote in our caucus. I want to assure my two colleagues and Members of the House that we have been busy in a variety of meetings and consultations to the point that we hope to carry on the business of this House in an amicable and orderly fashion on the basis of consultation.

With respect to the business of the House, as Your Honour will know, today we are dealing with Government business as an accommodation to the NDP with respect to their Opposition Day vote which we anticipate will take place next Tuesday. After we complete this legislation it is my intention that we proceed with the Speech from the Throne debate, not only tomorrow but during the course of next week. You will understand, of course, that I always reserve the right to change the order of business depending on circumstances. I have informed my opposite numbers that I will be monitoring the progress of legislation today and hopefully we will be able to make some progress and pass some legislation. If we do and there is the prospect of further progress being made on the legislative program of this Government, I may be in a position to stand up later today and change the order of business for tomorrow. At the present time we anticipate carrying on with the debate on the Speech from the Throne and hopefully into next week, subject to further discussions and consultations concerning alternatives.

Mr. Deans: Mr. Speaker, I am interested in two or three matters with regard to the business of the House but I think I might postpone asking those until we meet privately and allow my colleague from Vancouver East (Mrs. Mitchell) to ask a question with regard to House business that she is particularly concerned about.

Mr. Speaker: The Hon. Member for Vancouver East, although this is a departure from practice.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I would like to ask the Government House Leader if he would consider the establishment of a parliamentary committee on the status of women, which would be a tripartite committee composed equally of Members from all Parties with access to women's groups. This request was made in the last Parliament and it was not approved by the Liberals. However, I know the Hon. Member for Kingston and the Islands (Miss MacDonald) strongly supported it.

Mr. Speaker: I appreciate the seriousness of the request and of the issue, but I think we had better establish at this point, if we may, that matters which have not been tabled or matters which are not under discussion in any committee that we know of really should not be raised as matters under business of the House. They should be raised during Question Period. I say that with full knowledge of the importance of the issue. However, I have a feeling that if I allow this question today it will create a precedent for other critics and other Members to ask similar kinds of questions during this period of time, and I will have no way of saying no later if I do not say no now. It is for that reason and that reason alone that I say no to that question now.

Mr. Hnatyshyn: Mr. Speaker, there have also been consultations between the House Leaders with respect to the proceedings tomorrow. You will understand that Remembrance Day this year falls on this coming Sunday. Accordingly, we thought it appropriate in the traditions of the House to make some arrangement concerning the making of statements by representatives of each of the Parties, leading off with the Minister of Veterans Affairs (Mr. Hees). I would like to propose that, starting at eleven o'clock tomorrow morning, after prayers, we will proceed with a statement by the Minister of Veterans Affairs, followed by statements from a representative of each of the Opposition Parties. We ask that Your Honour in effect adjust the timing of the statements by Members and Question Period to accommodate the giving of those statements so that we have the same amount of time as we would on any normal day. If it meets with the approval of the House, I would make that proposal for your consideration.

Mr. Speaker: The House has heard the suggestion of the Hon. Government House Leader. It requires unanimous consent. Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Speaker: Agreed and so ordered.

ROUTINE PROCEEDINGS

[*English*]

SCIENCE AND TECHNOLOGY

TABLING OF 1984 ANNUAL REPORT

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, I am pleased to table in the House in both official languages the Annual Report of the Ministry of State for Science and Technology.

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CANADA POST CORPORATION

CORRECTION OF STATEMENT ON CTV "QUESTION PERIOD" PROGRAM

Hon. George Hees (Minister of Veterans Affairs): Mr. Speaker, during the CTV program *Question Period,* shown on Sunday afternoon, October 14, I neglected to say that the $622 a day which was to be paid to Judge Marin, chairman of the special committee to study procedures under the Pension Act, was to be paid to the Canada Post Corporation to compensate the corporation for the absence of Judge Marin while serving as chairman of this investigative committee.

Judge Marin was personally to receive no compensation for his work as chairman of the special committee.

I regret very much that this oversight occurred, and I apologize most sincerely to Judge Marin for any embarrassment this oversight may have caused him.

* * *

PETITIONS

POST-SECONDARY EDUCATION

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I have the honour of submitting a petition from 2,000 young people who humbly pray and call upon Parliament to initiate a dialogue on post-secondary education with the purpose of defining goals and objectives for the Canadian post-secondary educational system.

TESTING OF CRUISE MISSILE

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is my pleasure to present a petition from a number of constituents of Kamloops-Shuswap who ask that the Parliament of Canada act to refuse the testing of the cruise missile in Canada, and to reject research, production, testing and transport of any nuclear weapons, their delivery systems or components in Canada.

• (1510)

DEREGULATION OF TELEPHONE SYSTEM

Mr. Brian White (Dauphin-Swan River): Mr. Speaker, I have the honour to present to the House two petitions from 179 of my constituents who feel that the present Canadian telephone system is fair and cost efficient and that proposed changes through inter-exchange competition would undermine the system. They therefore oppose deregulation related to long distance service and call upon the House to do the same.

CALL FOR REINSTATEMENT OF CAPITAL PUNISHMENT

Mrs. Jennifer Cossitt (Leeds-Grenville): Mr. Speaker, I have the honour and duty to present to this House a petition from 2,297 residents of the Town of Prescott and surrounding area on the issue of capital punishment. They ask the House to introduce legislation to reinstate capital punishment for first degree murder.

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HOUSE OF COMMONS

AGREEMENT NOT TO SIT ON MONDAY, NOVEMBER 12

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, again there have been consultations with my opposite members with respect to the business for next week. You will recall that I made reference, notwithstanding the provisional rules under which we now operate, to the fact that we would be carrying on with business next week. That is the case. The provisional rules do normally require us to adjourn for the week during which Remembrance Day falls. Under the circumstances it was felt appropriate that we not adjourn for that week. If Your Honour will receive this draft order I think you will find that there will be unanimous consent to this proposition:

That, notwithstanding any Standing Order, when the House adjourns on Friday, November 9, 1984, it shall stand adjourned until 11 a.m., Tuesday, November 13, 1984.

Mr. Speaker: The House has heard the proposition. Is that agreed?

Some Hon. Members: Agreed.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Speaker: Shall all questions stand?

Some Hon. Members: Agreed.

* * *

SCIENCE AND TECHNOLOGY

REFERENCE OF 1984 ANNUAL REPORT TO STANDING COMMITTEE

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, you will forgive me, but a moment ago I tabled the Annual Report of the Ministry of State for Science and Technology. I would like to ask that that report be referred to the Standing Committee on Miscellaneous Estimates for consideration.

Mr. Speaker: I take it that we will now revert to Tabling of Documents for a moment. Is that agreeable to the House? Is there unanimous consent to revert?

Some Hon. Members: Agreed.

Mr. Speaker: That being so, I have a motion from the Minister of State for Science and Technology to refer his Annual Report to the appropriate standing committee. The House has heard the suggestion. Is there agreement?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

SPORTS POOL AND LOTO CANADA WINDING-UP ACT

MEASURE TO ESTABLISH

The House resumed consideration of the motion of Mr. Epp (Provencher) that Bill C-2, an Act respecting the winding-up of the Canada Sports Pool Corporation and Loto Canada Incorporated, be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

Mr. Patrick Boyer (Etobicoke-Lakeshore): Mr. Speaker, I rise to support this Bill for the winding up of the Canada Sports Pool Corporation and the Loto Canada Corporation.

In the debate which we had in this Chamber earlier this morning the Minister of National Health and Welfare (Mr. Epp) set out succinctly and persuasively the reasons which justify this Bill at this time. We also heard from the Hon. Member for York West (Mr. Marchi) who had the thankless task of trying to outline, on behalf of the Liberal Party, some of the concerns which they have about it. We heard as well from the Hon. Member for Thunder Bay-Nipigon (Mr. Epp). In a moment or two I would like to join debate arising out of those comments, particularly the comments of the Member for York West.

The speech of the Minister drew the attention of the House to the fact that this legislation, apart from winding up the sports pool and the lottery corporation, is symbolic in two senses. First, it conveys very clearly the intention of the Government to have a co-operative working relationship with the provinces. That is why the Minister of State for Fitness and Amateur Sport (Mr. Jelinek) is now negotiating with the provinces to work out the continuing arrangements for lotteries at the provincial level. Second, the Minister also said that this symbolizes the intent of our new Government to get out of the lottery business. It is for that reason, Mr. Speaker, that I speak to this Bill.

There is nothing which could give me greater satisfaction than rising to speak my first words in this very special Chamber in support of a measure that will not only be doing away with part of the old order, but also symbolically will be saying to Canadians from coast to coast—

Mr. Deputy Speaker: Order, please.

Mr. Boyer: It will be conveying a message to Canadians from coast to coast that the Government has more and better things to do than to be fostering gambling.

[*Translation*]

Mr. Speaker, I deeply regret that the governments of our country, at the federal and, especially, at the provincial level, ever started these lotteries. In my opinion, state lotteries are not a true function of the public administration of this country. Today, we are unfortunately blest with this culture, attitude or practice because of state lotteries that tell Canadians they have a chance to win. That is the unfortunate state of affairs we have today.

I realize it is not easy to go back to what the situation was in Canada before governments got involved in lotteries. However, we must start somewhere, and that is why I am supporting this bill.

[*English*]

Mr. Speaker, lotteries sponsored by governments give Canadians false hopes. They are built upon a message of false dreams. They have created an appetite for gambling where none existed before.

In 1970 I worked at Queen's Park as the executive assistant to the Attorney General of that province. At that time we received submissions from people who wanted to start large scale, province-wide lotteries in Ontario. One of the arguments advanced in support of such province-wide lotteries was that annually $4.5 million to $5 million was going out of the Province of Ontario to buy Irish Sweepstake tickets. The great argument was that if we had our own lottery in the Province of Ontario the $5 million would stay in the province and would be a marvellous thing for the balance of payments.

At that time, and correctly in my view, the Government of Ontario rejected that notion. The lotteries permitted in the province were only those at the local level to support service clubs and sports teams, and so on, trying to raise a little money for an immediate and clearly identified local purpose. Times changed, and in the development of this lottery culture that we now have around us on all fronts in Canada, even the Government of Ontario succumbed. Today that $4.5 million to $5 million, which was the concern in those times, is but the advertising budget for the Ontario Lottery Corporation for several months. The provincial Government of Ontario has joined, as have provincial governments across the country, in an act of delusion, and in the creation of false hopes. In many respects it is something like the practice in Roman times of giving bread and circuses to the people to distract them from other things which the government might more properly be doing, or found it could not do.

In fact, the insidious new attitude has permeated so deeply, Mr. Speaker, that when people now begin a project at the local level for community benefit the first question is almost always, "Where do we apply for a Wintario grant?". They no longer wonder how they can be self-reliant, stand on their own feet and do these things in and of themselves. Instead they wonder how they can get a little more money out of the Government through this special fund. Indeed, it is inimical to the patterns of public finance in this country that funds should be so raised and kept in a segregated fund for purposes that are unrelated to the general priorities of government, all of which must come out of the consolidated Revenue Fund.

• (1520)

The Hon. Member for York West, in speaking to this Bill this morning, referred to lotteries as "noble". I find them to be absolutely undermining the traditional values that have built

this country. The Hon. Member asked the House where the money would come from if the Government suspends the operations of the Sports Pool Corporation. As Hon. Members know, there is no money currently coming in through this device. Indeed, it is losing money. It is the taxpayers of Canada who are currently footing the bill.

I submit that it is rather typical of the economic fiscal thinking of the Party opposite, on whose behalf the Member for York West was speaking, that that kind of deficit approach to financing is one that he would still want to see maintained. It is similar to a compulsive gambler who just keeps on hoping.

The Hon. Member also talked about the national mandate given our Government. He asked how the national purpose and national will was being fulfilled in Canada at this time by cancelling something like the sports pool and the Loto Canada Corporation. Our mandate as a new Conservative Government is to foster those values and to see a restoration in this country of those values that have built this country and made it strong. I submit that the state-supported lotteries are just the opposite of that.

I think of a statement made last year by a new Canadian of Italian background in Toronto who had just won a substantial amount of money in a lottery. He stated that he knew before coming to Canada that it was the land of hope and promise. It was the land where new Canadians could come and find a great new life. We have always believed that about Canada and indeed about the new world. However, traditionally the way of building a new life on the North American continent came from hard work, the opportunities which this rich land affords, and from a little bit of luck that is inherent in life. To think now that one has achieved the promise of the new world by winning a big cash prize in a lottery tells us how far and devastating this attitude has become in our country, where we turn to the wheel of fortune, rather than put our shoulder to the wheel, to make this country work.

We also heard this morning from the Hon. Member for Thunder Bay-Nipigon who spoke on behalf of the New Democratic Party. I can say with confidence that his position and mine are virtually identical. He said that we are dealing with something which is a moral and social issue. He referred to speeches made in this Chamber by members of his Party and members of our Party over the years who have taken exception to the practice of governments getting into the gambling business.

Gambling is not an appropriate way to raise government revenues. It is regressive in nature because, as the Hon. Member pointed out, studies have indicated that it is the poor who buy lottery tickets. In my view it is a sham for people to say that it should simply be treated as a voluntary tax. It is government advertising that has created this demand where no demand existed before.

We now have an opportunity to send a very clear message to the country that a new day has arrived in Ottawa. When we talk about peace, order and good government as being the cornerstones of our Constitution, we truly mean good government. We know that there are some things that the Government can, must and should do, and others which the Government should never do, no matter how much could be raised for the public coffers. Just because lotteries raise money is no reason that the Government should be into the act.

Indeed, to this very day the Criminal Code of Canada contains provisions that make gambling illegal. That law used to apply to all Canadians. Governments then decided to get into the gambling business and introduced special legislation to legitimize that which had been illegal according to the traditions and the values of this country. Not only were special laws created for the Government, but at the same time that the Government promoted gambling through the state-run lotteries, the law officers of the Crown continued to prosecute other Canadians for gambling according to those offences that were still in the Criminal Code. That is the kind of double standard that is unacceptable in this country and it understandably gives rise to an attitude of cynicism on the part of citizens of this country.

As a result of striking down that kind of provision today, we are taking a step in the right direction to get this country back on the right track. That, too, is why I support this Bill. Winding up lotteries in any way possible, on every front possible, is desirable and in the public interest.

This being 1984, we cannot close this debate without noting, as the Hon. Member for Thunder Bay-Nipigon would have done had he not exhausted his time, a relevant Orwellian passage. He pointed out that Orwell wrote in his novel *Nineteen Eighty-Four*:

> The Lottery, with its weekly pay-out of enormous prizes, was the one public event to which the proles paid serious attention. It was probable that there were some millions of proles for whom the Lottery was the principal if not the only reason for remaining alive.

We know that what Orwell was trying to describe in his novel was life under the oppressive state. It was the state that knew better than its citizens how everything should and could be done. Although we have reached calendar year 1984, fortunately we have not reached the Orwellian 1984.

This Bill, short as it may be, speaks eloquently of our determination to turn back that tide. This is but a beginning, because the provinces are still in this game to an unacceptable degree. However, we are turning back that tide and we must continue in the House and elsewhere in the country to champion any measure which will restore a proper sense of the role of government.

I support the Bill before the House that will wind up the Canadian Sports Pool Corporation and the Loto Canada Corporation.

[*Translation*]

Mr. Deputy Speaker: Order, please. Questions and comments.

The Hon. Member for Saint-Maurice (Mr. Chrétien).

Mr. Chrétien: Mr. Speaker, may I put a question to the Hon. Member and congratulate him on being elected? Does he

intend to put pressure on his Government? I listened carefully to the Hon. Member's speech, and I would like to know whether, if he wants to ensure that the moral values he applies at the federal level are also applied at the provincial level, in other words, that the provincial lotteries, which were in fact authorized by an amendment to the Criminal Code, are withdrawn is the Hon. Member suggesting that we amend the Criminal Code in such a way that there will be no more lotteries in Canada and that we, in doing so, would come to terms with the Hon. Member's moral objections to lotteries?

Mr. Boyer: Mr. Speaker, I share the sentiments of the Hon. Member and former Minister on this issue. In the debate in the House this morning, the same idea was expressed by the Member for Thunder Bay-Nipigon (Mr. Epp). In my opinion it is indeed absolutely necessary to bring about complete and fundamental changes in order to develop a plan that would deal consistently at each level with the methods and functions that are appropriate to government, referring to the Criminal Code within specific statutes. Under the Constitution we have a division of powers which defines the provincial government's function in this area, but above all, we have the Criminal Code which regulates what may be done within those functions. I would like to discuss with departmental officials the concept I expressed earlier in my first speech, to improve the situation along these lines.

• (1530)

[*English*]

Mr. Chrétien: Mr. Speaker, I would like to ask the Hon. Member a supplementary question for the purpose of clarification. There is no constitutional authority for the provinces in that regard. Lotteries were not in existence in Canada because they were against the Criminal Code. I know the Hon. Member is a very learned lawyer. He will recognize constitutionally that it was because of the federal will that the provinces started lotteries.

If the Hon. Member is logical in what he has said to the House, is he intending to follow his conscience and vote against this government Bill?

Mr. Boyer: Mr. Speaker, I would like to defer to the Hon. Member, whose considerable experience in the House, including a lengthy and distinguished period as Minister of Justice, would normally lead him to have complete knowledge of the matters of which he speaks. However, when he talks about the fact that the provinces have no jurisdiction with respect to lotteries, I invite him to examine the statutes of the Province of Ontario, for example, which in the mid-1960s under an understanding with the federal Government provided for them.

Mr. Chrétien: Gave them the permission.

Mr. Boyer: *C'est ça.*

Mr. Chrétien: We had the power to say yes or no.

Mr. Boyer: That was in the days of co-operative federalism, in the mid-1960s.

Mr. Chrétien: We were the ones who said yes.

Mr. Boyer: That is right. That was when Mr. Pearson was leading the Liberal Party and there was co-operation between the provinces and the federal Government.

Some Hon. Members: Hear, hear!

Mr. Chrétien: How will you vote?

Mr. Boyer: That is why I will not be voting against this Bill. Logic requires that I support it and continue the cause further.

However, I point out for the record that there were provisions in Ontario under provincial legislation permitting lotteries of a local nature and of a regional nature. In each case special permits had to be obtained from the provincial government. We even had a director of the lotteries branch in the provincial government. That was in the days when this lotteries business was still under control.

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, I rise with pleasure to take part in this debate involving the winding down of the Canadian sports pool and part of the gambling business in Canada.

I congratulate the Government for taking the initiative to make certain that the second piece of legislation debated in this Parliament would be one which takes care of the gambling issue on the federal scene. Also I congratulate the Hon. Member for Etobicoke-Lakeshore (Mr. Boyer) on the speech which he just made and his ringing defence of the natural position of the work ethic, competitive spirit and the role of the market-place, invoking those principles for which Canadians have hungered for entire generations. I am glad he planted his flag very firmly. These are the principles which we intend to enunciate throughout the next four years. Canadians will appreciate it as health returns to the economy as a result of this particular emphasis.

I should like to point out at the outset that the path taken by the previous Government in instituting the sports pool was not the normal way in which it operated. It began a new company. In previous years that Government would normally take over a thriving industry and run it into the ground. It was the old story of how one started a small business in Canada—one bought a big one and let the government do its work and it would become a small one. Normally the Liberal Government would not have started a new business as it did on that occasion. It started a new corporation and in this case the market-place dictated what ought to happen to it in the first place. It died a natural death financially, it died a natural death. I wish it would have followed its normal pattern and taken over the gambling industry in places like Atlantic City and Vegas. If it had done so, Atlantic City and Vegas would be out of business by now. As the saying goes, if it were to nationalize the Sahara desert, it would run out of sand. It broke its normal pattern, but I am glad to say that the law of

supply and demand has done its work on this particular corporation.

It is sad to say that the losses this corporation experienced are reason enough to wind it down. These losses tend to overshadow the real reason for doing so. When the corporation can lose $46 million in a few months and require another $16 million or $18 million to wind down and satisfy all existing contracts, it ought to die. People might be led to believe that this is the only reason we are shutting it down. However, the real reason we are shutting it down is because it is wrong.

Mr. Waddell: You do not believe in gambling.

Mr. Friesen: That is right, except at election time, except when Tories run. Then it is not a gamble. It is a sure thing and there is nothing wrong with it.

It is wrong for the Government to engage in this kind of business. There are two, three or perhaps more specific reasons, but I want to deal with at least two of them. The first reason is because of what it does to our people, the debilitating effect on people. It might be worth noting that becoming involved in the gambling business on the part of any government is a good symptom that something is wrong with the economy. We should take a look around the world at what countries institute a gambling business on behalf of the government. We will find that almost, if not entirely without exception, they are countries with failing economies.

Mr. Waddell: Like British Columbia, Alberta and Ontario.

Mr. Friesen: Like those provinces.

Mr. Waddell: They are all in the gambling business.

Mr. Friesen: They are in the gambling business. I think it ought to be wound down, but if the Hon. Member wants to look at a real example, he should take a look at Mexico where people walk the streets with boards, two feet by four feet, with rows of lottery tickets and on which they flash the results of lotteries. In that country lottery is a big business. If the Hon. Member thinks that lotteries in Alberta, British Columbia and Ontario are a big business, he should go to Mexico where there is no unemployment insurance and a high unemployment rate. He will see what the lottery business has done to that country. As bad as the lottery business on the provincial scene is, it is nothing compared with what it is in some underdeveloped countries. I hope the Hon. Member will agree with me. Therefore, it is wrong because of what it does to our people. First, it creates a world of illusion. Somehow it creates a dream in the minds of the people engaged in it that they can get wealthy suddenly, that overnight they can solve all of their financial problems.

● (1540)

It is almost impossible for that to happen. If you look at the odds of gambling, it is almost impossible for people to succeed. For them to be given the dream that overnight they will be wealthy is a cruel hoax. In fact, the odds are written in such a way as to make sure they do not succeed. It is impossible for them. Therefore, the world of illusion is a cruel hoax that we play on them.

The second related reason it is wrong is that it gives people the impression that sudden wealth is great, that it is healthy, that it will be a solution to their problems. That does not happen. There are very few people who can handle sudden wealth.

Mr. Nickerson: I would sure like to try it.

Mr. Friesen: I would not mind trying. I would take the risk. However, the fact is it does not happen very often that people can handle it. If you look at the record of those who have become suddenly wealthy after winning a lottery, it is not a very good history of what that industry has done to people. People just cannot handle that kind of sudden wealth. As my friend, the Hon. Member for Western Arctic (Mr. Nickerson) says, we would like to give it a chance, but usually it does not work.

The ads shown on television, the million dollar lottery ads, show people who have just won a million. They are on their yacht. They will be getting their Rolls Royce. They have all the luxurious amenities of life. It makes it look as though that were the solution to everything. That is a cruel hoax that we play on people. It is just a terrible illusion that we have.

Second, as my friend, the Hon. Member for Etobicoke-Lakeshore mentioned, it is a tax on the poor. Studies have shown that it is people mostly in the lower income groups and lower educational brackets who buy those tickets. It is ironic that you do not find lottery vending machines or tables next to the savings deposit wicket of the banks. Is it not strange that when people go to the bank or credit union they do not find lottery tickets being sold there? There you would have the choice between saving your money in a reasonably safe place or gambling it and being a pretty sure loser.

They do not put them there. Where do they put them? They put them in the grocery stores, in the convenience stores and out on the street where you cannot miss them. They make sure that impulse buying becomes the biggest trap for the people who can be trapped into buying lottery tickets. Next to the potato chips is where you find the lottery tickets. Next to the milk bar you will find the lottery tickets. Given a choice between what they need and what they like, they will buy what they like. That is too bad. It becomes a tax on the poor, and that is wrong.

The third reason why it is wrong is that it is wrong for a government to create the business which eventually makes most people losers. I would have thought that a government would see its mandate and its mission to make people winners, to make people successful, to make people feel good and do well. As soon as a government institutes a lottery industry, it makes sure that most people are going to lose. If not, the lottery business is not going to win. It is not going to work. The only reason they can give a million dollar prize is that there have been a million people giving a dollar who are not going to get it. Knock off the cost of advertising, promotion and sales, and it will take two million sales to give a million dollar bonus.

Most people have to lose. It is morally wrong for a government to start a business which will make most people losers and trick the unsuspecting people into thinking that they are going to win.

Finally, and I again echo my friend from Etobicoke-Lakeshore, it is morally wrong for a government to encourage an economy, a life or a lifestyle simply of chance. Chance is just what the word says. It is risk over which you have absolutely no control. It is wrong for a government to do that. Our country was built well and built strong, not because of lotteries, but because of hard work, not because of lotteries or chance in the gambling sense, but because of the investment of hard work, initiative and chance in the competitive sense, not in the numbers game. It is morally wrong for a government to get involved in a business that depends on chance for success.

I compliment the Government and the Minister for taking the initiative to wind this corporation down, getting out of the business, not simply because we are losing money, although that is reason enough, but to undo the record of the previous Government and start establishing those principles upon which we will rebuild this nation in order to make sure that our people will find satisfying, productive, creative lives and find fulfilment in what they have accomplished instead of some shallow sense of fulfilment from what they have won.

Mr. Deputy Speaker: Questions or comments?

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. This is a little unusual. I notice that you are sitting for the first time in your position as Deputy Speaker. I wanted to draw the fact that, as a very distinguished new Member of Parliament, you have now been given, by the election of this House, very important responsibilities. I am sure I speak on behalf of all the Members of the House in extending to you our expression of congratulations and our hope that you will conduct the affairs of this House as Deputy Speaker and Chairman of Committees of the whole with the ability that we know you have. I wish you all the very best in that endeavour and assure you of our co-operation.

Some Hon. Members: Hear, hear!

Mr. de Corneille: Mr. Speaker, I wish to add the same feelings and sentiments on behalf of the members of the Liberal caucus who welcome your presence for the first time in the Chair. We express our appreciation and confidence in your work in the future.

Mr. Orlikow: Mr. Speaker, I wish to direct a question to the Hon. Member. I listened to his speech and I agree with almost everything that he said. I had not intended to speak in this debate because, frankly, I feel uncomfortable. I think there is something somewhat dishonest in the speeches we have heard which say that it is immoral and wrong for the federal Government—

Mr. Deputy Speaker: Order, I would ask the Hon. Member whether he is making a speech or a question or comment.

Mr. Orlikow: A question. It was suggested by the Member and other Members that this is the wrong way to raise money, essentially raising money from the poor, that it is somehow immoral. I agree with that. My province which has an NDP government, the Hon. Member's province which has a Social Credit government, Quebec which has a PQ government and Ontario and other provinces which have Conservative governments are all in the lottery business. It seems to me that along with this vote, the Hon. Member should be back in his province urging that government—

• (1550)

Mr. Epp (Provencher): And you in yours.

Mr. Orlikow: —and I in my province should be urging the provincial government to get out of the business. In a practical way, we should perhaps explore the possibility of suggesting to the CRTC that it forbid advertising of the lotteries and in fact perhaps even forbid the reporting of lottery winners on television. I wonder if the Hon. Member could give some thought to that.

Mr. Friesen: Mr. Speaker, first, I do not disagree with what the Hon. Member has said. I can personally sympathize with his view regarding the advertisements on television. If the Hon. Member used my standards for what should be on television, I am sure that he would find that the screen would be black a good share of the day.

I personally sympathize with the fact that advertisements are designed to do exactly what the Hon. Member finds so objectionable. I find great sympathy with the need to get rid of such advertisements. The only question I have is about the degree to which we want to set up a list of prohibitions in our society. There are a great many things that are wrong with our society and I would like to see those things eliminated. However, I do not know whether passing a law every time something goes on that we think is wrong is a solution to that problem. Sooner or later, we must return to the implicit human need to make some personal choices about what we wish to do. Incidentally, that is where we gain our personal strength. We gain no strength of character by remaining pure because the Government has forbidden everything. The only way we gain personal strength is by refusing, on our own initiative, to do some things that we can do but have decided not to do because we think they are wrong.

While I sympathize with the Hon. Member and probably would agree with him that those things ought not to be on television, it is much better to allow them on television, not watch them and make sure we give enough guidance to our families so that they do not become misguided by those kinds of commercials.

[*Translation*]

Mr. Lapierre: Mr. Speaker, I have a question for the Hon. Member. I listened to his speech with a great deal of interest, and I was particularly impressed by the purity of his principles and the way he washes his hands off the matter by saying that

the Government of Canada will no longer be involved in lotteries because it is morally dangerous, etc.

At this point, I would like to ask the Hon. Member how he manages to reconcile his high principles with the fact that over the next few years, his own Government will be receiving over $36 million from funds raised by provincial lotteries? If it is morally wrong for the Government of Canada to be involved in lotteries, is the Hon. Member's conscience flexible enough to approve if the money is raised by others? Can the Hon. Member answer that?

[*English*]

Mr. Friesen: Mr. Speaker, first I would refer the Hon. Member to *Hansard* of March 13, 1984, at which time I said much the same thing as I said today. I have not changed my mind at all from the days we were in opposition to the days that we are in Government. The reason I could speak on this Bill at early notice was because I had said the same things at other times. I have not changed my mind on the subject at all.

I take the Hon. Member's point seriously. I would like to see us wind down the provincial lotteries. I would gladly forgo that income because I think we would make much more if we created a spirit of enterprise in this country that is built on work, thrift, effort, self-expression and creativity. We would make a great deal more than the $36 million we are receiving from the lottery sales.

[*Translation*]

Mr. Lapierre: Mr. Speaker, speaking of creativity and imagination, in talking to us about the Sports Pool the Hon. Member forgot to mention why the Sports Pool was set up. It was established to finance the Calgary Olympic Games. Perhaps the Hon. Member could use his imagination and creativity to explain how he intends to finance the Government's commitment of $200 million.

[*English*]

Mr. Friesen: Mr. Speaker, I would like the Hon. Member to reconcile for me how the previous Government could, on the one hand, promote such a wholesome activity as the Olympics and then, on the other, pay for it with such an unwholesome activity as gambling.

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I have just a few comments to make to the Bill that we have before us. I always relish the opportunity to take up a theological dialogue with the Hon. Member for Surrey-White Rock-North Delta (Mr. Friesen). The puritan streak obviously runs deep on both the right and the left of this country, but it runs in a different manner. I would like to point out a few of those differences.

Let me say for the record, Mr. Speaker, that I support the Bill and agree with those who have already contended that we ought to do away with government activity in the lottery business altogether. Let me now say why this is so. I think my reasons will differ somewhat from those of the Hon. Member for Surrey-White Rock-North Delta.

I was interested in the Hon. Member's analysis of the values that gambling erodes and the entire notion of coming into sudden wealth and the personal consequences that that might bring about. In my view, I do not make as big a distinction between the way gambling erodes values and the way the ethics of the market-place, the stock market, commodity futures and all the other ways in which we in this country and the philosophies of the Hon. Member's Party encourage people to regard sudden wealth through the market-place as that for which we are all striving. In fact, the ideal of the free enterprise society is that someone will finally make it big. That is the engine behind the kind of economy Hon. Members of his Party have exalted for years.

I would say to the Hon. Member that he ought to think twice about whether or not his left hand knows what his right hand is doing and whether or not he does not find himself in the odd position of, on the one hand, speaking about the erosion of values while, on the other, finding himself part of a political movement which in fact exalts the erosion of those same values.

The Hon. Member speaks about eroding the work ethic. It is interesting that we have here only a theology of works-righteousness and no reference to a theology of grace in which one might actually find a place for sudden wealth and suddenly being lifted out of the state to which one had been condemned for so many years, by winning a lottery. However, I say that somewhat with tongue in cheek.

I noticed that the Hon. Member was concerned about the erosion of values. Why do we not hear criticism from members of the Progressive Conservative Party of the erosion of values that takes place day in and day out on our television screens through what is euphemistically called marketing? Advertising is all about using sexual imagery and other sorts of things to sell products. Selling products is what the Progressive Conservative Party has been all about for years. Its members are the ones who have exalted marketing, selling products and the ethics of making a better mouse trap so that the world will come to your door. Those are the kinds of values they have been peddling.

Mr. Deputy Speaker: I must remind the Hon. Member that the time allotted for questions and comments is now over.

Mr. Blaikie: Mr. Speaker, I beg your pardon. I have been speaking to the Bill. I made that clear when I rose.

Mr. Deputy Speaker: I understood the Hon. Member began by saying that it was a comment.

Mr. Blaikie: Mr. Speaker, I said that my comment was on the Bill. If you wish to check *Hansard*, Mr. Speaker, you will find that that is what I said.

Mr. Deputy Speaker: I recognize the Hon. Minister of State for Fitness and Amateur Sport (Mr. Jelinek).

Mr. Blaikie: Mr. Speaker, I rise on a point of order. With all due respect to the newness of the occupant of the Chair, I

rose and said that I was speaking to the Bill. I regard myself as still having the floor. I think that if you seek the opinion of Hon. Members, Mr. Speaker, you will find that that is the case.

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. I think we can resolve this matter. I have consulted with my colleagues. I know that I heard the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) refer distinctly to the fact that he was making a comment. I can understand his confusion, but we on this side certainly have no objection to the Hon. Member continuing with respect to this particular issue.

• (1600)

[*Translation*]

Mr. Guilbault (Saint-Jacques): Mr. Speaker, we have no objection to listening to another speaker.

[*English*]

Mr. Deputy Speaker: Very well, the Hon. Member for Winnipeg-Birds Hill has the floor.

Mr. Blaikie: Thank you, Mr. Speaker. As I was saying, why do we not hear complaints? Why do we not hear about that kind of marketing? Why do we not hear complaints about the erosion of values which results from the wonderful free enterprise system, whereby people go out and sell products and spend millions of dollars hiring hucksters on Wall Street, Madison Avenue and everywhere else to figure out how to sell everything from soap to the Progressive Conservative Party? Why do we not hear anything about that? Why do we not hear anything about the way in which advertisements are deliberately designed to create the feeling among people that they need something when, in fact, they may not need that product? Why do we not hear objections to that?

I would say, Mr. Speaker, that it is obvious to you, as it is to everyone else, that I get a little irritated when I hear Members opposite waxing ethical about the erosion of the work ethic and the erosion of certain values as a result of something which I admit myself that I object to, that is, in this case, government lotteries. I wish the Government would extend its moral imagination to things which are part of the world view and things which it traditionally defends. Maybe it could apply a bit of that critique to that.

With respect to that, it is interesting to hear people speaking out against lotteries, saying that they are a tax on the poor. Yes, they are a tax on the poor. Where is the proposal, which was promised by the Prime Minister (Mr. Mulroney) during the campaign which we have just gone through, to tax the rich? Where was that in the Throne Speech? Nowhere. Was there an answer yesterday in Question Period? There was no answer whatsoever. We hear from Members opposite how horrible it is that lotteries are a tax on the poor, but we see no initiative whatsoever from the Government with respect to having fair taxation in this country and making the rich, who are paying nothing, at least pay a minimum tax. I did not hear anything about that from the Hon. Member for Surrey-White Rock-North Delta.

When I am finished speaking, he will probably get up, and when he does, will he say that this Government is going to proceed with the give-and-take proposal having to do with support for voluntary organizations. If we proceed with this Bill as we are, and if, ideally, we were to do away with all lotteries, the voluntary organizations could then get the kind of support they need through the measures supported by the Conservatives when they were in Oppostion. Will that be forthcoming, or will we have another study of that particular proposal?

The kinds of things which lotteries have been used to support, and to which we objected having lotteries support, are, for instance, medical research. We spoke about that the last time the Bill was before the House. Are Hon. Members opposite in favour of a fair taxation system which would enable us to pay for the medical research we need in this country? Are they in favour of that? We have not heard anything about that.

I wanted to put these caveats on the record respecting both the theological observations of the Hon. Member for Surrey-White Rock-North Delta and also respecting what can be argued is a hypocritical stance when it comes to a tax on the poor and similar issues. I hope the Hon. Member will give us some clarification on his position with respect to these matters.

Mr. Deputy Speaker: The Hon. Member for Surrey-White Rock-North Delta.

Mr. Friesen: Thank you, Mr. Speaker. I will check *Hansard* very carefully, but in the 15 or 20 minutes during which I spoke, I do not think I was making a theological argument. Maybe with the Member's expansive imagination he was able to make that case. I would be willing to engage in a theological debate with him on it, but I do not think that I made such an argument.

I would begin by saying that if he studied his theology the way he has his market-place, it is no wonder he is a socialist. The description he gave of the market-place was not a description, it was a caricature. I think he would agree with that. No one can ever make a defence of gambling with penny stock as being the creative side of the market-place. No one who looked at it for a minute would do that. If the Member wants to insist on making a lifelong commitment to narcissism, as his Party seems to do, then I say there is nobody but nobody who has a moral commitment to anything except the socialists. They are the only ones. Just ask them. They have looked in the glassy pool, have seen their own image and have fallen in love with it. Nobody else can be right.

I would simply respond to the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie), in the catalogue of questions that he had for which he wants answers, which is everything which he would like to have seen included in the Throne Speech, that that will come in time. If everything I have heard from Members opposite in Question Period were to be included in the Throne Speech, we would still be reading it. They think

that everything which is on their own private agenda ought to be included in the Throne Speech. If it is not in there, obviously the government is immediately wrong. I would simply say to him that if he can endure with the perseverance of the saints, the rest will follow.

Mr. Deputy Speaker: Questions or comments?

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

Mr. Deputy Speaker: The Hon. Member for Winnipeg-Birds Hill rises on a point of order.

Mr. Blaikie: The Hon. Member has made a comment. He also has asked me a question. He asked me whether I was willing to endure with the perseverance of the saints, and I would like to respond to that question.

Mr. Deputy Speaker: Very well, the Hon. Member for Winnipeg-Birds Hill.

Mr. Blaikie: Mr. Speaker, I see that the capacity for flip answers has spread along the Government benches. We now see Members, formerly noted for their seriousness, who are now, perhaps not guilty of narcissism, but are obviously taking their self-image from the Prime Minister (Mr. Mulroney) and have lost the capacity to respond seriously to important questions.

I said that the Hon. Member's remarks were theological. Perhaps I did not explain well enough, but he entered into a discourse on the areas from which we get our strength and he said that such strength comes only from personal decisions. So if we listened to the Hon. Member, we would be free to bombard our people with all kinds of marketing, advertising and images, because presumably the realm of the ethical is only personal. People are supposed to sit there and withstand all that. The Hon. Member has confidence that they will be able to do that. I think otherwise. I think that the realm of the ethical is both social and personal and that we have a responsibility to make judgments about what kind of advertising, marketing strategies and various other things we will permit as a Parliament. That is why we are here. We are here because the realm of personal decision-making is not the only realm of decision-making.

Mr. Deputy Speaker: The Hon. Member for Surrey-White Rock-North Delta rises to make a comment.

Mr. Friesen: I would simply say to the Hon. Member that I am not at all confident that the public is naturally or uniformly competent to make all those decisions, or that they would make the right ones. But, thankfully, in a land of free people we have a right even to be wrong, to make wrong decisions and, hopefully, to learn from those wrong decisions.

● (1610)

Second, I would rather have someone make his own wrong decisions. I would rather have him do that than have someone else make them for him. That is the trouble with a centralist government which wants to make laws on everything to make sure that no one can make mistakes. The Government wants to make sure that it will impose such kinds of regulations that no one can make a mistake. That is what is wrong with the socialist frame of mind.

Mr. Thacker: Mr. Speaker, I would like to know from my colleague opposite what system he would put in lieu of the market-place and advertising? It is my observation by way of a comment, Mr. Speaker, that their replacement would be with central planning. No doubt that the market-place would be gone; no doubt that advertising would be gone, because some central bureaucracy here in Ottawa, controlled by the Hon. Member, of course, would decide how many acres of wheat we would plant on our farm and, as it is in the Soviet Union, so that when July comes along and the rains come and one cannot plant, the wheat would still have to be planted because the Hon. Member and his colleagues in the New Democratic Party would dictate that. Central planning, Mr. Speaker, is what that Party is after. It is a denial of the individual freedom for which our ancestors fought, and we will never give that freedom up!

Mr. Blaikie: Mr. Speaker, I notice it is the same version of Canadian history which we constantly hear from the other side and which we used to hear from this side. In fact, there are still some of those Hon. Members on this side. However, we hope that they are a little more intelligent, the new Members, that is.

Mr. Orlikow: I would not count on it.

Mr. Blaikie: All we hear about is individual freedom, Mr. Speaker. We never hear about the fact that the Government had to intervene, that there was something called the "CPR", that there were all kinds of corporate, institutional and social initiatives when it came to the construction of our country. We never hear about that and, least of all, Mr. Speaker, we will never hear it from the Hon. Member for Lethbridge-Foothills (Mr. Thacker), because he sees the world through paranoid glasses when it comes to anything remotely to the left of Atilla the Hun. All that Hon. Member can ever hear when people are speaking is further evidence of the great communist conspiracy. Therefore, his question need hardly be taken seriously.

Mr. Deputy Speaker: Is the House ready to continue debate?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, in listening to the comments of our socialist NDP friend, and I listened very carefully, I did not recognize the fact that he was speaking on the Bill which is before the House. He touched on many subjects, all of which have nothing to do with the Bill presently before us. The fact is that the Hon. Member totally and absolutely misses the point as to what is happening here today, and yet he has been here long enough to realize what is going on.

Perhaps I should reiterate what, in fact, is stated in the Bill and why this Government finally took the only honourable step

to wind down the Canadian Sports Pool Corporation. It was done for numerous reasons. The first and main reason, of course, is the fact that there was a 1979 agreement with the provinces giving the provinces the jurisdiction for gaming operations. I did not hear any reference from the Hon. Member in that regard. In order to establish a spirit of co-operation between the federal Government and the provinces—rather than the spirit of confrontation which has existed over the past decade or more fostered by the previous Liberal administration—we took the step of closing down the sports pool and are now in the process of legislating that decision in order to create harmony between this Government and the provinces.

Second, of course, because the sports pool was such a well run operation—typical of the Liberal administration—it was losing over $1 million a week, which made the decision that much easier.

There were some individuals who suggested to us that we not close down the sports pool but improve upon it, make it more comprehensive and simple and then use it as a tool to try to get money out of the provinces in order to close it down. We rejected that option because that is exactly the way the previous Government operated. It used to have a big stick in order to deal with the provinces. That sort of federal-provincial relationship is out of the window as of September 4 last, I can assure you of that.

My main purpose in participating in this debate today, Mr. Speaker, is once again to assure Canadians of this Government's commitment to contributions for the Calgary Games of $200 million despite the closure of the sports pool. As I stated at a press conference on September 21, and I quote:

> This Government unconditionally accepts the commitment to provide financial support for the 1988 Olympics in Calgary to a total of $200 million.

I will expound in a few moments, Mr. Speaker, as to our commitment and where we intend to raise the money for that commitment. However, I would like to take a few comments to follow up on some of the historical background of the sports pool and lotteries in general, following on the statements made earlier today by my colleague, the Minister of National Health and Welfare (Mr. Epp). As you may know, Mr. Speaker, the first lottery initiated goes back to 1973, which was the Olympic lottery. This was initiated by the Liberal Government at that time for the purpose of trying to raise funds for the Montreal Olympics, which were held three years later in 1976. There were problems immediately and the Conservative Party, in Opposition at that time, made those problems known to the House and to the Canadian people. We suggested that the Government should not get itself involved in the lottery business at that time. However, being in the position we were as Opposition, we did not get very far.

It is somewhat ironic that in those days I happened to be the critic for fitness and amateur sports, for the Olympics and for lotteries. It was under those conditions that on February 27, 1976, and again on March 29 of the same year, I brought numerous and specific facts to the attention of the House regarding irregularities concerning advertising and ticket sales with which the lottery was fraught. Specifically, on June 1, 1976, I went on to call for an investigation into the Olympic lottery. However, in spite of numerous concerns outlined not only in this House but across the country, Loto Canada followed the Olympic lottery and was established just after those horrendous problems which developed in the Olympic lottery on June 7, 1976.

We continued, Mr. Speaker, to try to clean up the operation because we were promised by the Government in power at that time that the lottery would continue only as long as it took to pay for the overrun of the Montreal games. It is for that reason, and that reason only, that we eventually supported the formation of that lottery on a temporary basis, with the understanding that it would be closed down after the overrun of the 1976 Olympics was paid for. That was not to be the case, unfortunately, and, as you know, Mr. Speaker, the Government went on to create other lotteries, and so we found ourselves in the situation in which we are today.

When the Progressive Conservatives eventually formed a government in 1979, we stuck with the initial principle which we had from the very beginning when lotteries were developed in this country. That was to say, let us get out of the lottery business, let us get out of gaming and gambling. We do not want to be in it. The federal Government has really no right to be in it. An agreement was signed in 1979, with the unanimous consent of the provinces, giving the rights and the jurisdiction of lotteries and gaming to the provinces. Shortly thereafter the Liberal Government was elected, and immediately it went into action, ignoring this duly signed agreement between the provinces and the federal Government, and started to wind its way into the sports pool, directly breaking the agreement that existed between the provinces and the federal Government. That was just another example of the terrible lack of co-operation between the federal Government and the provinces. The rest is history.

• (1620)

The status of the two corporations today, Loto-Canada and the Canadian Sports Pool Corporation, is as follows. Regarding Loto-Canada, on November 1, 1984, some $15.5 million was paid to the Receiver General for Canada and $250,000 was retained to pay outstanding accounts. That was because even after all those years Loto-Canada was still in existence. In fact, the Auditor General said in his report on July 29, 1983, that the lottery was ill-founded by monies that were legally due but not paid to the Receiver General for Canada. He went on to say that he was concerned about the high level of expenses incurred by Loto-Canada. As a result of these inherited irregularities, this Government moved quickly to take the action I just outlined.

With regard to the Canadian Sports Pool Corporation, approval for $36.5 million was obtained on October 26, 1984, by this Government to be allocated in the following manner. Some $20 million was allocated to forgive the start-up loan. The Liberals borrowed $20 million to start up this mess. Then

another $16.5 million was allowed to pay outstanding accounts which were derived as a result of losses.

I believe, Mr. Speaker, to put an end to this whole thing now, that the remaining matters relating to this corporation will be cleared up in the very near future. It is in very good and capable hands, that of the Minister of National Health and Welfare and officials of the Treasury Board and of the Department of Justice, and I am confident that this will soon be behind us.

To go back to the Olympic commitment and how we are going to raise the necessary funds, that is the number one question. Let me point out, Mr. Speaker, that it was never expected or intended that the full $200 million would be funded entirely from the sports pool profit. The previous Government saw this as only one of several sources of funding, and at least some of those we are actively considering. Others that we have in mind were not, as far as we know, considered by the previous Government.

Now, because the positive spin-off from the games by way of social, economic and cultural benefits will be realized by all provinces and regions of Canada, it is no secret that I have been negotiating and discussing with the provinces not only to engage them in partnership to help fund the Olympics, but also to work together in supporting and improving fitness and sports programs in a more co-ordinated fashion. I have had the opportunity to meet with my provincial counterparts responsible for fitness, sports and recreation, with some of them on numerous occasions now, and I can assure you that a true feeling of federal and provincial co-operation and consultation has become more than evident. I have also met and am continuing to meet with provincial Ministers responsible for lotteries. Of the ten Ministers who are fitness and sports or recreation Ministers, only four are responsible for lotteries. The other six are in different portfolios. I can report that progress is being made in forging the type of partnership between this Government and the provinces that I referred to earlier.

That is one way. There are other ways and means at which we are currently looking to help fund the Calgary Olympics, indeed, to help fund fitness and sports programs in the long run. For example, we will be introducing legislation to create an Olympic coin program, which should generate between $30 million and $50 million, depending on the price of silver and gold at that time. At present, the proposed program would involve 12 issues of one $20 silver coin, with a maximum mintage of six million units, and one issue of one $100 coin, with a maximum mintage of 350,000 units. An agreement for the use of the Olympic marks is currently being negotiated with the Mint, the Canadian Olympic Association and the International Olympic Committee. We are also seriously pursuing increased corporate sponsorship in the area of amateur sports and examining various ways to encourage the corporate sector to become more involved on a long-term basis after the games are held.

I truly believe, Mr. Speaker, that with some effort on our part the private sector can play a far greater role in both the funding of the Olympics as well as in being more directly involved in assisting fitness and sports programs, not only between now and 1988 but beyond that time. I am very seriously looking into ways and means of coming up with some form of incentives for the private sector to do just that.

I prefaced my address, Mr. Speaker, by emphasizing that this Government will be honouring its commitments to provide financial support for the 1988 Winter Olympic Games in Calgary. Indeed, we take this $200 million commitment very seriously. As I indicated previously, I would like to take this opportunity to expound a little on the allocation of those funds. Perhaps the most important of all the federal monies in the long term is the $30 million for the Olympic Endowment Fund. This is in fact a legacy for our athletes, both present and future Olympians. The fund will be used toward maintenance and operation of the Olympic facilities and will ensure that our national team athletes have world class training centres, such as the speed skating oval and the Olympic Park. In addition, these facilities will draw world class athletes and coaches from all over the world to train in Canada. This is yet another benefit which will stay as a legacy. Most important, these facilities are going to be used by the Canadian people themselves, from minor leaguers and beginners right up to those who are training for international events. So the legacy of the Olympics will live on after 1988. It is with pride that the Canadian people are going to look toward 1988 as the best ever Olympics.

Other funding includes $27.8 million toward the budgeted cost of the Olympic Saddledome; $35 million for the Olympic Oval, which is to be constructed by the University of Calgary; $62.2 million toward the Canada Olympic Park, which includes the ski jumps, the luge and bobsled runs; $30 million towards the Olympic Endowment Fund, to which I just referred; and $45 million toward operating funding for OCO '88, it being the Calgary Olympic Organizing Committee. To date we have expended $48 million of the $200 million commitment. In addition to direct funding, we have promised to provide essential federal services such as security, immigration and customs. The Government of Canada may also provide certain discretionary services on a cost-recovery basis.

Having said all this, Mr. Speaker, we are very proud that we were able to move as quickly as we did in closing down the sports pool in good faith with the provinces, a move which made good economic sense as far as the taxpayers are concerned because of the $1 million to $1.5 million loss per week. I can report to you that the funding to replace this $200 million commitment is proceeding on schedule. I can also report to you that the construction projects in Calgary to which I just referred are proceeding according to schedule. Having seen the sites myself and having met the top notch organizers of OCO '88 in Calgary and across the country, I am confident that the Winter Games in Calgary in 1988 are going to be the most successful ever held anywhere in the world and that Canadians will be proud of what we, along with the organizers, are doing and will do between now and then.

• (1630)

[*Translation*]

Mr. Lapierre: Mr. Speaker, first of all, I would like to congratulate the Minister on his first speech in the House as the new Minister for Fitness and Amateur Sport, and I am happy to say he has confirmed all commitments made by the previous government with respect to the Calgary Olympic Games. I share his optimism that the Games will be a success, and I am sure that the organizing committee will not disappoint us.

I also found it very encouraging to hear that negotiations with the provinces are proceeding satisfactorily, and I would like to put a few questions to the Minister on the subject, having had occasion in the past to meet with provincial ministers. I would like to ask him what his position is on Quebec's *sine qua non* condition—which is public knowledge—namely, an amendment to the Criminal Code. After hearing the Minister's colleagues and their moral objections to lotteries and the rest, I would like to know whether the Minister shares the view of the Government of Quebec that lotteries and sports pools and such should be transferred to provincial jurisdiction by an amendment to the Criminal Code.

I also wish to ask the Minister whether, in addition to the commitment for $200 million, the conditions of a program such as "Better Than Ever", announced by the Government this summer, will be met, and whether the Minister is also committed to helping Canadian Olympic athletes prepare for the 1988 Summer Games. I know there is a lot of concern within the sports community, and I would like to know where the Minister stands in this respect.

To get back to the $200 million, I really would like to know what the Minister's position is on the Criminal Code amendment being requested as a condition by Quebec, and especially whether he intends to formalize his agreement with the provinces which, I am sure, will have no hesitation in signing an agreement with the Minister to provide the $200 million. I would therefore appreciate if we could have a progress report on negotiations as well as the Minister's position on the amendment to the Criminal Code.

[*English*]

Mr. Jelinek: Mr. Speaker, I appreciate being able to expound on some of the statements I made in response to the Hon. Member's question. The Hon. Member will know that it would be inappropriate for me to discuss in detail what is going on in our negotiations before they conclude. I can tell him that if he sees any problems or difficulties arising between this Government and the Province of Quebec, he must be looking into the past. I can assure him that in discussions with Mr. Parizeau the definite conclusion was reached that the Province of Quebec will be going along in principle at this time. We certainly feel very optimistic that when the time comes actually to formalize the agreement, the Province of Quebec is going to be very co-operative. Our meetings with Mr. Parizeau have been very cordial and positive. I repeat that I can only say that, as far as the Province of Quebec is concerned, the situation looks very bright indeed with regard to the formalizing of the agreement which I seek.

In response to the Hon. Member's question regarding the time when we hope to formalize this agreement, I think a Liberal Minister would have said, "as soon as possible". I would obviously like to have it as soon as possible. There are other priorities before us and before all Members of Parliament, the economy being one of them. I would hope, and I emphasize the word hope, that we will have a formal agreement before Christmas. If it is not before Christmas, then certainly in the early part of next year.

There was one other question which the Member asked, and that was with regard to the "Best Ever Program". I have already given my commitment to the associations and to the athletes that we will be going ahead with the "Best Ever Program". In future years, as far as dollars and cents are involved, there may be some modifications. There may be some improvements, but certainly the "Best Ever Program" is going to go ahead toward the Winter Games and the Summer Games as well.

Mr. Deans: Mr. Speaker, I have a comment and a question. I have listened with great interest to the speeches of both the Minister of National Health and Welfare (Mr. Epp) and the Minister responsible for Amateur Sport (Mr. Jelinek) supported by a number of colleagues. An element of confusion has arisen. Just exactly why is it that the Government has decided to wind up the sports pool? Is it because it is losing money? Is it because it is illegal in the mind of the Government, in other words it breaks a contractual obligation undertaken by the Conservative Party when it was last in office? Or is it because of the serious moral questions which arise with regard to the appropriateness of funding matters of genuine concern through the sale of tickets based on the element of chance?

I can remember the original debate here when I spoke and the present Minister of National Health and Welfare (Mr. Epp) spoke. I do not recall the emphasis on that day being placed on whether it would be successful or, to any large extent, on whether it was in violation of the original commitment made to the provinces by the Conservative Party in office in 1979. There was passing reference made to that but the main concern, as I recall it, was that we felt it was an inappropriate way to raise the funds necessary for the ongoing programs which were needed in the country.

The Minister of National Health and Welfare said earlier that this was being done to a large extent because of the necessity for a much more congenial attitude to be developed between the provinces and the federal Government. He pointed out that the loss of substantial millions of dollars was an element. Colleagues of the Minister, speaking from the backbench, then made reference to the morality of it.

Is it because we do not believe this is an appropriate way to raise funds for necessary projects that this particular element of previous Government policy is now being disbanded, is it

because it loses money, or is it because of the legal and contractual obligations? The Ministers nod that it is all three.

Mr. Jelinek: That may be confusing. I did not say that.

Mr. Deans: There is a dispute arising here. The Minister of National Health and Welfare says it is all three, but the Minister responsible for amateur sport says no.

Mr. Jelinek: Let me answer the question.

Mr. Deans: We have finally found the division in the Conservative Party. It is quite clear that they speak with forked tongue in an attempt to hoodwink the public of Canada again into believing that they are all things to all people. "Give the provinces what they want even though we believe it is immoral".

Mr. Jelinek: Do you want an answer or not?

Mr. Deans: You give the provinces what they want because some years ago you decided to give it to them anyway and then shucked the responsibility for it. Now, can I get an answer to that? Is it on the basis of morality that we have decided, or is it on the basis of legality?

Mr. Jelinek: Mr. Speaker, the Hon. Member started his comments and questions with a phrase indicating that there appears to be some confusion in the wind. I believe that the only confusion that exists is between his ears. We have made our Party's and this Government's position now very, very clear. In fact, the Conservative federal position since 1973 has always been to oppose the federal Government's getting into the lottery business.

• (1640)

Mr. Deans: On what basis?

Mr. Jelinek: When we were finally in a position to come to an agreement with the provinces back in 1979, we did just that. We followed our own principles from years before and got out of the lottery business.

Mr. Deans: On what basis? Did you do it because it was considered immoral or because it was considered illegal?

Mr. Jelinek: Our position this time is obviously that it was illegal. Our principal intent with lotteries is that we never supported them in the first place. That is the position that this Party has consistently taken. I do not see any confusion on this side of the House. If there is any confusion anywhere, it is on the other side of the House.

Mr. Deputy Speaker: The comment and question period for the preceding speech is now over. We will continue debate.

Is the House ready for the question?

Some Hon. Members: Question.

Mr. Deputy Speaker: Mr. Epp (Provencher), seconded by Mr. Crosbie, moves that Bill C-2, an Act respecting the winding-up of the Canadian Sports Pool Corporation and Loto Canada Inc., be now read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

* * *

FRESHWATER FISH MARKETING ACT

MEASURE TO AMEND

Hon. John A. Fraser (Minister of Fisheries and Oceans) moved that Bill C-5, an Act to amend the Freshwater Fish Marketing Act, be read the second time and referred to the Standing Committee on Fisheries and Forestry.

He said: Mr. Speaker, I want to commence this afternoon by extending to all of my colleagues from whatever Party who have returned to the House and to those from whatever Party who are here for the first time my congratulations and best wishes for their efforts on behalf of Canadians who elected them to take their place in this Chamber in the coming years. I think it is appropriate to set on the record that while there will always be controversy, dispute and argument in this Chamber, in keeping with the best principles of civility most of us who have been here for any period of time have learned to realize that we treat each other with respect and indeed sometimes even with affection. Therefore, I extend my best wishes to all of my colleagues and my commitment to work with all Members to achieve the task for which the public has sent us here.

Today I have the pleasure to introduce for second reading Bill C-5, which is legislation to increase the committed borrowing limit of the Freshwater Fish Marketing Corporation to $30 million from the present level of $20 million.

I am extremely hopeful that Hon. Members will see fit to give speedy passage to this piece of legislation which was left over from the previous session, as its implementation is of considerable importance to the effective operation of the Freshwater Fish Marketing Corporation and the 3,500 fishermen who depend on the corporation for their economic survival.

I should point out that on the previous occasions when it was deemed necessary to increase the borrowing limit, this was accomplished through submissions contained in Supplementary Estimates. However, some Hon. Members may recall that this procedure was challenged in the House and, as a result, the Speaker ruled that the only way to effect a change to the borrowing limit was through an amendment to the Freshwater Fish Marketing Act.

When the Freshwater Fish Marketing Corporation was first formed in 1969, the borrowing limit was set at $5 million. This ceiling was raised to $10 million in 1970, and to the current level of $20 million in 1974. Needless to say, since 1974

market prices along with operating costs, cost of fuel, wages, etc., have risen steadily, and there is now a demonstrated need to adjust the borrowing limit upwards.

It might be useful to Hon. Members if I reviewed briefly the situation which led to the creation of this Crown corporation and explain how it operates.

The Freshwater Fish Marketing Corporation was formed mainly at the request of the prairie Provinces at a time when they were very concerned about the recurrent price weaknesses for freshwater fish. It was a time when the fish resources of this area were largely neglected, the fishermen felt abandoned and exploited, and there was no consistency or policy that allowed the fishermen a decent return for their work. With the exception of the Great Lakes, the marketing, processing and export of freshwater fish was traditionally carried out by many small firms. As most of this production was exported to the United States, the small Canadian exporters were usually at a disadvantage when attempting to deal with the large and powerful American importers. This resulted in a wide fluctuation in prices during the season, which in turn created instability and uncertainty among operating firms and the fishermen.

When the McIvor Royal Commission of Inquiry on freshwater fish marketing looked into the situation existing at that time, it found that the business was made up of some 6,000 fishermen, about 200 packer-dealers and 35 processor-exporters. It had an average total production of freshwater fish of approximately 72 million pounds and an export value of about $17 million. The fishermen are rather sparsely scattered throughout this vast expanse, and the majority of them are native people who have no alternative way of making a living other than fishing. There are several ethnic groups and many language dialects.

The commission found that facilities for receiving, handling, packing and storing the fish catch were not only primitive but generally unsuitable. The processing plants needed in this highly competitive business were almost non-existent.

The commission also found that the fishermen were receiving too small a share for the price paid by the consumer. Because they did not speak as one voice, they were relatively weak as sellers and they bore all the risks and uncertainties encountered in exporting.

The findings of the McIvor Commission resulted in the creation of the Freshwater Fish Marketing Corporation on February 27, 1969. The basic philosophy underlying the legislation to establish the Freshwater Fish Marketing Corporation was, and still is, that returns to freshwater fishermen could best be increased through the establishment of a single selling body with the exclusive right to market and trade in fish in the interprovincial and export trade.

Through the corporation, freshwater fish is now being marketed in an orderly manner, with none of the fluctuations in earnings experienced by fishermen in earlier years. The corporation is also promoting and expanding in international markets, not just in the United States which has been the traditional market, but in European countries as well. Determined efforts are also made to expand our Canadian markets.

The corporation handles virtually all freshwater fish produced in Canada outside the Great Lakes, which amounts to about 50 per cent of Canada's total annual production. The area of operations, covering more than five million square kilometres, includes northwestern Ontario, Manitoba, Saskatchewan, Alberta and the Northwest Territories. In those regions the corporation buys fish either directly from fishermen or through agents, establishes initial prices for fishermen, packages and processes the fish, and markets them at home and abroad. About 90 per cent of all this fish is exported, and most of that goes to the United States.

• (1650)

The corporation, which has its main processing facility in the Winnipeg area, is obliged to operate on a self-sustaining basis. At the beginning of the season it establishes an initial price, which in practice is a floor price for the operating season. Any additional returns from the market are passed on to the fishermen at the end of the season or when the product is sold from inventory.

At this point Hon. Members might be interested in learning something of the current marketing operations of the corporation. I think I can do no better than quote from the latest issue of *Freshwater Country*, a very informative newsletter issued by the corporation. In his marketing report, Peter Smith, Vice-President of Marketing, said:

> At the same time that the coastal fisheries are struggling to survive, there has been a dramatic improvement in our financial position here at the Corporation. Our 1983/84 fiscal year which ended in April was extremely profitable, and we expect a sizeable final payment in December.
>
> During 1982/83 the recession in the United States continued to have negative effects on the fishing industry nationwide. Consumers were short of cash and concerned about the future. As a result, they continued to shop for the least expensive items available, and avoided expenses which they viewed as a luxury. This had a negative effect on sales and especially those to the restaurant trade . . . a market which is extremely important to our Freshwater fishery.
>
> While our industry continued to struggle with recessionary forces, production of some of our major species remained at record levels. This was particularly the case with pickerel and the result was a major decrease in prices to fishermen, as inventories climbed to uncomfortable levels.
>
> Production from our major competitors on the Great Lakes was also too high, especially during the winter. In normal years, the Corporation faces light competition in the winter fresh market, but warm weather enabled Great Lakes producers to continue fishing during the winter of 1982/83. As a result, Great Lakes producers captured a large portion of the fresh market, and prices dropped dramatically due to the surplus of fresh fish available.
>
> Other producers of fish from around the world were also attracted to the United States market because of the extremely high value of United States currency. This encouraged countries as distant as New Zealand to start shipping large quantities of fish into United States markets. Orange Roughy was one of these products. These boneless, skinless snow white fillets have been selling to restaurants for as low as $2.20 a pound.
>
> It seemed that absolutely nothing could go right for us during 1982/83 and it was not surprising when the Corporation was only able to show a year end profit of $40,000 on over $39 million in sales.
>
> During 1983/84 things started to turn around for the Corporation. Although we still faced heavy competition from other producers of fish, there was some easing of recessionary forces in our major markets. At the same time, production of pickerel dropped to normal levels in the Freshwater area and whitefish production remained manageable. Winter production on the Great Lakes was

also down as a result of freezing weather, and the Corporation experienced a lucrative winter season.

By the end of April, 1984 it was clear that the year had generated a substantial profit. This will be available to fishermen in the form of final payments in December, 1984.

In starting the New Year, we find ourselves in an extremely good inventory situation relative to pickerel and whitefish. Furthermore, we expect that market prices for pickerel will hold up this year, and that prices for whitefish will remain relatively stable, notwithstanding any dramatic increases in production here or on the Great Lakes. This is all reflected in initial prices to fishermen, which show a substantial increase for pickerel and some increases for whitefish as well.

We continue to have concerns about sauger. Harvests of sauger increased by 50 per cent last year, and this inventory will have to be moved in order to affect any increases in the price of this species. The large majority of our sauger is breaded by the food service trade and is sold to family oriented restaurants that serve budget-minded clientelle.

Northern pike is another product that has given us cause for concern. Our major market in France has been unstable for several years as a result of the declining value of French currency. As a result, the price to our French customers has been steadily increasing, while revenues earned by the Corporation have remained unchanged. Last year's decrease in production came at an opportune time since exports to France were down 15 per cent. We hope that pike deliveries will remain moderate this year . . . especially considering the effect that Swedish pike production is beginning to have on our French market. Pike production from Sweden is expected to be 250,000 kilograms this year and estimates are that it will increase to 500,000 kilograms by 1985. The combined effects of devalued French currency and increased competition have already begun to have an impact on our sales of dressed pike. The switch to headless pike is anything but welcome news, but we have little choice given market conditions.

Lake trout prices are up substantially this year. This is primarily due to reduced trout harvests in the Freshwater area. Availability of trout from the Great Lakes is also a factor. Pollution problems there have reduced the supply of trout to the market, and demand is stronger than it has been for some time. A large degree of caution is necessary in dealing with trout, since any sizeable increase in production will dampen prices in this specialized market.

Prevailing prices for pink salmon also impact on trout markets. Today it is common to find headless and dressed pink salmon selling in Canadian supermarkets for as little as $3.72 per kilogram or $1.693 per pound.

Although these factors have not had a major effect on key markets for Lake Trout, we certainly have to be aware of their possible impact in the years ahead.

In this regard, we have some serious concerns about the long term effect of farm-raised salmon and trout. This is a tremendous growth industry in countries like Norway and Sweden, where fish farmers actually supply the market with custom sized fish. Farm raised trout from Argentina have also begun to effect markets in United States cities like Los Angeles, where they are available in retail stores for as low as $2.18 per kilogram or 99 cents per pound.

In the year ahead we will have to be especially cautious in our dealings in both new and existing markets. The forces at work in our industry are very volatile and there is little doubt that the industry will remain unstable into the foreseeable future.

Levels of production will play an especially important role in the year ahead. This is certainly not the time that we can afford any major increases in deliveries of any species.

We will be striking out in some new directions this year in an attempt to broaden the market for our products. This fall for instance, we are making a major move in the Los Angeles area. We will be introducing vacuum-packed pan ready style whitefish into chain stores in an attempt to capture a portion of the market in this major metropolitan center.

We will also be continuing our campaign to sell Northern Canadian Game Fish into exclusive restaurants throughout the United States and Canada. Reaction to this concept has been very positive so far and we are hoping that our efforts will begin to pay off in the year ahead.

That is the end of the article. I thought it was appropriate for it to be included in *Hansard* because, in a succinct way, it covers extremely well the activities of the corporation.

I am sure Hon. Members will be interested to know that for the fishing season just ending the corporation has had a very good year, with sales in excess of $44 million. A very substantial final payment to fishermen will be announced shortly. I might also add that initial prices for major species have been increased for the 1984-85 upcoming fishing season. This is an indication that the good times will continue for those engaged in the freshwater fishery.

As I mentioned earlier, the current maximum borrowing limit of the corporation of $20 million was established ten years ago. Since that time operating costs have continued to climb, and it makes sense that that borrowing capacity should be increased. If this does not happen, the corporation is likely to find itself in the impossible position of being obliged under its mandate to buy all the fish offered to it and at the same time will have insufficient credit reverses to be able to pay the fishermen, which, to say the least, would be most unfortunate. With the disposition of Hon. Members, I think that is not a likely outcome.

In conclusion, I would again like to stress the importance of speedy passage of this amended legislation in order that the Freshwater Fish Marketing Corporation can plan its budget for the upcoming fiscal year and properly carry out the job for which it was created.

• (1700)

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. I again beg the indulgence of the House. I want to recognize the fact that this is the first occasion on which you, the Assistant Deputy Chairman of Committees, have been in the Chair. The Hon. Member for Sherbrooke (Mr. Charest) is a young new Member from the Province of Quebec. I want to extend on behalf of all of us our sincere congratulations. I hope that you will enjoy your time in the chair and that you will dispense equal justice in the tradition of the Speakers in this country.

[*Translation*]

Mr. Guilbault (Saint-Jacques): Mr. Speaker, we on this side of the House are also very pleased to see the Member for Sherbrooke (Mr. Charest) in the Chair. We wish him the best of luck, and I think I understand your "first night" jitters, having been in the same situation myself. In any case, I can assure you that you will have our full co-operation. Good luck!

[*English*]

Mr. George Henderson (Egmont): Mr. Speaker, it is a pleasure for me to speak today on this Bill, an Act to amend the Freshwater Fish Marketing Act. It is a pleasure because this was placed on the Order Paper on one or two occasions by the previous Government.

Before speaking on the Bill, I would like to offer my congratulations to the Minister of Fisheries and Oceans (Mr. Fraser) on his appointment. Like other Members, I wish him well, but not too well. I also congratulate him on bringing this Bill to the floor of the House so quickly. It is rather amusing that the first Bill the Minister brings in has to do with Crown corporations and, of course, in a positive way. I was under the

impression from the Minister of Regional Industrial Expansion (Mr. Stevens) that Crown corporations were a sort of bad word. There is a valuable role for Crown corporations to play in our society, and I guess the Minister agrees with that.

The Minister of Fisheries and Oceans must have had a tough time with the Minister of Science and Technology, the Hon. Member for Richmond-South Delta, (Mr. Siddon). I remember a debate in this House on July 10, 1980, on a private Member's motion sponsored by the Hon. Member for Richmond-South Delta for the production of papers. At that time I spoke on the Government side in reply to the Hon. Member's request. What was amusing was that the first part of the Minister's speech today referred almost word for word to the speech that was written for me. It was obviously given to him by the Department. I guess that's the way it works.

In his speech, the Hon. Member for Richmond-South Delta was extremely adamant about the role of the Freshwater fish marketing agency. I wish to quote from page 2726 of the Commons *Debates* for July 10, 1980. This is what the Hon. Member for Richmond-South Delta thought. This guy is now a Minister in the Cabinet and a colleague of our friend, the Minister of Fisheries and Oceans. On July 10, 1980, he said, talking about the concept of the formation of this corporation, and I quote:

> That original concept was recommended by the McIvor commission in the late sixties and advocated by the Conservative government of Duff Roblin in the province of Manitoba. What that concept of a marketing board has become is, as I said a moment ago, a monopolistic, vertically integrated Crown corporation, like so many of our Crown corporations, which handles the product from the lakeside all the way to the consumer, whether the consumer be in the fish buying markets of New York state or Poland.

Here is what he said, and this is why I congratulate the Minister for bringing the Bill forward so quickly:

> I suggest what we have now is a system of monopolistic dominance in the fish marketing industry, in the prairie provinces in particular, which is a far cry from what I understand to be the principle of democratic socialism where free enterprise and the private sector can operate in competition with one another. What we have is virtual communism in all of its forms in the example and illustration of the Freshwater Fish Marketing Corporation.

This has been quite a conversion. I understand the Hon. Member for Western Arctic (Mr. Nickerson) is going to take part in this debate. I will not quote what he was saying, but we will watch him very closely.

I supported this corporation in 1980. My Government supported it. We went back to why the corporation was set up in the first place. It serves northwestern Ontario, the Provinces of Manitoba, Saskatchewan and Alberta and the Western Arctic. In some of those areas there are small communities and outports with a very small fishing population. It is difficult for fishermen in that situation, if they are small processors to compete in the market-place or to get any kind of return on their product.

At the time this corporation was set up, there were business operators who not only owned the little processing businesses and the marketing aspects of their agency, but who also owned the fishermen's gear. In other words, they owned the fishermen. That was not unique for that part of the country. I remember such operators in the fishing industry in the late 1950s and early 1960s in my province. One in particular not only had the processing business, but owned the fisherman's gear and the fisherman's house. Every year when the fisherman tried to get operating capital, there was another lien toward something. It left nothing for the primary producer, the fisherman.

This corporation was set up to help those primary producers who found it difficult to operate in the normal natural process of business. It is true that some of these businessmen have had some quarrel with this corporation. No doubt in some cases, because of the make-up of the corporation, a businessman would have some concern in certain areas. I know that if I were a businessman, I might have some concerns in certain areas. However, I think, as the Minister said earlier, that this corporation does the best for the most people involved in the industry. That is why we are supporting it.

• (1710)

I would like to see what other aspects of the corporation are beneficial. First, back in the 1960s before the corporation was formed, the small operators had tremendous difficulty competing, especially in the American market. There were a great many small exporters, but in the United States there were very few small importers. They were playing one against the other and keeping the price down. That is the kind of situation one can find oneself in when there are a great many small businesses trying to compete nationally and internationally.

The role of the corporation has been expanded to include Poland and some other countries. As the Minister stated, I think it is a bit of a success story. If I understood him correctly, I was very pleased to hear the Minister say that this year, the corporation expects total sales of $44 million and substantial benefits will go back to the fishermen. That, of course, is the principle of the co-operative movements in other parts of the country. Again, I would refer to my own riding in which there are two exceptionally well managed and well operated co-ops that have been able to do a great deal for the small fishermen. They are given a floor price in the spring and after the season is over and sales are complete, the profits are shared.

I believe that the Freshwater Fish Marketing Corporation has a very positive impact on the western provinces and on western Ontario. I am extremely pleased to see this legislation before us now because it has been on the books for a long while. This Act was first introduced on April 29, 1983, under the heading of Bill C-149. It was introduced to the House at that time by the Minister of Fisheries and Oceans of the former Liberal Government, Mr. De Bané, and was given first reading. However, because of government House business, the Bill did not go through all stages at that time. It was re-introduced by the Hon. Minister as Bill C-31, and that Bill, of course, received only first reading.

There can be no doubt in my mind that in order to run effectively in today's market-place, the borrowing limit of this corporation must be raised. It has been well over a year now

since first attempts were made to increase this limit, and I am glad to see that it is finally coming about.

I know other Members wish to speak on this Bill today. Perhaps it will not go through all stages today. In general, I am sure that we in the Official Opposition will agree with it and we hope that the corporation has a successful year this year and that that success will continue for the corporation and for the some 3,500 fishermen it represents well into the future.

[*Translation*]

Mr. Ian Waddell (Vancouver-Kingsway): Thank you, Mr. Speaker. On behalf of the New Democratic Party, I also wish to congratulate you on your nomination as Acting Speaker of the House. I understand there are several Quebec Members who are Conservatives in name but in fact, are New Democrats. If they want to cross the floor they will be most welcome.

[*English*]

Perhaps I might speak in English now so that you can understand me, Mr. Speaker.

This is my maiden speech as fisheries critic. I am looking at the Minister of Fisheries and Oceans (Mr. Fraser) who is present in the House. I would like to say how pleased I am to be fisheries critic as well as energy critic for our Party. I see that the Minister of Energy, Mines and Resources (Miss Carney) is present. Just wait. She will get her turn tomorrow or the next day. We will see what happens in the statement that is to be made tonight.

I might as well be honest with the Minister of Fisheries. I do want to say to him—and I think this will be the last time I say this—that I do indeed regard him with a great deal of affection. Not only is he from Vancouver, not only is he outspoken, not only is he a lawyer and a chartered lawyer at that but he is a fellow Scots Canadian. I think that sews it up.

Mr. Fraser: Hear, hear!

Mr. Waddell: He has also been known to have had some principles in the past. My job will be to make sure that those principles do not get lost within this new Conservative Cabinet and to push him so that some of his principles and views, especially those on helping the West Coast fishermen who are in real need, will get through Cabinet.

While I have all of this personal affection for the Minister, I put him on notice that since I represent a riding that borders on Trout Lake in Vancouver, I will expect that he will get some of his initiatives through Cabinet. If he does not, he will hear from us over here.

Having said that, I had better say something about the Freshwater Fish Marketing Act, an Act on which I am an expert and about which I am pleased to speak. Just in case you do not know, Mr. Speaker, I should tell you that the Act was passed in 1969. This corporation has the sole jurisdiction to process and market fish in the prairie provinces, part of northern Ontario and in the Northwest Territories. It does not have jurisdiction in most of Ontario and in Quebec because those areas can look after themselves. This corporation deals with freshwater fish in one specific region of the country.

You would be interested to know, Mr. Speaker, that the corporation was set up because the private corporations, contrary to the mythology that we hear from the other side day in and day out, could not really handle and badly mismanaged the freshwater fishery industry in this area of Canada. The private corporations were not acting in the best interests of the fishermen. Is that not a surprise? The Government found that these corporations were mainly American controlled and that they were operating in a dog-eat-dog fashion, not a fish-eat-fish fashion. The fishermen were controlled by these corporations by the initial payments made to them. Start-up fees and so on were required at the beginning of the season, and that was too difficult for the fishermen.

The industry was in very bad shape at the end of the 1960s from the fishermen's point of view. Therefore, there was pressure for the establishment of this Crown corporation, which has been working fairly well. I have some criticisms of the Crown corporation which I will be making in a few moments.

You should be aware, Mr. Speaker, as you undoubtedly are, that the freshwater fishing industry is the second largest industry in northern Saskatchewan. Although sales of freshwater fish pale in comparison with sales of coastal fish, it is nonetheless a significant industry and has a great deal of potential for expansion. The Minister referred to some of this potential in his speech when he referred to new markets and so on.

We have the largest supply of freshwater fish in the world. Of course, we have what is probably the largest supply of energy in the world and the largest supply of forestry and minerals in the world. We are only waiting to have the brains to develop these things the way they should be in order to make us the richest country in the world. Some day we will do that.

• (1720)

An Hon. Member: There is hope.

Mr. Waddell: There is hope. Well, I do not know about that. We will have to wait and see. There is certainly hope for developing this industry.

The Canadian commercial fishing industry in 1982 landed 1.38 million tonnes, valued at $838 million. After processing, the catch was worth about 1.98 billion dollars. This is an industry which the NDP takes very seriously. We give it a very high priority. In the same year, the freshwater commercial fishing landed 550,000 tonnes, which was worth $62 million. Processed freshwater fish products had a value of $100 million. Although freshwater fishing is a small proportion of the Canadian fishing industry, it is nonetheless significant.

The fishing industry exported $1.62 billion worth of products in 1982, which is approximately 82 per cent of the industry's output. In freshwater fish, we exported about 88 per

cent; much of it going to the United States, the European Economic Community, and to the rest of Europe and Japan.

I would like to take this opportunity to thank the European Economic Community which was good enough to invite me this fall to study some of their problems. I studied the fishing industry in Denmark, Greece, and Brussels. I learned something about the European fishing industry. We could learn something from the way in which the Europeans handle their catch. I would like to thank publicly the officials of the European Economic Community for being so patient in dealing with an expert in fisheries such as I was at that point.

The major problem with the Freshwater Fish Marketing Corporation is that it does not own marketing plants in northern Saskatchewan or northern Manitoba. Fishermen living in those areas must ship their fish south to Winnipeg in order for their fish to be processed. Fishermen must bear the cost of shipping the fish south, and it is fairly prohibitive to them. As a result, a lot of fishermen in northern Saskatchewan are a bit peeved off—if I might put it that way—at the corporation. They actually petitioned the previous Government to opt out of the control of the corporation. I believe that was somewhat of an over-reaction, as I think there can be reforms made in the corporation, and I propose to suggest some reforms.

I would say to the Minister of Fisheries and Oceans that there is a lot of unemployment, both in northern Manitoba and northern Saskatchewan, which is the result of a lack of fish processing plants in those areas. In Lake Athabasca, for example, no fishing is being done on the Saskatchewan side of the lake. Also, there are complaints by fishermen in northern Saskatchewan that the quotas of fish which they are able to sell to the corporation are too low. This affects them, as they must make up for the extra shipping costs and they must ship more fish than their counterparts down South. Therefore, they want higher quotas.

Improvements are required with respect to the management and the operations of the corporation. For example, it is too centralized. It should expand some of its fish processing plants in the northern areas. One suggestion I would make to the Minister is that the board of directors, or its advisory committee, should travel to the northern areas of the provinces and talk to the fishermen about their problems. It is much easier for the board to go north than for the fishermen to go south. It is also much more intimidating for the fishermen to talk to men in three-piece suits than for the men in three-piece suits to go the other way. I know that it does not look very intimidating down here, but very often when people come from the North they find it difficult to deal with this cultural milieu. Therefore, I would make a pragmatic suggestion that the Minister could talk to the board and that the board should go and talk to the fishermen in the northern areas. Then we will not have, as we had in the last Parliament, the instance in which one of our Members from that area was petitioning, on behalf of the fishermen, to opt out of the corporation.

Fishermen are currently represented on the advisory committee of the corporation, but not on the board of directors. Therefore, they have no real decision-making power in the corporation. I say to the Minister of Fisheries, why not put them on the board of directors?

One of the things of which I was made aware in Europe—not with respect to fisheries, but generally—was a movement toward co-determination. That is a situation in which the workers of a company are on the board of directors. It is done in Germany. It gives workers the feeling that they are participating in some of the decisions which affect their lives. There is a certain limitation to this, and it takes a little while to do it, but it is a coming thing. In this corporation, I would suggest that it would be ideal to have some fishermen on the board of directors.

Another aspect of the problem is the general under-utilization of the industry. There are lots of whitefish in Saskatchewan waters, but the corporation is not buying them. The corporation gets all it needs from Winnipeg. Thus, in Saskatchewan there is the unfortunate situation in which whitefish can be bought from Manitoba and not from Saskatchewan, despite the fact that Saskatchewan lakes are full of the stock. Much of the fish which lives in the fresh water is suitable for being dried for export. We could be exporting fish to Africa and other Third World countries. There are plenty of markets abroad for fish. We should not limit ourselves to the needs of our country. The opportunities for export would result in more employment and growth in the industry. I spoke with fisheries officials in Athens, Copenhagen and Bonn about their fishing industries and the possibility of accepting more Canadian fish. There are some possibilities which exist in the EEC. We would have to make some exchanges for fishing grounds and other things in return.

When I was in Denmark, a gentleman informed me that if I wanted to know about cars, I should talk to Mercedes in Germany; if I wanted to know about the wine industry, I should go to France; but if I wanted to know about fish, I should talk to them. It is true. They can land fish which are in the North Sea and the Atlantic, and within 24 hours they are on the table in Paris. Not that I have ever eaten in a restaurant in Paris, but I am sure that the Minister occasionally does. The fact remains that whether a person is eating fish and chips or whether he is eating in a restaurant in Paris, the fish is good, and we could learn much from the way they market and process their fish.

My colleague, the Hon. Member for Churchill (Mr. Murphy), spoke in the House last year on this Bill when the capitalization issue was raised. The Minister now wishes to raise it from 20 million to 30 million. That is acceptable to us.

In summation, I hope that this Crown corporation is not privatized. I believe it has a role. I have pointed out some of the criticisms and difficulties which have been expressed by the fisheries, and I do so in good faith. I am sure the Minister will take these remarks back to the corporation. We would like to see more decentralization and more consultation with the fishermen. If we are to be in this together, we should consider the expansion of markets and the enhancement of enhancing the industry, canning, processing and other things. In that way

it is hoped that we would facilitate progress for a very important industry.

The Acting Speaker (Mr. Charest): The Hon. Member for Western Arctic.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I listened with a great deal of interest to the Hon. Member for Egmont (Mr. Henderson) and the Hon. Member for Vancouver-Kingsway (Mr. Waddell) who said what a great thing this Crown corporation was, a Crown corporation that has a monopoly on the purchase of fish. They said that there may be a few faults with it here and there and with the management, but the Crown corporation has this monopolistic power and that is what they want. Obviously, Sir, they have never talked to a freshwater fisherman.

• (1730)

Mr. Waddell: It is your Bill!

Mr. Nickerson: They would have a much different idea of things if they really knew what the FFMC was doing to the fishermen of freshwater country. I have given the Minister of Fisheries and Oceans (Mr. Fraser) the assurance that I will vote in favour of the Bill which he has presented to us today. I do that, Sir, for two principal reasons. First, I am a good Party supporter and would never think of voting against the Ministers of the present Government. I know they are very competent and are doing their best for Canada. I have great faith in them. The second reason, Sir, is that the Minister has threatened to break my arm if I did not vote for the Bill. However, in return, Sir, I expect from the Minister of Fisheries and Oceans that within a matter of just a few months he will bring into this House, in keeping with the policies of the Progressive Conservative Party, a Bill to amend the FFMC Act further, and the nature of that amendment will be to revoke the monopoly of FFMC in order to allow other entities into the market-place. That, Sir, is they key to getting our northern fishing industry going again.

The Hon. Member for Egmont gave us a brief history of this Bill. He told us that it had been brought in in 1980 and had died on the Order Paper. It was brought in again in 1983 as Bill C-31 and again it died on the Order Paper. I want to tell the Hon. Member why it died on the Order Paper. It is because the Minister of Fisheries and Oceans of that day had no concern with the plight of freshwater fishermen at all. That Bill was always No. 151 in priority on a list of 150 Bills. It was put there and absolutely nothing was done with it. That, Sir, is demonstrative of the difference in attitude between the then Minister of Fisheries and Oceans and the present Minister.

The present Minister of Fisheries and Oceans commands the trust of fishermen throughout the whole of Canada. We have replaced complacency on the part of previous Ministers with action.

I would like to touch briefly on some of the figures involved. If one looks at the last available annual report of the FFMC in 1983, one sees that it had working capital loans of some $13.5 million, which was borrowed from the Government of Canada. It had fixed asset loans of some $4.5 million, again borrowed from the Government of Canada. It had approximately $750,000 in bank indebtedness, which brings its indebtedness to a total of somewhere between $18 million and $19 million. Therefore, until the new Government has the time and opportunity to make the necessary changes and if FFMC is to continue for the time being, it is necessary that we make this authorization for a further increase in borrowing authority. However, at the same time as we do this, Mr. Speaker, we should remember that the interest rate on some of those loans is nearly 16 per cent. The fishermen of the northern provinces, the Territories and parts of Ontario are paying about $500,000 a year in interest payments on those loans. What one has in microcosm is a similar situation as with the national finances of this country. In the national case we have accrued debts of billions of dollars and interest must be paid on it, which is cutting into the revenue. The same thing has happened with FFMC. It has had to borrow continuously more and more money, which puts that extra burden on the fishermen who are obliged to pay and pay the interest on those debts, debts which have been run up in the past.

There were many absolute horror stories in the past with respect to FFMC. There were warehouses full of fish and no sales. There was improper management. There was slack financial control of the corporation and all kinds of funny little practices going on. I remember the unauthorized attachment of rabbinical stamps to fish boxes for the Jewish market. I must admit, Sir, that some improvements have been made. I had the opportunity to visit the Transcona plant last summer and I was pleased to see that certain improvements in the operation have been made. There was certainly a better flow-through of inventory and better inventory control.

I would like at this time to compliment Mr. Sam Cunnah, who was one of the managers there. He has recently retired. I would like to compliment him in public for the work he has done. Undoubtedly there is still room for improvement in the management practices. Improvements have been made in the central plant in Winnipeg and Transcona. However, there are still severe problems in the satellite plants. The plant at Hay River is an example of a plant which is just not doing its proper job. Furthermore, the Freshwater Fish Marketing Corporation just cannot get out there and sell fish, which is its mandate. That is what it was set up to do, and it is still not doing a proper job of selling fish and receiving a good return on behalf of the fishermen for the extraordinary effort they put into catching fish. In part, that is the world-wide situation. I understand there are equal problems on the East Coast as on the West Coast. However, I believe there are things which can be done so that we can sell the excellent products of our freshwater lakes and rivers.

There are two questions which should be addressed with respect to FFMC. First, should it continue at all? That, of course, is still under study. The new Government is taking a new look at all the Crown corporations in order to determine which ones should continue and which ones could better be

dealt with in alternative ways, by privatization in one way or another. Second, if FFMC is to continue, should it retain the monopoly? I do not want to go into any great detail today on the first question except to give to Hon. Members this analogy. The FFMC has always appeared to me to be something like a lobster trap. One can get into it but it is almost impossible to get out. If the fishermen are asked whether they are any better off now that they have the FFMC than they were before, they will say that, no, they are not any better off. In fact, in the old days they were better off because they could sell their fish. There was always some kind of market in which they could sell their fish. I doubt if any Crown corporation can do as well at fish sales as private enterprise. Private enterprise does not have people just sitting there in some fancy office in Winnipeg hoping the phone is going to ring and someone will order fish. One has to get out there and sell. That is the way private enterprise works and would continue to work if we did not have this monstrosity called the FFMC.

The previous Minister, who has now gone to his just reward among the decaying leather seats of the other place, wanted to extend the Crown corporation monopoly into the Great Lakes. He wanted to put everyone down to the same level of misery. He could not stand the successful operation of homestead fisheries in the Great Lakes operated under private enterprise. He just wanted to spread the misery around.

With respect to the question of monopoly, I will say that this question can be addressed fairly quickly, and I hope it will. The position of the Progressive Conservative Party, which was worked out over a period of time and which was one of the promises we made to fishermen during the election campaign, is that we will revoke the monopoly presently enjoyed by the FFMC. That monopoly will be broken. It will be of benefit to two parties. First and foremost, it will be of benefit to the fishermen. They will be able to shop around and sell their fish to the people who will give them the highest price. They will not be in servitude to a monopolistic Crown corporation any more. Second, it will be fair to the people who wish to engage in the business of buying and selling fish. Would you believe, Mr. Speaker, that if I bought fish for resale, processing or whatever, something I consider to be an honourable undertaking, helpful to the country and everything else, I could go to jail under the Act for two years for buying unauthorized fish from a fisherman? Surely that is an infringement on the liberty of Canadians and should not be allowed to last any longer.

● (1740)

Mr. Waddell: It is called orderly marketing.

Mr. Nickerson: The socialists call this orderly marketing. They prevent people from going into honourable employment, helping their fellow man, providing jobs, putting good food on the table. This is what they do not want to see.

Mr. Waddell: Talk to any farmer.

Mr. Nickerson: Once FFMC gets out of the monopoly side of the business, it might continue to exist. I rather suspect it would not last too long in competition with private enterprise, but I have no objection to its continuing to exist as long as it does not have a monopoly. Once that happens, the alternative is a private operation as it used to be before. People used to invest in the plant for working capital purposes, to buy fish from the fishermen. They would go down to New York or Chicago and sell their fish at the best price they could. That used to work out pretty well. Alternatively, we could have a co-operative arrangement. Right now fishermen cannot form a co-operative to sell their own fish. Surely my socialist friend would approve of that. Perhaps not, because he does not call that orderly marketing. The socialists do not mind the freedom of fishermen to form a co-operative being removed by this House of Commons. I think that if fishermen want to form a producers' co-op, they should be able to do so, but at present they cannot.

There could be provincial involvement. Provinces are already involved. We were told that FFMC is now making a profit, but that is only because of provincial and territorial subsidies to the industry. I know that the Government of the Northwest Territories is putting about $400,000 a year in subsidies into the industry. Some is for price support and some is to help support the packer who goes around the lake to pick up the fish from the lake stations. Even so, the price paid for fish is ridiculously low. What most of the fishermen end up doing is wearing out their nets for nothing. I have a few headlines from local papers: "Fishermen Feeling Financial Crunch". "Fish Prices Still Low". "Bleak Season for N.W.T. Fishermen". So it goes, on and on. I do not think that that will improve until fishermen have the option to sell fish to whomever they want.

Mr. Blaikie: For a lower price.

Mr. Nickerson: I do not think the taxpayer should have to shoulder this burden.

Mr. Tobin: What about the $10 million?

Mr. Nickerson: We have the situation where the nature of the resource is such that it can be exploited profitably. Why can we not do that? Why do Canadian taxpayers have to put money into something which could be operated efficiently with a proper return to the fishermen? In the Territories that resource is one of the best in the world. We are capable of producing premium quality products which ought to be sold for premium prices. This is just not the case because it is mixed in with the other product from the provinces which is not so high in quality. Were the Territories able to develop their own specialty markets, we could command those premium prices. I am sure that in all probability the provinces would be better off too, because they could concentrate on what is then available to them. I know of cases where people have gone out and developed a market, especially for the Arctic char. They have found buyers, told the FFMC about the buyer and asked FFMC to buy fish from them. They wait around for two months and then ask the corporation, "Well, why have we not got an order for this fish?" The FFMC has turned around and

given someone else that order. That is the type of thing that is going on.

My colleague, the newly elected Hon. Member for Nunatsiaq (Mr. Suluk), wanted me to bring to the attention of the House his suggestion that Arctic char should be exempted from the species presently dealt with by FFMC. In the eastern Arctic there is a considerable problem in having to sell through FFMC. It would be relatively easy to go out and find markets for Arctic char. There is not that much produced and it should command fantastic prices. However, with FFMC involved, there is not enough effort put into marketing Arctic char and the producers are just not able to get the prices they would be able to if there was a free market in fish.

I was asked, Sir, to get through some of my remarks as quickly as possible in order that this Bill might get through the House this afternoon, so I will not go through some of the things I had hoped to say respecting the Department of Fisheries and Oceans. Most of it was good. I was going to be very complimentary to the Minister, but I can do that another time. I would perhaps reiterate one of the points he made concerning the need for aqua-culture. If we continue to hunt fish instead of farm fish, we are going to lose out in the markets of the future. It is absolutely essential that the Department of Fisheries and Oceans, through organizations such as the Freshwater Institute, get into research on fish farming so that when in the future other countries have products from their fish farms at lower prices, we will be able to compete with them.

Those, Sir, are my comments on the Bill we have before us. I support the increase in the debt limit at the present time, mainly because we have no other option. The thing has been run into the ground for so long. However, my main pitch has been and will continue to be, until this is implemented in law, that the monopoly of the FFMC should be revoked. Other organizations and entities, whether private enterprise, fishermen's co-op or something brought together by the province or Territory, can also get into that business and fishermen can continue to enjoy the standard of living they had before this socialistic measure was imposed on them in the late 1960s. We can then get this industry flourishing again. I am sure, with the Minister of Fisheries and Oceans (Mr. Fraser) that we now have, that will happen in the very near future.

The Acting Speaker (Mr. Paproski): We shall now go to the ten-minute period of questions and comments.

Mr. Tobin: Mr. Speaker, I just want to make a quick comment because I am afraid to ask a question. I am watching the clock. I came in here this afternoon looking forward to supporting this Bill and seeing it speeded through second reading and into committee so that we could ensure that the Bill, after many, many years, would see the light of day in this place. But after listening to the Hon. Member for Western Arctic (Mr. Nickerson) speak on this Bill I am beginning to wonder whether or not it is a good Bill. I am confused as to whether or not the Hon. Member—I am not asking a question, God forbid—is supporting or denouncing the Bill. It is quite confusing, Mr. Speaker, I have a little trouble when a Member says he is rising in his place to support this Bill to give FFMC an additional $10 million, and then spends the next 17 or 18 minutes denouncing FFMC. I am confused when a Member says that we must have this $10 million today, and then spends the next 18 minutes telling us that as soon as possible they are going to do away with FFMC.

• (1750)

It is only due to my interest, intrinsic respect for and confidence in the new Minister of Fisheries, who I am pleased to see occupying that post, and my great faith in him, that I will sit down and do my best to see this Bill get through second reading today.

Mr. Hnatyshyn: I rise on a point of order, Mr. Speaker. We had discussions with the House Leaders of the Opposition Parties and my understanding was that they were disposed to let this matter go through all stages today.

Mr. Murphy: You let that idiot rant and rave.

Mr. Hnatyshyn: I cannot respond to that unparliamentary reference by the Member for Churchill (Mr. Murphy) but I had understood this to be the case. If that arrangement is not now going to proceed in accordance with the clear understanding I had, I would like to know now so that I will be able to judge my future relationship with the Opposition House Leader.

Mr. Waddell: Speaking for the NDP and our House Leader, we would like to see the Bill go through. I believe the Hon. Member for Churchill has a few short remarks. We are prepared to let it go through.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, first of all I am a bit surprised at the Government House Leader disclosing discussions between House Leaders. It is not customary to do that in the House. We have no problem with seeing this Bill go through. We would like it to receive second reading this afternoon.

Mr. Hnatyshyn: All stages.

Mr. Guilbault (Saint-Jacques): If we give it second reading, we will advance the Bill. I do not know if the Government is willing to let the Bill drag.

Mr. Hnatyshyn: You do what you have to do.

Mr. Blaikie: Mr. Speaker, I rise on the same point of order. May I just say to the Government House Leader, by way of instruction to the Government for future purposes, that if the Government wants a Bill to pass in an uncontroversial way through three stages, then it ought to make some attempt to ensure that Members on its side do not use the opportunity for making obviously ideological and controversial statements about the contents of the Bill. Out of respect for the agreement made between the House Leaders—

The Acting Speaker (Mr. Paproski): That is not a point of order.

Mr. Blaikie: We do not have to put up with that.

The Acting Speaker (Mr. Paproski): That is not a point of order. It is argumentative. I think we should carry on. If we are going to pass the Bill through before six o'clock, either we should do it or else we should agree with what the House Leaders have agreed to do. Is the House ready for the question?

Mr. Murphy: Mr. Speaker, I certainly do not plan on delaying the passage of this Bill. However, since the Churchill riding is one of the major areas that is actually affected by this legislation I would like to speak on it. I would like to speak on it in terms of what is actually necessary to improve the Freshwater Fish Marketing Corporation. I am not going to take an ideological position which is just to rant and rave about how bad the corporation is. I for one happen to believe, as does our spokesman, the Hon. Member for Vancouver Kingsway (Mr. Waddell), that there are improvements that can be made to the Freshwater Fish Marketing Corporation.

I happen to believe that the Minister was speaking along the same lines. I presume the previous speaker for the Conservative Party was speaking for himself. He did not seem to be speaking for the Government. I certainly hope he was not speaking for the Government, because, if it is trying to destroy and dismantle the Freshwater Fish Marketing Corporation, it is going to be hearing from every fisherman in northern Manitoba and northern Saskatchewan and other parts of the country. They believe that the Freshwater Fish Marketing Corporation is the best vehicle for protecting their interests.

It is important that all of us realize that it was the failure of private enterprise which created the need for the Freshwater Fish Marketing Corporation. Most of the fishermen we are talking about are native people. Most of those people have felt that they were being robbed under the old system. They want the Freshwater Fish Marketing Corporation but they also want reforms brought to it. They want to see more processing taking place in their home communities. They want to see more control of that corporation by the fishermen. They want those types of reforms. They want more information in terms of the actual books of that corporation. That is the type of reform they want and that is a reasonable approach.

One of my complaints about the previous Government is that it never really considered the question of how to reform the Freshwater Fish Marketing Corporation. It sat back and gave it money. The only debate we ever had in the House was over money, just as we are having at the present time. The debate is with regard to money rather than the actual structural purposes and levels of responsibility for the Freshwater Fish Marketing Corporation. Those are the types of reforms I would like to see. I hope that when the Government and the new Minister have a chance, that is what we will see.

I recognize that we want to pass this Bill. I recognize that the people in my riding would like to see this Bill passed, so I am going to sit down. However, before I sit down, I would like to congratulate you, Sir, on the occupancy of the Chair. It is nice to see a young man move ahead.

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Mr. Fraser, seconded by Mr. Epp, moves that Bill C-5, an Act to amend the Freshwater Fish Marketing Act, he read the second time and referred to the Standing Committee on Fisheries and Forestry. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Mr. Hnatyshyn: I rise on a point of order, Mr. Speaker. I wonder if I could re-ask the question now that the Whip of the Official Opposition is here. My understanding is that the matter is to be referred to a Committee of the Whole and dealt with through all stages. That was the understanding I had with House Leaders, and it was confirmed again this afternoon by the House Leader of the Official Opposition. If there was such a disposition, I think we could deal with all stages of the Bill and pass it today.

The Acting Speaker (Mr. Paproski): Does the House agree?

Mr. Guilbault (Saint-Jacques): This question was answered by the Official Opposition previously, Mr. Speaker.

The Acting Speaker (Mr. Paproski): There is no agreement. The House has heard the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and referred to the Standing Committee on Fisheries and Forestry.

The Acting Speaker (Mr. Paproski): It being six o'clock, pursuant to order made Wednesday, November 7, 1984, the sitting is suspended until six-thirty o'clock this day.

At six o'clock the sitting of the House was suspended.

SITTING RESUMED

The House resumed at 6.30 p.m.

[*Translation*]

THE ECONOMY

STATEMENT BY MINISTER OF FINANCE

Mr. Speaker: Order, please. Pursuant to Order made Wednesday, November 7, 1984, the Hon. Minister of Finance (Mr. Wilson).

Some Hon. Members: Hear, hear!

Economic Statement

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I asked my colleagues if they would sit down in order that they did not waste their energy now, in the hope that they might do that after as well as before.

Less than two months ago, this Government came to power with a national mandate for change. We did so because on September 4 the Canadian people made a clear and confident judgment about the future of this country.

Canadians voted for change, and for a better future, because they knew that as a country we could do much more to create that future; to create new growth, jobs and opportunities for all Canadians. In doing so, they have opened the way for a fresh start, for new confidence and a new national consensus toward achieving the promise and potential of Canada.

They voted not only for a change in policies, they voted for a change in the approach of government to the making of those policies. That is our mandate. That is our challenge.

[*English*]

The mandate of September 4 reflects as well a sombre judgment about the recent past. When Canadians looked back, they saw an unprecedented decade of soaring government deficits and rising unemployment; of expansive, intrusive government and sluggish, uncertain economic growth. They saw an economic world that had changed and a country that had not kept pace with that change. They saw their government and their economy dangerously off course and off balance.

Few Canadians will say that things are better today than they were in that great year of hope and achievement, our centennial year. Yet, fewer still believe that we can turn back the clock and return to the "good old days". There are new realities, new challenges. But something fundamental has not changed: our country is still blessed with rich natural resources, with the technological and financial capacity and, above all, the people to fulfill its great promise. It is not time to reclaim that future for all Canadians.

Toward that goal, we have taken stock in these past two months. I want to thank my colleagues for their help in charting our course during this challenging first stage of our mandate. Tonight I will share with Canadians the results of our intensive period of activity so that together we can plan our direction for the next four years.

There has been no holiday from decision-making for this government during this period. We have moved quickly to deal with the urgent need for action on a wide front. A number of decisions have already been announced. Tonight I will be announcing further important measures which make a good start on fulfilling our promises.

But most importantly, I wish clearly to set out the direction which we, as a new government, propose to take to fulfil our mandate for change. And I want to begin the national process of discussion and consultation that is so essential to achieving our goals. I will, therefore, be tabling a paper called "A New Direction for Canada: An Agenda for Economic Renewal". This Agenda paper is a statement of national purpose. It will be the focus for consultations with all parts of the Canadian community.

[*Translation*]

The Agenda paper recognizes the important economic responsibilities of provincial governments. Our aim is to promote economic growth in concert with the provinces. Dialogue will take the place of confrontation.

Canadians know that this country has been missing opportunities to create new growth and jobs. They know that our competitive position has eroded; incomes have barely kept pace with inflation; confidence in the future has seeped away; and they have seen that the efforts of government to solve problems have too often made things worse instead of better.

● (1840)

[*English*]

For too long, the Government of Canada has responded to serious problems in our economy by dealing with the symptoms of those problems and ignoring the causes. For too long, government has tried to substitute the judgments of politicians and regulators for the judgments of those in the market place, through excessive regulation and by trying to buy its way, with borrowed money, out of each new problem that arises. We have suffered, for too long, from the growing gap between the rhetoric of reliance on the private sector and the reality of increasing government intervention.

The Government has all too often acted to delay change by protecting, at the taxpayer's expenses, those enterprises which have been too slow to increase their productivity or unable to seize new market opportunities. By being a captive of the past, we have risked forfeiting the future.

As a result, business—and especially small business—has been hamstrung by increasing regulation which has sapped the creative energy necessary to take risks, improve productivity and create permanent and satisfying jobs.

Our objective is to release the creative energies of Canadians to build a better future for themselves, to give young people a chance to make a productive contribution and to open up new opportunities for women in the work place and for older workers who have lost their jobs. We want to put Canada back to work.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): Indeed, our nation's elderly and disabled cannot feel economically secure while so many of our youth are unemployed and the prospects for our economy are so uncertain.

Economic renewal will not come quickly or easily. It will come step by step. This government has resisted politically-appealing "quick-fix" prescriptions. There are no easy solutions for problems which have built up over a decade. Nor will economic renewal come without the co-operation of governments, business, workers and union leaders and other Canadians. Step by step, we must begin to direct our combined efforts

toward expansion of the economic pie and away from an increasingly divisive struggle for a share of a static or declining one. We will not only have to work hard, we will have to work together in a truly national effort of economic reconstruction.

This government is prepared to lead this process of economic renewal. We have set for ourselves four challenges:

first, to put our own fiscal house in order so that we can limit, and ultimately reverse, the massive build-up in public debt and the damaging impact this has on confidence and growth;

second, to redefine the role of government so that it provides a better framework for growth and job creation and less of an obstacle to change and innovation;

third, to foster higher investment, greater innovation, increased international competitiveness and a positive climate for the birth and growth of new enterprise; and

fourth, to bring about these changes in a way that is fair, open and consistent with the basic sense of compassion, tolerance and justice that is characteristic of Canadian society.

[*Translation*]

We will not weaken the basic income support programs. Indeed we will seek to find room, within our own capacity and through stronger economic performance, to provide even greater assistance to those Canadians who truly need it.

[*English*]

We have clearly set out in the Agenda paper the direction we believe the country should take, but we had another choice. We could have made more decisions and taken more action now, but to do so in the absence of full consultations would undermine not only the spirit of this undertaking but its effectiveness. We want to discuss further the means of achieving these goals with other governments, labour, business and other Canadians. We want their advice and their co-operation.

These consultations will be critical in determining the specific measures we will take and the timing of these actions. But however difficult the decisions will be, let me be very clear: we are determined to act. I intend to return to this House with my first budget in the spring to lay out the next phase of our program for econoic renewal.

Let me now turn, Mr. Speaker, to the economic and fiscal situation which confronts us.

Our economic legacy is one of high unemployment, inadequate investment, eroded confidence and personal hardship. From mid-1981 to the end of 1982 we suffered through the worst recession since World War II. The recovery, which began in 1983, has been only moderate by post-war standards and has been distinctly weaker than the recovery in the United States. After almost two years of recovery, business and consumer confidence remains weak. Cautious households, facing uncertain employment prospects and little real income growth, continue to save at high rates. Businesses, facing excess capacity, high interest rates and uncertain future prospects, have been reluctant to invest and to hire. Investment is more than 20 per cent lower than it was prior to the recession and employment has barely recovered to pre-recession levels.

We are talking here not just of economic failure, but of human tragedy; of real economic hardship suffered by thousands of families; of the social and emotional suffering caused by the loss of a job; and of the loss of hope and self-esteem of young people who find themselves unable to make a productive contribution to society after spending so many years at school. This is the unacceptable price of the failure to provide adequate employment growth.

No less serious or troublesome than the economic legacy is the deficit and accumulated debt situation which we have inherited.

In each of the past ten years the expenditures of the federal government have exceeded its revenues. These continuing deficts have led to an enormous growth in the burden of debt and the costs of interest on that debt. Moreover, unless we begin now to put our fiscal house in order, that burden of debt will continue to mount rapidly in the future. We are on a very dangerous treadmill.

To underline the seriousness of the situation, let me briefly review our economic and fiscal prospects. They are based on the assumption of slower U.S. growth in 1985, a significant decline in U.S. interest rates after 1985 and reasonably healthy world economic growth from 1986 to the end of the decade.

Based on these assumptions, growth in Canada would likely decline from about 4.2 per cent in 1984 to about 2.4 per cent in 1985. Over the second half of the decade, growth would increase and average about 3.4 per cent per year. While inflation would stay at or below 4 per cent for the remainder of the decade, unemployment would remain unacceptably high—11 per cent through 1985 and then declining gradually to about 7 per cent by 1990.

With this set of projections and no policy changes, the deficit for this fiscal year would be $34.5 billion, almost $5 billion higher than projected last February by the previous government. That is bad enough but that is not the worst of it. Current projections show the deficit increasing next year to more than $37 billion and remaining between $34 and $38 billion in every year for the balance of this decade. This is in marked contrast to previous projections that showed the deficit declining over that period.

• (1850)

Next year's deficit, at $37.1 billion, would be more than $9 billion higher than projected last February. And this increase would have been even greater if the previous government had not budgeted for a decline in support for direct job creation and training from $2.2 billion this year to only $1.2 billion next year. The increase in the deficit this year and next and its failure to come down in this decade, even with continuing growth, are major reasons for concern.

This is what we inherited. Not only is the situation serious today. If we don't take action it will be even more serious by 1990.

In our centennial year the net federal debt was $18 billion; by the end of this fiscal year it will be about ten times higher, $190 billion; by 1990, if there are no changes, it could approach $410 billion. Let me put this in more personal terms. In 1967 this debt represented about $4,000 per family; this year it represents about $24,000 per family. And by 1990, if we do not take action, it will be the equivalent of about $54,000 for every Canadian family.

I know that economists will tell me that this is not a perfect analogy, but I want to express the problem in its simplest terms. Many of us have taken on heavy debts in the form of a mortgage or a personal loan at some time in our lives. But we have done so because we believed our future incomes would increase faster than the costs of carrying that debt. If our debts and our interest payments continue, year after year, to grow faster than our incomes, we know we have a problem. If we reach the point where we must start borrowing money just to pay the interest on our debts, we know we have a serious problem. But this is the situation in which the Government of Canada finds itself today. This year almost 50 per cent of government borrowing is required just to cover interest costs and, if we do not take action, this will rise to more than 76 per cent by 1990. We believe we must act now to avoid a future crisis.

[*Translation*]

There is no easy solution to the problem we face. We cannot just grow our way out of it. Next year we will have completed the third year in this economic recovery and in each of those years the deficit will have increased—from $25 billion in 1982-83 to $31.8 billion last year, to $34.5 billion this year to a projected $37.1 billion next year.

[*English*]

Moreover, the economic and deficit projections I have given—distressing as they are—are based on an assumption that interest rates will fall to more normal levels in the second half of the 1980s. This assumption follows from my expectation that the returning United States administration and the new Congress will act to reduce the U.S. budgetary deficit and that this will allow the achievement of lower interest rates.

I would be the first to acknowledge that there can be no guarantee that this will be the case. And if interest rates do not fall, our economic and fiscal situation would be even worse. Growth would be lower and the unemployment rate could remain above 10 per cent for the balance of this decade. The federal deficit would continue to increase and could reach $50 billion per year by the early 1990s.

Finally, let me make it perfectly clear that the deficit projections I am presenting tonight are calculated on the same basis as those of the previous government, with one exception. For a number of years, the Auditor General has rightly argued that the accounting policies of the previous government did not give this House or Canadians an accurate presentation of the government's financial position. In order to provide a clear picture of the country's finances. I am announcing tonight that the government is prepared to implement most of the suggestions made by the Auditor General.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): These changes result in an increase in the projected deficit for this and subsequent years by amounts ranging from $500-$800 million annually. Full details are set out in the Agenda paper.

[*Translation*]

The projections for economic growth, unemployment and the deficit which I have presented are unacceptable. We can do better, but only if we approach this major challenge in a realistic way. And that means facing up to the deficit and debt outlook I have just described. The simple fact is that the mounting federal debt has become a powerful obstacle to growth and to private sector job creation.

[*English*]

A continuously rising ratio of debt to income threatens growth in three ways. It puts upward pressure on interest rates by raising expectations of future inflation and by competing for private savings. It limits the Government's ability to meet priority economic and social needs. And it symbolizes a state of economic mismanagement that undermines confidence and threatens the job-creating private investment that Canada dearly needs.

To promote growth and jobs, interest rates must be as low as can reasonably be attained. Confidence must be restored. That is why we must take action to limit the deficit. We must assure savers and investors, in Canada and abroad, that the impressive gains we have made on inflation will be consolidated and continued and that the federal government will not place undue demands on Canadian capital markets. Such assurances can be provided only by responsible monetary and fiscal policies. Monetary policy must continue to stand firm against inflationary pressures. Fiscal policy must ease the burden on monetary policy and contribute directly to increased confidence and to lower interest rates.

This government is committed to act now. Because I believe that deficit reduction is the key to rebuilding confidence, and confidence is the key to growth and job creation, controlling the deficit must be our priority for this year and for each year of our mandate. The goals of deficit control and increasing job opportunities cannot be separated.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): For us the question is not whether to act or when to act, but how best to act.

We believe that there are things government should do more of in this country to promote growth, jobs and social justice. We set out earlier this year a number of policy initiatives and I will announce action on some of these tonight. But, as the Prime Minister (Mr. Mulroney) said during the summer, we

are committed to implement these policies within an over-all framework of fiscal responsibility over the course of our mandate. And this means that to do more in some areas, we must do less in others.

[*Translation*]

Our immediate goal is to reduce the deficit through expenditure reductions and not through major tax increases. We have begun a searching examination of our own operations and of government programs. My colleague, the President of the Treasury Board, has directed an assessment of expenditure reductions and revenue recovery measures that can be implemented immediately, in order to begin to reduce the deficit and to create room for us to take new initiatives. He has had the full and complete co-operation of all ministers.

● (1900)

[*English*]

As a result of this review, I am able to announce that more than $4.2 billion of expenditure reductions and revenue recovery measures will be implemented in 1985-86.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): That is the first full year of our mandate and the first opportunity that we have to make a meaningful cut in the size of the federal Government spending. These measures, though, will have a continuing impact. On behalf of my colleague, the President of the Treasury Board (Mr. de Cotret), I will be tabling the full details of these measures later this evening.

In developing these measures, we have made every effort to look first and look hard at our own operations. About $700 million of the total expenditure reductions I am announcing tonight comes from overhead reductions and general restraint measures.

At a time when Canadians are being asked to accept reductions in government programs and services, it is appropriate that Cabinet and Parliament also contribute.

Ministerial pay of the Prime Minister and Cabinet members will be reduced by 15 per cent and 10 per cent respectively for the year beginning January 1, 1985.

Parliament will be asked to reduce its expenditures. The government will ask the appropriate authorities in both Houses of Parliament to examine the expenditures of Parliament as thoroughly as we have examined the expenditures of government, including greater cost-recovery in the operations of the parliamentary restaurant.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Deans: Make the press pay.

Mr. Broadbent: Make the press pay their fair share.

Mr. Wilson (Etobicoke Centre): Thank you for the advice. If you want to join in, you are perfectly welcome.

The Government will propose the establishment of a parliamentary committee to study two other issues of concern. The current system of pensions for Members of Parliament warrants review. It is more generous than most plans in the private sector. Some differences may be appropriate because Members are forced temporarily to abandon their normal careers, but careful scrutiny of all the features of the current system is justified at this time.

A second matter which the committee will be asked to study is the issue of multiple sources of compensation for those who retire with a federal pension and subsequently are re-employed in the federal public sector. Included in this group are Members of Parliament, judges, public servants, members of the Armed Forces and the Royal Canadian Mounted Police and employees of Crown Corporations. The present situation is very complex and raises questions of equity which should be examined.

[*Translation*]

In our broad expenditure review we have sought measures which would be consistent with the following objectives: to promote growth and employment, to treat all regions of the country equitably, to ensure that those in need are not unduly affected, to honour existing agreements with provincial governments and others and to fulfill our pledges.

[*English*]

I want to stress that we went as far as we could in the short time available. We do not believe that the job is finished. Further action will be required. A committee under the chairmanship of the Deputy Prime Minister (Mr. Nielsen) is continuing its review of federal programs and regulations, with a view to consolidation, simplification, ending duplication and improving service to the public. It will report shortly with recommendations.

In the coming months we will have to examine all government programs, to streamline those that can be made more effective in meeting economic, social and national security objectives and to eliminate those that no longer serve a vital public purpose.

I have described in the Agenda paper the process which we must now follow to gain greater fiscal flexibility. We will review a number of major programs including our economic development and foreign aid programs, unemployment insurance, housing and transfer payments to individuals and provinces. Changes in these programs cannot be made without substantial public consultations. With regard to our aid responsibilities, I want to confirm that we remain committed to making steady progress attaining our target of .7 per cent of Gross National Product devoted to Official Development Assistance.

Let me emphasize that our agenda for further action is clear, open and on the table. We will consult fully with Canadians to ensure the changes we will make will be fair, will assist our economy to grow and to create jobs and will not

violate the sacred trust of assisting those individual Canadians who need our help.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): We believe in a planned approach to expenditure reduction which allows sufficient time for those affected to adjust. The state of the economy will also be an important factor in how fast we move.

But move we must. Our goal is to reduce the projected level of annual expenditures by 1990 by $10 to $15 billion, inclusive of the measures I am announcing tonight.

[*Translation*]

Improving the fiscal balance will remove a major obstacle to the growth of incomes and jobs. But there are other obstacles which government places in the path of innovation and growth and these must also be removed. This is the second major element of our agenda. We must ensure that government itself—through its taxation, expenditure and regulatory programs—does not impede the change and adjustment necessary to improve productivity and increase our international competitiveness.

[*English*]

Many industries in this country are over-regulated. Others are over-protected, not just from imports but from domestic competition. Some programs designed to assist investment have the perverse result of distorting investment decisions and leading to the establishment of companies that are viable only with continued taxpayer support. Other policies and programs have sent the wrong signals abroad—signals that Canada had turned inward and did not welcome foreign investment, particularly in the energy sector. And many government programs carry on long after they are needed and represent only a fiscal drain. These are obstacles to growth, structural problems which need immediate attention.

As the government scales back its own activities, it is essential to take complementary action to ensure that the private sector can expand to provide durable growth and productive jobs. To do this, we must encourage enterprise in this country. We must reduce the regulatory burden, not as an end in itself, but to release the creative energies of individuals and companies to experiment, to innovate and to produce better goods and services at lower prices.

Thus, the third major goal is to establish a stable policy framework with proper incentives for investment and growth. We don't need a "grand design" by which government dictates what industries will grow and which will wither. We do need clear and reliable rules of the game.

We must create a framework which provides the incentive for new, productive investment and new jobs. We must create a climate of confidence in which companies can undertake research and development and innovation. We must encourage Canadian enterprise to seek out new world markets. And we must improve the opportunities for training and development for all Canadians.

• (1910)

Finally, we must ensure that growth will be for the benefit of all Canadians and that the costs of change will not fall on those least able to bear them. To provide this assistance, we must make certain that those who really require social assistance receive it. We must also ensure that our social support systems encourage self-reliance rather than create a dependency on government. We will examine our child benefit, old age security and unemployment insurance systems to see how they may be improved within this framework.

Our ideas for addressing these four challenges are set out in broad terms in the Agenda paper. It is a major document, signalling a major change in the role of government. More detailed discussion papers on many of these issues will be released in the months ahead by the Ministers responsible for these areas. They will pursue directions for change with their provincial colleagues and other Canadians who are directly affected.

Some Canadians will be daunted by the fundamental nature and broad sweep of these undertakings. I want to underline this Government's commitment not to act prematurely or with insensitivity on these issues. But I want to underline even more strongly the urgent national need to face up to Canada's economic problems. We must be prepared to talk. But then we must act for the benefit of all Canadians.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): Some issues, however, cannot await further consultation. The current regime applying to foreign investment is one such area. My colleague, the Minister of Regional Industrial Expansion (Mr. Stevens), will announce at an early date changes to the Foreign Investment Review Act. Similarly, the Minister of Energy, Mines and Resources will be proposing major changes to the Crown interest or "back-in" provisions of the National Energy Program. The clear message is that Canada wishes to become a better place for foreign investors to do business. This in turn should give domestic investors increased confidence in the Canadian business environment.

Other important matters must also be addressed. First, we must deal with a number of general tax issues which were before the House earlier this year so that taxpayers will know where they stand. Second, we must act now on several energy issues and matters related to the resource sector. Third, we must set the Unemployment Insurance premium rate for 1985. Fourth, we must begin to act on certain matters of social justice. Finally, we must address the issue of employment growth.

Let me deal first with the outstanding taxation legislation. The previous government left much unfinished business, some of it dating as far back as 1982. Some of this legislation does not go far enough to address our concerns. But it is imperative that the status of tax proposals, many of which affect this year's returns, be clarified.

Accordingly, I am announcing tonight that the draft Income Tax Bill published in August containing the proposals from the February 1984 budget will be proceeded with immediately with some minor modifications. We are committed to the small business tax simplification measures in that legislation. I look forward to building on them in future budgets.

The Progressive Conservative Task Force on Revenue Canada made an important recommendation that taxpayers must be considered innocent until proven guilty.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): In this regard, I intend to introduce legislation as soon as possible to permit taxpayers to postpone the payment of taxes in dispute where they are the subject matter of a formal objection or appeal by the taxpayer.

I have already announced that the Government is proceeding with the one percentage point increase in the rates of federal sales tax, effective October 1, 1984. I will be introducing legislation to confirm this and other sales and excise tax measures from the April 1983 and February 1984 budgets. Changes proposed in February in the administration and appeals area of the sales and excise taxes will be dealt with later, after further consultation.

I am also proceeding with the customs and tariff measures that were contained in the February Budget. These measures, modified slightly as a consequence of international negotiations, include changes to the Customs Act to implement the new General Agreement on Tariffs and Trade Code on Customs Valuation and related tariff rate increases on a small number of items.

A number of proposals made by the previous government in the form of discussion papers are also outstanding. The tax proposals for pensions and RRSPs have drawn constructive criticism as well as support. Modifications which address these concerns and achieve the objectives of the previous proposals are under active study. We will also be having discussions with provincial Governments on ways to strengthen both the public pension system and the standards for private pensions.

The gain-sharing proposals have also received extensive comment. The Government is strongly committed to the concept of profit-sharing and will be consulting further with business and labour to determine appropriate ways to support this objective.

I will address these and other outstanding tax issues, such as the transfer of tax deductions and credits, in my spring Budget.

Our resource sector has been slow to recover and commodity markets continue to be weak. Businesses have been making efforts to cut costs and remain competitive in a tough world marketplace. The Government can help. Farmers, fishermen, loggers and mine operators will be able to apply for a fuel tax rebate of 3 cents per litre on motor fuels used off-highway, an amount approximately equal to the federal sales tax.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): This will apply to gasoline and diesel fuel purchased from December 1, 1984 to the beginning of 1987. The cost of this measure is expected to be about $160 million in the fiscal year 1985-86.

[*Translation*]

We are especially concerned about the impact on workers when the principal industry in an isolated or remote community is forced to close. Such closures and the need for individuals to adjust are part of economic life. They cannot be blindly resisted. How they are handled by all concerned—business, labour and government—is a key issue that is addressed in the Agenda paper. The consequences of closures are particularly severe for workers in communities where alternative employment opportunities are limited or simply do not exist. We intend to offer tax relief for termination benefits in these circumstances and will consult with those affected before determining the precise form of assistance.

[*English*]

I have also put into effect orders remitting tax on certain northern allowances. The remission will run until the end of 1985 and I will review the situation and consult with interested parties during the coming year with a view to establishing in the law a more permanent regime.

I am also announcing tonight that the government will soon be referring a number of agricultural taxation issues to a parliamentary committee. These include the taxation of part-time farmers, the question of agribonds and the taxation of capital gains on farmland. The Government will issue a background paper on these issues and will request the parliamentary committee to report expeditiously. Should changes be made to the treatment of farm losses in the next budget, farmers will have the option of applying the 1985 tax regime to 1984.

• (1920)

Let me turn now to the energy sector. We have to deal with oil pricing. This Government believes that the time has come to let the price of oil be determined by the market-place. This would be consistent with the general move toward the reduction of government involvement and regulation in the market-place that I have signalled earlier in my remarks. Market pricing would provide a stimulus to the oil and gas industry. There would also be positive spin-offs for manufacturing industries in other provinces as exploration and development activity increased. There would, of course, have to be appropriate safeguards for consumers to deal with exceptional price surges. We shall therefore be consulting widely during the weeks ahead on the ways and means of moving away from price controls.

But we must immediately address a financial problem left by the previous government. The Canada-Alberta Agreement of September 1981 provides that the Petroleum Compensation Charge, a tax paid by refiners, be set at a level that covers the full costs of price subsidies for oil imports to eastern Canada and for new oil produced in Canada. The previous government

failed to raise this charge earlier this year even though the need for the increase was very clear. The result is a deficit of nearly $1 billion in the petroleum compensation account, a deficit which is now growing by more than $140 million a month.

This is unsustainable. I am therefore announcing that the Petroleum Compensation Charge will be increased, effective November 10, 1984, by $17.50 a cubic metre. This is the maximum increase that could be made without raising oil prices at the refinery above world levels. Yet even this increase will be insufficient to hold the deficit in the account at its present level, much less reduce the inherited shortfall. The Government will continue to look for sources of revenue to offset this shortfall in its upcoming negotiations with respect to pricing and taxation.

Farmers, fishermen, loggers and mine operators eligible for the fuel sales tax relief which I announced earlier will also be allowed rebates approximately equal to the increase in the Petroleum Compensation Charge—a total of 1.8 cents per litre. In addition, the petrochemical industry will not be burdened with the increase in the Charge. The total cost of these rebates is estimated at $95 million. I must stress, however, that the Petroleum Compensation Charge relief will be available only until oil prices are decontrolled and must not be viewed as an enduring mechanism. Rather, it provides a short breathing space in which to complete the necessary adjustment to market-priced oil.

We are proceeding with changes to the Petroleum and Gas Revenue Tax as proposed by the previous government with two modifications. I am extending for one year the lower rate of Petroleum and Gas Revenue Tax that applies to integrated oil sands projects and will double the threshold level of the small producers' credit from $250,000 to $500,000 effective January 1, 1985. The cost of these measures is estimated at $64 million in 1985-86. These new measures are only a beginning; we remain committed to a full examination of the fiscal regime in the oil and gas sector and the Petroleum and Gas Revenue Tax in particular. But our immediate imperative is to pass the outstanding legislation so that taxpayers can have their tax returns for the last several years processed.

The federal Government is determined that its fiscal regime for oil reflect the importance of energy supply for Canada's future and the economic contribution that will come from greater industry investment. One of the principal challenges is to increase production from the oil sands. We wish to see expansion of the two existing integrated plants. As well, we want to see whether more plants would be built if incentives that adequately recognized the unusually large front-end risks of such plants were made available.

The federal Government is ready to discuss with potential project sponsors and provincial government the incentive framework that would have to be provided by governments to stimulate renewed interest in development of this immense resource, including the effect of the Petroleum and Gas Revenue Tax. We recognize, of course, that many of the factors relevant to oil sands development also apply to frontier projects and that the fiscal regime for the Canada Lands will have to reflect this.

We are concerned about the few high income tax filers who are paying little or no personal income tax because of the combined effect of tax credits and deductions. We are considering the introduction of a tax designed to ensure that the effective tax rate for high income individuals does not fall below some minimum level. In this issue, as in so many tax issues, the challenge is to make the system more equitable without undermining incentives for Canadian investment. We must also take care not to complicate the tax system unduly for the many Canadians not directly affected but who would face a more complex tax return.

The Government will undertake a thorough review of the situation commencing with a discussion paper to provide background information on a minimum tax.

The budgetary process itself and various aspects of the income tax system will be the subject of a discussion paper to be issued early in the new year. Both have come under increasing criticism from tax professionals and the public at large. The present system of developing, enacting and administering the income tax laws is now widely perceived as inefficient and less than fair.

For example, the traditional and long-standing Canadian practice of provisionally collecting taxes before Parliament has enacted the relevant legislation should be reviewed. It is time to improve the parliamentary process of turning budgetary proposals into tax laws and to involve the public more meaningfully in the development of budgetary proposals. Consultation will pave the way for major improvements in this vital area. I hope to be able to resolve these issues in my spring budget.

As a matter of law, the unemployment insurance premium rate and maximum insurable earnings have to be adjusted annually. Maximum insurable earnings will increase from $425 a week to $460 in line with the formula established in the Act. The current state of the account also requires that the premium rate be increased. However, I am concerned about the impact of a significant increase on employment and economic activity. Therefore, I am announcing that the premium rate for 1985 will be kept as close as possible to the minimum rate required by the Act. The rate will be increased by 2 per cent to $2.35 per $100 of earnings for employees and to $3.29 for employers.

In order to make the program more effective and less costly, a number of administrative changes related to the determination of eligibility for benefits will be made. These changes are part of the expenditure reductions I announced earlier.

To ensure that this program meets the needs of individuals in adjusting to rapidly changing labour market conditions at a reasonable cost to workers, employers and the government, statutory changes are likely to be required. Accordingly, the government has initiated a review of the Unemployment Insurance program to be undertaken on an urgent basis. A discussion paper will be published shortly by the Minister of

Employment and Immigration (Miss MacDonald), followed by appropriate parliamentary review.

The state of our finances will not support the costs of many new initiatives. It would not be responsible to proceed with many of the things we would like to do until we have made further progress in reordering priorities and strengthening our economic base. However, it is possible to begin to provide some greater assistance to those Canadians in need and to increase the resources devoted to the creation of employment and training opportunities. The Government will extend the Spouses' allowances program to all widows and widowers between ages 60 and 64.

• (1930)

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): Some 85,000 low-income Canadians, mostly women, will benefit from this proposal starting in the fall of 1985. Costs to the Government will be approximately $200 million in 1985-86. My colleague, the Minister of National Health and Welfare (Mr. Epp), will be providing detailed information.

I am also announcing measures to improve veterans' pensions in order to ensure a more equitable and generous treatment from a society which owes our veterans so much.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): The cost of these measures will be $22 million in 1985-86. My colleague, the Minister of Veterans Affairs (Mr. Hees) will be providing further information.

Expanding employment and creating new opportunities is at the heart of our program for national economic renewal. We are committed to providing lasting jobs for all Canadians who want to work. The government will therefore be committing an additional $1 billion in 1985-86 primarily to help Canadians to acquire new skills and to find jobs in the private and public sectors.

[*Translation*]

Our goal is not to do more of the same through temporary make-work programs, but to offer those who are unemployed real opportunities to make a useful contribution to society. This requires a fresh outlook and new approaches that will ensure that employment and training programs are delivered more effectively than in the past.

[*English*]

The total cost of the new expenditure and tax initiatives I have announced tonight will be $1.5 billion in 1985-86. In addition, the government previously announced an allocation of $200 million to the Canada Works program, for direct employment creation in 1985-86. The expenditure reduction and revenue recovery measures I announced earlier will more than offset the cost of these measures. Indeed, the deficit we inherited for 1985-86 will be brought down from $37.1 billion to $34.9 billion and our inherited financial requirements will be reduced even further, from $32 billion to $29.2 billion. We cannot be satisfied with the level of the deficit and I intend to propose further measures in my budget following consultation on the proposals set out in the Agenda paper.

[*Translation*]

The measures I have introduced reflect the direction in which it is essential to go. We have begun to reduce the deficit. We have done so while increasing resources for our most important priority—employment creation—and while enhancing our support for individual Canadians who need and deserve assistance.

[*English*]

I am tabling the documents I have referred to earlier and Notices of Ways and Means Motions covering the tax and tariff measures I have described and a measure dealing with the interpretation of Canada's tax treaties.

There is an abundance of strength, energy, vitality and resilience in the people of this great country. Our imagination and enterprise are boundless, and there is no reason on earth why we cannot work together to build the kind of future we all want for ourselves and for our children.

This government is determined to lead the way in a national process of economic renewal. The agenda which we bring forward tonight provides a roadmap for a challenging and rewarding journey. It represents a new beginning for Canada. Change must come. The old ways of doing things have not worked. But change must be based on understanding, discussion, and above all, fairness.

This is a vital part of our mandate: to consult and to listen before acting. Building greater understanding of our problems and casting a broad net in our search for solutions are keys to success. The goals are clear; reaching them is the challenge.

I will begin by meeting provincial finance ministers and treasurers tomorrow, and the process will continue up to and beyond a National Economic Summit under the chairmanship of the Prime Minister early next year.

[*Translation*]

There will be no surprises. Our agenda is open and it is on the table. How fast we pursue it will depend on the support and understanding it commands in the Canadian community.

[*English*]

As we begin discussion on this agenda, I would ask Canadians not to lose sight of the broad national purpose to which we are pledged. We all come from different walks of life, different regions of the country, and we all have different backgrounds and interests. But our common bond is the desire we all share to see a strong and prosperous Canada. Achieving this will improve the lot of each and every one of us. We can achieve it if we work together to make it happen.

Let us remember that a strong economy leads to strong democracy, to greater protection for our basic values. And our future depends in a fundamental way on how we develop and strengthen our economy and democratic institutions.

We must have faith in ourselves and in our country. We must stop acting as if we were helpless in the face of capricious events outside our country. Let us strengthen our resolve to deal with those matters that we can control and thereby strengthen our place in the challenging economic world around us.

With the support, understanding and co-operation of all Canadians, we can make this country strong again. We can refurbish our image in the world as a good place to do business and we can build a future in which Canadians from all walks of life, in all regions of the country, can share in growing prosperity.

That is the purpose of this economic agenda. That is the goal of this government.

That is the challenge for this nation.

• (1940)

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I understand there is a program on television called "That's Incredible" which usually deals with such events as the Hunsinger fumble, back in 1954 but I really do believe that our new Minister of Finance (Mr. Wilson), or perhaps the Prime Minister (Mr. Mulroney) himself, would be a good candidate for that show.

We have heard a budget this evening, Mr. Speaker, telescoped into a Throne Speech debate; something on which there was no consultation. Frankly, I am not too surprised. If I were the Minister of Finance I would be very reluctant to subject this quite remarkable document and those that accompany it to a budget debate. Nevertheless, I would ask the Minister of Finance to assure us that he will be in the House tomorrow during Question Period, notwithstanding his commitment to the provincial Ministers of Finance.

[*Translation*]

Mr. Speaker, I was going to start this evening by offering my congratulations to my hon. friend, our new Minister. I still intend to do so, not because of his statement this evening but because he had the courage to take on this difficult task today. I think I can say on behalf of my colleagues on this side of the House that we had great expectations of the Minister in question.

[*English*]

He is known to us as a serious, responsible, diligent Member of Parliament. He has been in the House now for several years and I think all of us have had some admiration for the solid performance and the intelligent and often non-partisan approach he has taken.

[*Translation*]

So now, unfortunately, he is trapped, as it were, by promises the Right Hon. Prime Minister made during the election campaign, promises that were generous and impossible to keep, and now the Minister has to take the responsibility for those promises. I will elaborate on this later in my speech.

[*English*]

I should tell you one other thing before getting to the body of this remarkable document. The Minister of Finance has other talents. He is a tennis player, I understand. In fact, I have seen his forehand. But tonight we have witnessed his backhand, and I can tell you it is not elegant and it hurts.

I feel, and I suspect that many in this Chamber, many in the two rumps of the Conservatives and those on the other side who do not look overjoyed with this particular presentation, feel that this is really not the work of the Member we have seen on this side of the House for many years. There is inspiration here from perhaps the "happy hacker" of 1979, or perhaps his colleague, the Deputy Prime Minister (Mr. Nielsen) who has been wise enough to leave this place, at least for the time being. He cannot suppress his blush.

Mr. Prud'homme: Look at him.

Mr. Johnston: Quite right, he cannot suppress his blush. We all expected a great deal more, and I feel Canadians have been severely let down.

Having read the Throne Speech, and having heard the Minister read this document tonight, I must say that the Prime Minister had the wisdom not to defend the Throne Speech during his comments in the House yesterday. I read this new approach which, although I do not like to repeat, I will.

[*Translation*]

But I would do so just the same.

> This government is prepared to lead this process of renewal. We have set for ourselves four challenges: first, to put our own fiscal house in order so that we can limit, and ultimately reverse, the massive build-up in public debt and the damaging impact this has on confidence and growth; second, to redefine the role of government so that it provides a better framework for growth and job creation and less of an obstacle to change and innovation; third, to foster higher investment, greater innovation, increased international competitiveness and a positive climate for the birth and growth of new enterprise; and fourth, to bring about these changes in a way that is fair, open and consistent with the basic sense of compassion, tolerance and justice that is characteristic of Canadian society.

It all sounds terrific.

[*English*]

That is a lot of good rhetoric, and it is followed by what could only be described as a traditional "x" budget exercise badly carried out, as I will demonstrate in a few moments.

When I read this remarkable document this evening an image came into my mind with which all of us, at least of my age, will be familiar. We often used to look out on the cold streets of this city, my city, and undoubtedly Baie Comeau in the winter time, and would see the sparrows out there trying to get the oats out of the horse manure. I spent much of this evening trying to find the oats in this particular document. I can tell you, Mr. Speaker, that no sparrow would get fat on the oats contained in this particular piece of draftsmanship, with the exception, of course, of the continuation of the budget

proposals which were tabled earlier this year by our Minister of Finance, and which I am happy to see will be introduced into legislation.

I was looking at Barbara Amiel's comments this week after she reviewed the Throne Speech; "pretentious clichés, shop-worn ideas". Now, Barbara Amiel is not known as a pillar of the Liberal establishment. I am anxious to see what Barbara Amiel has to say tomorrow morning now that she has read the second piece of this presentation.

Mr. Prud'homme: She is leaving Canada after having read that.

Mr. Johnston: I do not think it will be that bad. She pointed out, as all others have pointed out, that the promises so generously made by the Prime Minister during the election campaign are completely and totally incompatible with any kind of deficit reduction, and the Minister of Finance knows that full well. Certainly the Minister of Justice (Mr. Crosbie), who I see has had the good sense to take his leave as well, estimated those during the campaign at a cost, I think, of $20 billion. We on this side of the House know that that is impossible. We did not expect miracles from the Minister of Finance this evening.

[*Translation*]

Although he did promise miracles during the campaign, we do not expect any here.

[*English*]

The Minister said, when he looked at the projections which were presented to us, that in his view they were unacceptable. I agree with that, Mr. Speaker. They are unacceptable because, between the summer and November, using the same departmental officials, somehow the deficit for 1985-86 has blossomed from $27 billion odd to $37 billion odd. That is in fact about $9 billion more, and someone owes us a very good explanation for that inflated figure.

Some Hon. Members: Oh, oh!

Mr. Johnston: That has happened since this gang got its hands on the machinery of government.

Mr. de Cotret: Ask Lalonde.

Mr. Johnston: What we have watched here this evening is an exercise by which the deficit has been inflated, and then a budget exercise which brings it down to something like $34 billion in 1985-86. When the Throne Speech was read the Governor General told us that, yes, indeed, the deficit would be reduced, I believe in an orderly, balanced and fair way. What was also stated in the Throne Speech was re-emphasized in the rhetoric here this evening. I keep coming back to this point, Mr. Speaker, because we must be very careful with that group to make sure that the rhetoric we hear on the one hand is matched by action on the other. We have not seen that yet. We have seen just the contrary, as I will point out.

• (1950)

That being said, we were told that the Government would re-energize the private sector and that the jobs we all want to see would come from the private sector.

[*Translation*]

Sure, they are going to stimulate the private sector. They are going to find thousands of jobs in the private sector with their new policies.

[*English*]

I have in front of me the expenditure and program review under the signature of the President of the Treasury Board (Mr. de Cotret). He looks a little sheepish and is also blushing, as he well might. Let us review some of these cuts that have been introduced. I will only mention a few of them because I do not want to take too much time in the House. Although they were not dealt with in any detail in the Minister's presentation, I think Canadians and my colleagues who have not had the opportunity would be interested in looking at a few of these measures that will stimulate the private sector and create jobs.

They are found in an interesting series of appendices to this document. For example, with respect to the Canadian Broadcasting Corporation, $75 million will be removed. I will not debate the merits of that, but will leave that to the critic. However, is that the way they will create jobs? Certainly not in the CBC. I ask the Minister of Finance how many jobs are involved in that cut? I am sure that he knows, but he did not tell us this evening. There is to be $7.5 million cut from cultural agencies such as the Canada Council, National Art Centre and probably theatre groups right across Canada. Where is the job creation in that cut or the stimulating of the private sector? With respect to the PIP Program and exploration and development, there is to be a cut of $250 million. Will there be many jobs created in the private sector through that cut? Clearly not, Mr. Speaker.

Let me continue with respect to research and development. Where is the Minister of State for Science and Technology (Mr. Siddon) who told us during the election campaign that they were going to increase R and D spending to 2.5 per cent of GNP, doubling it? Here we find that $34.6 million is removed from the National Research Council immediately, as well as other research programs being terminated. Is there a lot of job-creation there?

Let us consider the Program for Export Market Development. That is a program which we designed to stimulate export-led growth in this country to create jobs in this country. The Government will take $4 million out of that program. Are there many jobs being created there? The same is true for the Canadian Commercial Corporation from which $5 million is being taken. Again, this directly affects our exports and the capacity of this country to export to the world. An amount of $9.6 million is directly being taken out of the social housing program which provides work in the construction sector. We are all aware of the number of jobs that are created by the

Residential Rehabilitation Assistance Program across the country. That represents a $29.4 million job loss.

I turn to Industrial Incentives Programs. I see the Minister of DRIE sitting across the aisle. There is $200 million taken out of the IRDP. That is the only real program which is designed to help small and medium sized businesses in this country. While the Prime Minister, the Minister of Finance and other Ministers opposite have said that that is where the jobs will come from, they are taking out $200 million in 1985-86. The way that program works means that applications would have to shut down in 1984-85 because they are ongoing through those periods. What kind of approach is that to the stimulation of jobs in the private sector? Did the Minister propose an alternative? Did he come forward and say that they will take $200 million but another program to stimulate that sector, in keeping with the rhetoric of the Throne Speech, would replace it? I have not found one innovative idea to create jobs in any of those sectors.

Let me cite a few more measures. There is "rigorous management of programs". That is interesting.

Mr. Turner (Vancouver Quadra): What about VIA Rail?

Mr. Johnston: My leader mentions VIA Rail. I do not purport to cite all of them, just those that come directly from the page. VIA Rail does appear on the page, with $93 million, repair facilities and so on.

However, let us deal with other measures that touch people directly. For example, the Government will reduce the six-week eligibility for unemployment insurance payments and get it down to three weeks. That involves $5.8 million.

There is the Mobility Program. On the one hand the Minister just discussed giving some form of tax relief in these communities that are affected by plant shutdowns, but on the other hand $2.8 million is taken out of the Mobility Program of Employment and Immigration. That program is designed to assist workers to relocate to areas of higher employment, allowing them to get jobs in other communities where jobs are available. The list goes on, Mr. Speaker.

I wish the students, who came to make representations to Members of the Conservative Caucus and a number of us as well, were still here. With respect to the Canada Student Loans Program, $5 million of financial help for students in this country is removed. The Secretary of State for External Affairs (Mr. Clark) is blushing, as he should. I must repeat the response he gave in the House earlier today. I can see that the Minister of Veterans Affairs (Mr. Hees) is chortling because at least his commitment was satisfied in the Throne Speech debate.

Canagrex is gone.

Some Hon. Members: Hear, hear!

Mr. Johnston: I will let the response come from the critic and those people who use Canagrex to get their products into foreign markets. You might find another mechanism, but none of you are prepared to come forward with this other mechanism. Let us see it.

The General Industrial Training Program to provide financial assistance to employers to provide skills training is absolutely critical today in order for those people to get upgraded jobs. We see that $40 million is taken from that program. However, the Minister of Employment and Immigration (Miss MacDonald) will conduct a study. In fact, there has been a new industry created by the Government. It is studies, consultations and committees. While there will be much unemployment there, it will certainly not be productive, particularly since in most instances the Government is trying to re-invent the wheel.

I thought the Prime Minister would blush at the mention of Summer Canada. There will be $85 million gone from this program which provides employment for students during summer months. The $84 million CHIP Program—another good employment program—is gone.

It is interesting to note with respect to capital projects that the Washington Embassy has been deferred a year. I hope the Prime Minister discussed that with the President.

I found it particularly interesting that two of the major research centres—the Manufacturing Technology Institute and the Research Institute in Shawinigan—were both cancelled. One happens to be in the riding of the Member for Winnipeg-Fort Garry (Mr. Axworthy), while the other happens to be in the riding of my colleague, the Hon. Member for Saint-Maurice (Mr. Chrétien).

Mr. Clark (Yellowhead): How did they get there?

Mr. Johnston: Is the Hon. Member for York-Sunbury (Mr. Howie) in the House tonight? The Maritime Forestry Research Institute in Fredericton, New Brunswick, seems to have escaped the axe. It is an institute of approximately the same magnitude. Incidentally, that was put into the Member's riding, for which he should be grateful. I think the cuts speak for themselves.

Finally, the greatest embarrassment of all must be reserved for the Minister of National Defence (Mr. Coates). How could you do it to him? He was sent to Washington to say that the Government would increase defence spending. He was to put new uniforms on our troops and increase our commitment to NATO, which we are told has been neglected by the previous government. But what do we find? The sum of $154 million has been taken out from departmental operations in Defence, with the bald statement that these savings can be realized while maintaining Canada's commitment to NATO. What kind of credibility does that leave the Minister of National Defence? In fact, what kind of credibility does that leave the Government as a whole? He has always said that we would maintain our commitments to NATO. I come back to my point.

• (2000)

[*Translation*]

Where are the jobs with these cuts? Can anyone tell me that? Does he think I did not notice that he is establishing here—

An Hon. Member: —Members from Quebec.

Mr. Johnston: Another thing—

[*English*]

There is the Natural Gas Laterals Program in Quebec, $85 million. Current construction will be completed but the rest of the program will be cancelled. Again this means jobs out the window.

I had thought that we might see some symbolic cuts. Unfortunately we have found some real cuts, damaging cuts. I say to you, Mr. Speaker, that restraint starts at home. I understand Maxwell Henderson was on *Canada AM* this morning. He made that point. He said, "cuts begin at home just like charity, let us ground the JetStars, let us put them on the ground for a while"—

Some Hon. Members: Oh, oh!

Mr. Johnston: —and "let us roll back some of those bloated ministerial assistants' salaries." It is pretty obvious that the Government needs highly paid assistants over there, but $80,000 is a bit much.

In addition, the Prime Minister and Cabinet Members will take a 15 per cent cut and a 10 per cent cut respectively. Having read this document and the accompanying material to the extent I have, I think that cut is modest. I am sure everyone on this side of the House, with the exception of the two rumps, will agree. In fact, if they had any humility, they would at least double that cut on the basis of the work they have done for this country to date.

Some Hon. Members: Hear, hear!

Mr. Johnston: I see the Minister of Finance has taken his leave. I am concerned. I have expressed the opinion certainly of everyone in this caucus, and probably even the Members of the NDP, although they probably have not had time yet to check it with Dennis. My concern is to learn whether the Minister of Finance is really his own man. There is an important tradition in Cabinet that Ministers of Finance have the final word. They set—

[*Translation*]

—the framework for economic policy and they also have a policing function, which is extremely important, especially with the crowd across the floor.

I ask you, can we take the Minister's rhetoric at face value, considering what his actions have been up to now, including what he announced in his statement this evening? I say there is no comparison, and I would like to give two examples.

[*English*]

I read the Minister's speech which he gave in Ottawa to the Strategic Planning Forum Conference. He took a few gratuitous swipes at the previous government. He said that throwing money at individual problems without treating or even examining the whole patient was surely unconscionable quackery. I am delighted the Minister of National Revenue (Mr. Beatty) is applauding that. Would he also applaud the $15 million investment in Petromont against the recommendations of all experts, against the recommendation of the principal shareholder, Union Carbide? Or, did he recognize that for what it was—political expediency of the worst kind. That is where the Minister of Finance is to exercise discipline, over his colleagues, which he failed to do. Not only that, Petromont was there during the election. Our government and our Leader recognized that that was not an investment in the interests of the taxpayers of the country. If there was ever a moment for political expediency, it was during the election campaign. The former Hon. Member for Verchères will testify to that. That is what I mean by: Is the Minister of Finance his own man?

[*Translation*]

Unfortunately, he is not and I would like that to change.

[*English*]

I should like to make another point. The Minister speaks of certainty in the tax system. This is the same Minister who, together with his colleague the Minister of National Revenue, decided to suspend advance tax rulings on certain kinds of tax credit transfers which were within the law and upon which advance rulings had always been given. This created a climate of uncertainty; proceed at your own risk because you do not know where you stand. What has the result been? Ask Algoma what the result has been. Ask Tembec what the result has been. The result has been direct job losses in the private sector. That is how the Government plans to re-energize the private sector.

[*Translation*]

So, if we want the Canadian taxpayers to know exactly where they stand, that policy must be changed tomorrow.

[*English*]

Nobody gave this Government a mandate to govern by uncertainty and instability, having run on the premise and with the rhetoric that what ought to be established in the country was a solid investment climate where people knew exactly where they were going, with the tax system set out, with advance rulings and so on. Frankly I find it incomprehensible.

I have another great concern with the Minister of Finance. I mentioned his tennis at the beginning. I would like to extend the metaphor. What we have seen in the Throne Speech debate and here in this financial statement is a series of lobs. I see that the Deputy Prime Minister (Mr. Nielsen) does not know the term. That is when one hits the ball into the air, sometimes as high as one can, to see if one can get into position before it lands. We have task force lobs, consultation

lobs, committee lobs. We have a series of lobs thrown up by the Minister of Finance. That is not his style, because I have seen him on the court. However it is the style of this Government. Take him off that short leash. Let him give us the kind of programs in which he believes. Do not let him be the servant of the "happy hackers"; the Deputy Prime Minister, the Prime Minister with his generous promises, and the Minister of Regional Industrial Expansion. It is a shameful way to govern.

Also I have to spend a moment on this quite extraordinary introduction about the national legacy inherited by the Conservative Government—a decade of—I cannot remember the term. I fear I will have to read the document again, much as I would rather not. The cupboard is bare, we were told.

[*Translation*]

The cupboard is bare.

[*English*]

He garbs himself as Mother Hubbard. Mother Hubbard as I recall the nursery rhyme—but others have probably read it more recently than I—was not a hypocrite. She did not know that the cupboard was bare when she went to it. There is not one Member on that side of the House nor one Canadian who followed budget debates in the country over the last several years who does not know that the cupboard is bare. With a projected $29 billion deficit, would anybody suggest that the cupboard was not bare? Would anybody suggest that it would be barer at $31 billion or $32 billion? Now they are saying $37 billion, but I doubt that very much. It has always been known that the financial cupboard was bare, but there was a very rich legacy hidden away in that cupboard which the Minister of Finance studiously avoids mentioning, although he paid some tribute to the remarkable progress of the country in bringing down inflation, the greatest evil which can beset any society.

When I look at some of the comments made by the Prime Minister during the election campaign, he certainly knew the cupboard was bare. He was predicting deficits of upwards of $36 billion per year. Now he has the *culot*, as we say in Quebec, to come in here and tell us that they did not know the cupboard was bare. In fact, in many respects the situation is much healthier than they led the Canadian population to believe.

• (2010)

In fairness to previous Liberal governments of the last several years, I want to read a few facts into the record which will never be read by any other Party in this House. They were contained in various speeches given over the years. Now that we are in Opposition, perhaps someone will listen to us. I should point out in looking at this, and it may come as a surprise to many, that Canada now in terms of inflation is in fact lower than the United States. Based on the recent three-month period, our inflation rate July through September is 2.6 per cent. Put that in your cupboard.

Let me just give a few facts. We have been criticized for growth. Let us go back over the period from 1968. The Canadian Economy has grown on average 3.4 per cent per year, at a rate equivalent with France, faster than the United States, Germany, Italy, or the United Kingdom. Among the summit countries, only Japan has had a higher growth rate in that period.

Listen to this carefully because I have a feeling that most of the Conservatives in this House do not like to be inhibited by facts. Nor do our friends in the New Democratic Party. I will be brief.

In 1984, earlier this year, 3 million or 42 per cent more Canadians were employed than in 1968. The comparable average for the other six summit nations, including the United States, admired so much by our Prime Minister (Mr. Mulroney) and some of his colleagues, is only 15 per cent. That is the comparable average in the other summit countries. We created new jobs at about three times the rate of our major economic partners under Liberal governments, under Liberal policies.

Some Hon. Members: Hear, hear!

Mr. Johnston: That is what the Minister of Finance (Mr. Wilson) and the Prime Minister also found in the cupboard. Our record for absorbing new workers into the economy, at least until the mini-budget that we heard here this evening, has been a remarkable one, especially as regards women. In 1968, 2.5 million women, or 37 per cent of working age women in Canada, were employed. In 1983, these figures had risen to 4.5 million and 52.6 per cent of working age women in this country. That is another fact. That is another part of the legacy which we have given, involuntarily, to the Conservative Party.

We have had a faster growing labour force than any other OECD country. Without going through all of these, let me touch one in particular which destroys the credibility of the rhetoric which we find in this particular document about how dreadful things have been in the past 10 years.

Real disposable income per capita, which as we all know is a widely used measure of the standard of living, grew about 60 per cent in Canada over that period, which is well above the 44 per cent increase in Canada over the previous 15 year period. It compares with a 35 per cent increase in the United States durng the same period.

I do not think I need go on. I will be happy to table this document, if Members wish, in both official languages. It will give them the opportunity to educate themselves a little bit on the legacy which has been left to them. If they do as well in the period in which they have the over-all direction in this country, all Canadians and all of us will be grateful.

I must say that tonight portends terrible news for Canada. The prospects which we read about in this document are in no way represented by the particular actions, the particular steps that have been taken and put before the Canadian people tonight.

[*Translation*]

In concluding my remarks, Mr. Speaker, I could go on all night, but I was told that I have as much time as the Minister of Finance. However, I am not interested in talking about

every aspect of his budget. I mentioned a few which may turn out to be the most dangerous for our society. But I must say that it is an extremely shaky start for the Minister of Finance (Mr. Wilson). We are very disappointed and let down.

[*English*]

I am bitterly disappointed by what I saw there this evening. I had great expectations that finally, after all the rhetoric, after all the speeches, the Throne Speech and the election campaign, even though we are partisan, hidden away somewhere there was some approach that would be different, that would be creative, that would light the way to greater prosperity, to a lower deficit, meeting as many of the irresponsible promises put forward by the Conservative Party as possible. We have not seen that period. We are in darkness. All I can say is on behalf of my colleagues—

[*Translation*]

I would like to urge the Prime Minister to give more freedom to his Minister of Finance. He cannot be kept on a short leash as we saw this evening simply to protect the new government's credibility, which will no longer exist after tonight. He must be given more freedom of action, he must really have the mandate required to steer the government and the country. Since he does not have that, it is imperative to take action to avoid the consequences and the disastrous effects of the budget he brought down this evening. I, for one, always found the Minister to be a very flexible and reasonable man. It is obvious that he has detected the flaws in the statement he made here this evening.

[*English*]

If we were completely partisan politicians, we would rejoice. We would be chortling over here at this extraordinarily incompetent piece of economic strategy that has been put forward for Canadian consumption. But we do not. I say that more in sorrow, frankly, than in anger. If they continue down this road, I would predict that before the next election the sky will be dark, dark with chickens coming home to roost.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, on September 4 Canadians voted for a change. They had been told during the election campaign that the priority of the Progressive Conservatives, to quote the Prime Minister (Mr. Mulroney), was jobs, jobs, jobs. Immediately after the election, we noticed a significant change in their priorities, to the deficits, to cuts, to tax increases. We have seen a move away from jobs to tax increases, to a reduction of services that Canadians have traditionally been used to.

What is interesting is that here is a government that for years and years has said to the people that we have to get government off of our backs, that we have to lighten it up, we have to get government off the back of the ordinary Canadian citizen. Tonight in the economic statement of the Minister of Finance (Mr. Wilson), Canadians are being asked to pay more in gas taxes. They will be expected to pay another 10 cents a gallon or 2 cents a litre. There will be more tax for watching television. Those with cable television will have to pay more. When you take out a divorce certificate, you have to pay for that. When you take out a citizenship certificate, you must pay for that. If there is a security investigation for your Visa application, you have to pay for that. When the government inspector comes to inspect scales, those who run shops and service stations across the country will have to pay for that privilege. All of the people who work in agricultural producing firms and have people coming in to check on their facilities will now have to pay for those federal inspectors to come on site. Those people who visit national parks will have to make increased payments. Those entrepreneurs who have a new idea or patent to register will have increased costs when registering that patent. It goes on and on, Mr. Speaker.

• (2020)

This was the Government that wanted to get the government off people's backs. We now have a document containing pages and pages of new and creative ways for the Government to be on the backs of ordinary Canadians once again.

In the Throne Speech on Monday night, we heard of a new era that was about to begin, a new era of co-operation, a new era of economic renewal and social justice. Tonight we see the reality. The reality is the same old policies that we have seen year after year, but with a Conservative face on them. We have seen cuts to services to ordinary Canadians. We have seen increases in taxation to ordinary Canadians. The result of this will be continual confrontation, continual economic stagnation and a continuation of the social injustices that exist within our country.

There has been no change, Mr. Speaker. The Prime Minister said earlier today that we would be applauding the economic statement of the Minister of Finance. Let me tell you, Mr. Speaker, that we are not applauding that statement. Ordinary Canadians will not be applauding the statement they heard tonight. The Government promised jobs and we have tax increases and cuts in service.

A number of symbolic actions were included in the statement. For example, for the benefit of Bay Street, the Government's net cuts out of this year's expenditures will be $2 billion in a $200-billion economy. Again, this is a symbol. The net effect will be job losses.

Our analyses to this point have indicated very clearly that while the Government says that the unemployment level will be 11 per cent next year and will slide down a percentage point or two between now and 1990, that will only happen assuming that the deficit and the interest rates in the United States will be decreased substantially. With the cuts in government services, the cuts in government programs and the increased taxes that Canadians will be paying as a result of this statement tonight, our analyses indicate that we will be seeing the loss of between 50,000 and 100,000 jobs in the months ahead.

We do recognize that there are positive items in this statement. The introduction of the measures proposed by the Auditor General was, I believe, accepted by all Members of the House as a positive step. The rebates in fuel costs that will be available to farmers, loggers and fishermen is certainly

good news. Increases in spouse's allowance for those over the age of 60 and slight increases in pensions to veterans is good news. The Government said that it added $1 billion to job-creation funds, but, in a sense, that was a bit misleading. What the Government meant was that while the Liberals had promised a cut in the coming year, the Conservative Government was not going to make that same cut. It would keep the same levels of funding that existed this year. In a sense, there is no increase from the *status quo*.

The real news in tonight's economic statement is that there is good news for those on Bay Street. The billions and billions of dollars worth of tax loopholes that exist in our tax system were not plugged tonight. They were not touched at all. However, for the unemployed in Canada, for the under-employed in Canada, for the poor, for those people struggling to make mortgage payments, for the hard pressed small business person, for the farmers and fishermen, for those in the forest and mining industries, there is nothing in this budget. For the ordinary Canadian citizen, there is nothing in tonight's statement that will benefit them.

What is in the statement for the average, ordinary Canadian citizen is increases in the price of gasoline by 10 cents a gallon or 2 cents a litre and an increase in unemployment insurance contributions. The Government will again introduce all of the tax increases first introduced by the Liberal administration. This will result in $9 billion being taken out of the pockets of ordinary Canadians over the next four years. It will be taken out of the pockets of the small communities across Canada, of the rural areas across Canada and will be focused here in Ottawa. Those are Liberal tax increases that this Government has simply re-introduced. At least the Liberals had the courage to say how much the increases would cost. Liberal Members said that they would cost $9 billion over four years. In this statement there is no mention of that. There is only mention that there will be cost increases that have been in the pipeline as a result of the actions of the Liberal Government. The Government did not have the courage to admit what was going to happen.

I suppose the biggest surprise of all is that the oil companies, the corporate sector and all Parties in this House have agreed that one of the biggest boondoggles in tax give-aways is the PIP program. Each year, $1.5 billion is shovelled out to the oil companies to bribe them into exploring and developing our frontier areas. They say they do not need that. There was a cut, Mr. Speaker, but it was cut so that this coming year the oil companies will only receive $1.6 billion in PIP grants. However, there are significant cutbacks for research and development in the energy sector, and particularly in the area of renewable energy or the conservation of energy. There have been nearly $70 million in cutbacks to research and development in that critical area.

There have been cutbacks to research and development funding in the forest industry. If there is one item that Members of Parliament have been briefed on time and time again, it is the serious problem of research and development through to production in the forest industry. What is this Government's response to that critical and growing catastrophe in that critical sector? It is to cut back on further research and development in that particular area.

Presumably the Government may have indicated that the National Research Council would take up the slack. We have learned that funding to the National Research Council will be cut by $35 million. We know that we must explore and develop new markets for our manufacturers. What do we find? We find that export market development funding will be cut back by a few million dollars in this coming year.

What about social housing programs? In today's *Toronto Sun*, I read that housing starts across the country on an annual basis are now at about 129,000 a year. On the business page it is indicated that that is a virtual catastrophe for that critical sector. What is the response? The response is to cut out social housing on top of the cuts to the tune of $10 million made by the Liberal administration.

What about the RAPP program, the one program that hundreds and hundreds of thousands of elderly Canadians took advantage of? That program enabled people to make renovations to their home to extend its life for another 20 or 25 years. It was labour-intensive and helped seniors across the country, particularly those who live in some of the older neighbourhoods in the older parts of the country. What was the response? The response was to cut back on the RAPP program funding by a few million dollars. Funding to that critical program was reduced by $30 million.

Most Members of Parliament have sons or daughters, nieces or nephews, grandsons or granddaughters who take advantage of the Summer Canada Program, which affords them summer jobs and enables them to return to their studies in the fall. That program will be eliminated by this Government. The Government is saying that it will not help the young people of this country with summer jobs and that $85 million will be cut from Summer Canada. What a low blow that is to the young people of the country!

When the small business sector has ideas, skills and is developing markets but needs a little seed money to get its operations going, it looks to the federal Government or the provincial Governments to provide that seed money to enable it to take that first and critical step. The response of the Government is to cut funding to the industrial incentive programs to the tune of $200 million. The Government has said to the small business sector of the country that its good ideas will have to stay where they are just a little while longer.

There were cuts of $84 million to the CHIP program. Fisheries is a critical resource which is in difficulty on both the East and West Coasts. Funding to development and assistance of that particular sector has been cut $12 million. Of course, where funding is needed most, in research and development, it is cut by $1.5 million.

• (2030)

Research and development is critical to the future of the Canadian economy and in virtually every sector of the Canadian economy. But, the Government has cut it out. It has been

totally removed. Research and development is not necessary! Every other western industrialized nation is increasing both private and public investment in research and development, except Canada. We are now notable for cutting back in that critical area. The Japanese have built 19 centres in the last year to develop research through production programs, at a time when Canada is cutting back. What a regressive step!

There is no mention of cutting back on the hundreds of thousands of dollars which Ministers spend each year on flights across the country in government jets. One could make comments about nannies and so on that are on the public purse, but one need not get into that.

This was an opportunity for the Government to send a clear message to Canadians that now is the time to change the course in this country, now is the time when action will be taken and the process of putting Canadians back to work into meaningful, long-term, permanent jobs will begin. The Government did not do that. It could have set not only targets to reduce the nation's deficit, but set targets to reduce levels of unemployment in this country. One can make the case that when there are 1.5 million people officially unemployed and hundreds of thousands unofficially unemployed, and when there are literally hundreds of thousands of small businesses and farms across this country on the verge of going into receivership, backruptcy, or on the verge of simply closing their doors and walking away disappointed, the Government could have taken some positive steps. It could have set targets for reducing unemployment. It could have sent a clear message to Canadians by cutting the increase in the federal sales tax, introduced by the Liberals when they were in power. The Government did not do that. That is a billion dollars which will be taken out of the pockets of ordinary Canadians. They are valuable dollars which will not be circulating in the small communities of Canada.

Where the Government really missed was on its opportunity to say something strong about interest rates. I realize the Minister of Finance said that he wished interest rates would come down and he hoped they would come down in the future. It sounds like the fairy tales my young sons used to read—if you wish it will come true. Having a lower made-in-Canada interest rate policy would have been a signal which would have kick-started the economy back into life. I do not know whether Canadians are aware of this, but we now have the largest real interest rates of any country in the western industrialized world. Most of our trading partners do not have the same real interest rates that we have. I think it is time that Canadians asked themselves: Why is it that we have the largest real interest rates in the western world?

As others have indicated, we just learned in the last few hours that as a result of these large spreads in interest rates the Canadian banking establishment managed to accumulate the largest profits of any banking establishment in any country of the entire world. I think we must ask ourselves if it is necessary to have those high real interest rates in Canada. Is it not time to introduce—as we suggested during the election campaign—measures which would ensure that the Bank of Canada would set rates which would result in a real return—which is traditional in this country—between 2 per cent and 3 per cent? Today the real return is about 8 per cent. What would happen in a country with interest rates in the 6 per cent or 7 per cent range? It is the kind of situation in which you find small businesses being able to afford their operations, where jobs would be created and homeowners could start to build their homes once again. If the interest rates in this country were at 7 per cent, the price of a typical Canadian home would be cut in half. In other words, homes would be affordable again and we would be moving away from the crisis situation which we are facing in our homebuilding industry.

Is it not time to review the tax system of this country? The Finance Minister had very little to say about changes in the tax system. He did say that we needed to look at a minimum tax for those thousands and thousands of wealthy Canadians whose incomes year after year may be $100,000 or $200,000 and who pay absolutely no income tax, not a single cent. Maybe they should pay something. But, rather than act on it, rather than take action and set up a committee to introduce legislation and programs to close off the loopholes, the Government said that it would think about it. It will study it, contemplate it, medidate on the concept, and sometime in the future it may act. That is not the kind of change that the people of Canada voted for on September 4.

Some Hon. Members: Hear, hear!

Mr. Riis: We can imagine what Bay Street is doing tonight. The champagne is flowing. The federal Government is subsidizing corporations by more than $18 billion a year, and that will continue. The second largest area of welfare in the country is the billions and billions of dollars which we hand out to corporations with no expectation that jobs be created and with no expectation of affirmative action programs. In other words, you take the taxpayers' money and they will get nothing in return. If we are to continue to take taxpayers' money and give it to corporations, is it not time for Canadians to expect something in return, particularly jobs, for that kind of tax incentive?

We must change our tax system. We must take action on our tax system. When the tellers in the banks of Canada are paying more in income tax than the Royal Bank of Canada and the Bank of Montreal combined, in terms of dollars and cents, something has gone wrong in the country. Our major banks are now among the richest banks in the world. They did not pay a single penny in income tax in 1982. Plus, they received a deferral for the next year of $22 million. That is the kind of tax system which we have. Canadians wanted change but there was no mention that that was the kind of change which Canadians could expect in the months and years ahead.

We feel it is time to start investing in our young people through programs such as the Youth Initiatives Program. That would result in substantial amounts of money being provided to our young people, which would allow them to develop the kind of employment opportunities that the country requires and that they are able to take. We feel that it is time to invest

in a resource policy that would result in the upgrading of our resource sector, such as forestry. Significant increases ought to be placed in those sectors, which would result in economic return to the country such as reforestation programs, programs for disease control and pest control, silvaculture programs and fire control programs. We are talking about the need to create jobs in order to get the people of Canada back to work. We feel that that is how the deficit can be dealt with most effectively.

If small businesses are expanding their operations, if consumers feel confident, are employed and can purchase the necessary goods and services that they require, if farmers, fishermen and ranchers are in a mood of expansion and development, that means that sales taxes will start to flow into the federal coffers. It will mean that personal income taxes will start to flow back into the coffers. It will mean that the corporate sector will start to pay its taxes with a fair tax system. That is the way in which we would like to see the deficit reduced in this country, by putting people back to work and by expanding the economy. That is the kind of change that we feel Canadians wanted on September 4.

One can go on and on, Mr. Speaker, about what this document did not do tonight. We knew from the comments of the Minister of Finance and the Prime Minister that the cupboard was bare. What ordinary Canadians did not realize was that as a result of this economic statement their cupboards will be bare. As a result of this economic statement, rather than changes which will result in jobs, economic development, hope for the small-business person, what we have is an economic statement which will result in tax increases for ordinary Canadians, costs for government services which traditionally one would expect to pay as part of their taxes, and significant cuts in programs which will result in job loss and a reduction of assistance for economic development across the country.

We feel, Mr. Speaker, that this economic statement was not introduced in the best interests of ordinary Canadians but that it was introduced in the best interests of Bay Street.

Mr. Speaker: It being approximately 8.45 p.m., pursuant to order made Wednesday, November 7, 1984, this House stands adjourned until tomorrow at eleven o'clock pursuant to Standing Order 2(1).

At 8.42 p.m. the House adjourned.

HOUSE OF COMMONS

Friday, November 9, 1984

The House met at 11 a.m.

• (1105)

[*English*]

REMEMBRANCE DAY

COMMEMORATION OF SERVICE MEN AND WOMEN

Mr. Speaker: Order, please. Pursuant to the House Order adopted yesterday, I recognize the Hon. Minister of Veterans Affairs (Mr. Hees).

Hon. George Hees (Minister of Veterans Affairs): Mr. Speaker, it is my privilege as Minister of Veterans Affairs to remind all Hon. Members that next Sunday is Remembrance Day. This year we have been forcefully reminded of just how much we owe to those who served Canada in war. Last June, millions around the world looked back 40 years and recalled the D-Day landings. The role of our three services in that magnificent undertaking won further honour for our country.

Other nations have shown their appreciation for Canadian servicemen and women this year. Members of the first Special Service Force, that unique unit made up of Canadian and American soldiers, were again hailed as heroes at a special ceremony commemorating the liberation of Rome. Other Canadians went back to Belgium to be greeted and applauded as the men who had restored freedom to that country 40 years ago.

Whether Canadians gather at the National War Memorial or before a village cenotaph, they will also be remembering all those who never got to know the final outcome, the 110,000 Canadians who lost their lives in the two World Wars and in Korea. As a nation, we can only offer them our thankful prayers. However, for the 700,000 veterans living in Canada today, and for the widows and dependants of those who died, we can demonstrate that our gratitude goes beyond words.

Many returned home from the wars to face a lifetime of pain or inconvenience. Widows and orphans were left to cope with a lonely future. Even today the rigours of wartime service are only just catching up to veterans in their advancing years. It is impossible to put a price on these legacies of war, but we can all agree that veterans have earned the right to be treated graciously and generously by the Government of Canada.

Some Hon. Members: Hear, hear!

Mr. Hees: Particularly as they get on in years, our veterans are entitled to prompt and courteous service. Men and women who, in their youth, were expected to obey without question, should not now have to struggle against the "if's", "but's", "although's" and "notwithstanding's" of officialdom. In all their dealings with my Department, veterans will receive the benefit of any doubt.

Some Hon. Members: Hear, hear!

Mr. Hees: I know members of all Parties in this House share these sentiments. The men and women we will be saluting on Remembrance Day unsparingly volunteered themselves when Canada was in danger. In return we must regard them as a very special group worthy of our unsparing attention each day of every year.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Gaston Isabelle (Hull-Aylmer): Mr. Speaker, as spokesman for the Official Opposition, I too wish to pay tribute to those whose memory we shall be honouring next Sunday.

Once again, across this country, Canadians will be asked to pause for a moment and remember the sacrifices made by generations of young Canadians who shed their blood and gave their lives in the defence of freedom, in two World Wars and the Korean War.

Time goes by and in passing, has marked the faces of those who survived those battles. The ages of those who died are marked for all time on gravestones in military cemeteries in France, Holland, Italy, Great Britain, Hong Kong or beneath the timeless waves.

Since the end of the Korean War in 1953, Canada has become a nation of peace. The concerns of Canadians have been directed towards peace, employment and growth. For many of those who gave their lives, the service was their first job. The promise of youth was snuffed out in the mud of Flanders, the rugged mountains of Italy, in Holland's flooded fields and in the waters of the North Atlantic. In death they have become a part of our history, for all time.

On each Remembrance Day, we attempt to find words that will give meaning to the supreme sacrifice made by Canadians in defence of freedom. We live in a free country, where the equality of all Canadians has never been questioned. We live in a country where Canadians are free to pursue their goals as they see fit. That is the true meaning of their sacrifice.

[*English*]

The war memorials in the cities and towns of Canada, the wreaths placed upon them on Remembrance Day, and the minute's silence serve as reminders of the cost paid in full by the young men and women of Canada who answered freedom's

call. That our nation itself is still open and is still seen as a land of opportunity is a lasting monument to their sacrifice.

• (1110)

Every year, fewer and fewer Canadians can recall from personal experience the deeds of 1914-18. Time has also begun to thin the ranks of 1939-45. They represent two generations of Canadians who defined Canada's nationhood with their valour and their blood.

Lord Byng, who commanded Canadian forces at Vimy Ridge in 1917, said that out of that battle "was forged a nation tempered by fire".

Out of the fire of the Second World War emerged a Canada able and ready to take its place as an equal among the independent nations of the world. And from the cataclysm of 1939 to 1945, came a Canada dedicated to peace.

[*Translation*]

The tragedies of war have created a firm commitment among all Canadians to peace and justice, for the people of this country and for all mankind. There comes a time when we must be prepared to defend our principles with our lives. Canadians have made this commitment in all parts of the world.

Mr. Speaker, when we pause for a moment of silence Sunday, let us promise to emulate their dedication to this country. That is the very least we owe them.

[*English*]

Mr. Neil Young (Beaches): Mr. Speaker, it is an honour for me to join with my two colleagues, and Members on all sides of the House, to remind all Canadians that Sunday, November 11, is Remembrance Day.

Sunday will mark the sixty-sixth anniversary of the ceasefire in the First World War. I suggest that the House pause a moment to reflect on the sacrifices made by Canadian men and women in that holocaust, in the Second World War, and in the Korean War. Our feeling for them is deep and it is everlasting.

More than 100,000 soldiers, sailors, airmen and women served together and died for the ultimate goal, the goal of preserving our democracy and our country.

In these days, when many Canadians are concerned about the unity of our country, it is well to remind ourselves of those who gave their lives for its survival. These men and women fought, not for personal gain nor for glory or conquest. They fought for their homeland; this was their love. Duty was their creed. Truly they are Canada's unforgotten.

I would like to remind Hon. Members of the reference engraved on the Memorial Arch which connects the Veterans Memorial Buildings here in Ottawa. It reads: "All these were honoured in their generations and were the glory of their times". As Canadians we have a special obligation to perpetuate the memory of those who gave their lives for Canada. Let us in our time and in our way be worthy of them.

Before I conclude my remarks I would like to read something which was sent to my office a few days ago. It is entitled "A Prayer for Today", and was found among the effects of a Canadian infantry sergeant who perished outside Ortona, Italy, on a day in December, 1943. It reads:

> Today a bird sang for me. Today I leaned against the strong trunk of a living tree . . . So, I am not alone. When I get back to Canada I'll remember this. I will cherish all of life, for all life is really one. I will never again be a destroyer . . . This is my dream, that we will learn to live in harmony, not between man alone, but with the whole living world.

Let us, the living, keep the faith of this Canadian sergeant so that the incentive of this day may speed us onward and toward a better world of peace, freedom, and justice.

Our purpose is not to glorify war, nor was it the purpose of those who died in war. This is also a moment when we should give thought to thousands of our fellow beings whose lives are ones of intense suffering. They look to us in the developed world for assistance and relief. We have a responsibility to do everything in our power to ensure that those who went forward in the fight for peace did indeed fight the war to end all wars. Let us remember them.

• (1115)

Mr. Speaker: In the tradition of the House, I ask Hon. Members and those persons in the galleries to join us in a minute of silence, in remembrance.

[*Whereupon the House stood in silence.*]

STATEMENTS PURSUANT TO S.O. 21

[*English*]

THE ECONOMY

CUTS IN GOVERNMENT EXPENDITURES

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, during the recent election campaign the Prime Minister promised "jobs, jobs, jobs". The Minister of Finance (Mr. Wilson) alluded last night to the fact that his Government would attempt to be compassionate. But what do we have, Mr. Speaker, except "cuts, cuts, cuts"? This budget was conceived probably in Washington and Bay Street, and directly affects the poor regions of Canada, in particular the cuts as they relate to the Petroleum Incentives Program—$250 million.

The Minister of Finance laughs, but the Canadian people are not laughing as a result of those cuts. The Canada Student Summer Employment Program had an $85 million cut; RRAP was reduced by $29 million; DRIE has a reduction in excess of $175 million. Small businesses in Atlantic Canada, western Canada, and parts of Quebec, have had another cut-back. During the recent federal election campaign the Tories promised that they would reintroduce VIA Rail runs. What hap-

pened there? A reduction of $93 million! Employment assistance and entitlement had a reduction of $200 million. With respect to national defence, another great Tory promise, there is a reduction of $154 million.

What about the general industrial training program? It had a $40 million cut. The young workers exchange program had another $3 million cut. The forestry research project in Newfoundland is cancelled for Corner Brook. The health and welfare office for Sydney is cancelled. The office building in Halifax is cancelled.

There is no compassion in this Government. There is no compassion in this Prime Minister (Mr. Mulroney), and in this Minister of Finance. It is Reagan economics. The Canadian people have been betrayed, and the Government will feel the wrath of the Canadian people as it moves forward in its mandate, because we will challenge it, Mr. Speaker, at every opportunity.

* * *

AGRICULTURE

EFFECT OF INFLATION ON FARMERS

Mr. A. H. Harry Brightwell (Perth): Mr. Speaker, I represent the County of Perth, a county that within its boundaries demonstrates everything good in Canadian agriculture. We produce more pork than any other county in Ontario. We are second only to Oxford in milk production. We have a large feather industry. We grow small grains, beans, corn, and fruit, on land which is very productive.

We have a moderate climate where crop failure is rare. Our people are family farmers, hard working and industrious, but I must report, Mr. Speaker, that many farmers in Perth are in trouble. They have not been ravaged by droughts, insects or disease; they have been ravaged by inflation, which the Liberal Government brought upon us, which caused them to over invest in order to protect their livelihood. They have been ravaged by interest rates which are a reflection of our deficit rather than the earning value of our dollar. They have been ravaged by low farm commodity prices and falling farm values. They have been victims of government policies and this cannot continue.

• (1120)

I want to tell my colleagues that farmers in Canada are becoming desperate and need assistance. The move by the Farm Credit Corporation to stall foreclosure is a welcome relief but does not solve the problems. Farmers are a tough breed, but they have been trampled on—

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

S.O. 21

THE ECONOMY

DEFERMENT OF PUBLIC WORKS PROJECTS

Mr. Cyril Keeper (Winnipeg-North Centre): Mr. Speaker, when the Government campaigned, it promised jobs, jobs, jobs. It promised hundreds of thousands of jobs overnight, and a new, bright future for Canadians. Now that it is ensconced with a bloated majority, it delivers not jobs but cuts, cuts, cuts.

Some Hon. Members: Oh, oh!

Mr. Axworthy: Is there an echo in here?

Mr. Keeper: I want to say, Mr. Speaker, as one example—

Mr. Speaker: Order, please. Members are normally entitled to make their statements without a great deal of interruption.

Mr. Keeper: Thank you, Mr. Speaker. I was just pointing out that one area for cuts which the Government is making, in the neighbourhood of $277 million, is that of public works. We usually increase spending on public works at a time of high unemployment.

In order to understand what the Government calls savings, we need to know several things. We need to know how many jobs have been lost through these cuts, jobs in building these projects, and jobs in the private sector activity which has lost support. What are the increased costs of deferring these projects? If we have to build these projects in two, three, four or five years, how much more is it going to cost the taxpayer then? We need to know from the Government quite explicitly whether any of these projects will be needed in the future. I can think of one project in Winnipeg having to do with the export of new technology—

Mr. Speaker: I regret to interrupt the Hon. Member but his time has expired.

* * *

ENVIRONMENTAL AFFAIRS

ACID RAIN—RECONSTITUTION OF SUBCOMMITTEE ADVOCATED

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, through you I appeal to all Members in this place for immediate action on Canada's greatest environmental malady. The horrors of acid precipitation are too familiar to most Canadians. The Government of Canada has been delinquent in pursuing concrete measures for acid rain abatement. I hereby advocate the reconstitution by Parliament of the subcommittee on acid rain which officially fulfilled its mandate in June of this year. The subcommittee is gone, but the problem is not.

As the Member of Parliament in an area suffering greatly from the ravages of sulphur dioxide and nitrogen oxide emissions, I make this appeal on behalf of my constituents, and in the interest of areas like mine. During the past four years of investigation, the subcommittee on acid rain presented over 50 recommendations to improve the environment. I fear those

recommendations will fade into a polluted sunset if the subcommittee is not reconstituted to follow them through.

Action here at home, and negotiations with the United States, are crucial to the uncertain future of many regions affected in Canada. By way of illustration, North American smokestacks and exhaust pipes produce enough SO_2 and NO_x to fill a freight train spanning the distance from Vancouver to London, England, each year. Can we turn our backs on that?

* * *

THE ECONOMY

EFFECTS OF CUTS IN GOVERNMENT EXPENDITURES

Mr. John V. Nunziata (York South-Weston): Mr. Speaker, never before in the course of Canadian history has a Government issued an economic statement that was so unabashedly regressive. This is Government for the rich, by the rich, and of the rich. In one fell swoop the Minister of Finance (Mr. Wilson) has torn away the facade of concern professed by the Conservative Party for the less fortunate in Canadian society. It also makes an absolute mockery of the syrupy promises the Prime Minister (Mr. Mulroney) made during the election campaign.

This Jekyll and Hyde manoeuvre will not go unnoticed by the Canadian nation. It is a tragedy of the first order because, behind all the numbers, Mr. Speaker, are people, average Canadians from coast to coast. The cuts will mean that 126,000 Canadians will be left high and dry in federal job and training programs. Untold thousands of unemployed will face reduced benefits, and 50,000 will no longer receive benefit cheques at all.

● (1125)

Programs for youth and students have been cut to ribbons. Eighty thousand summer jobs for students were wiped out. The slashing of one industrial training program alone will mean that 43,000 individuals, mostly young people will have had their hopes dashed as far as improving their job skills and future employment prospects are concerned. Amazingly, Mr. Speaker, we are told that these are just the first steps, there is more to come and "you ain't seen nothing yet".

Our Party will fight the Minister of Finance every step of the way on his Draconian measures. Liberals have always stood up for the underprivileged in our society. We have stood up for labour, the elderly, youth, and the handicapped, and we are not about to give up now.

* * *

AUDITOR GENERAL'S REPORT

ACCOUNTING POLICIES OF FORMER GOVERNMENT

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, last year the Public Accounts Committee considered the observations by the Auditor General on the financial statements of the Government of Canada. The House will note that the Auditor General, in his report on the financial statement dated March 31, 1983, qualified his report with four reservations due to government accounting practices. It was his opinion that the stated accounting policies of the Liberal Government of the day were inappropriate for a fair presentation of the accounts of the Government of Canada.

In its first report dated March 13, 1984, the Public Accounts Committee urged both parties to settle their differences in order that the Canadian people could have proper confidence in the Government's financial statements. Last evening the Minister of Finance (Mr. Wilson) stated:

> In order to provide a clear picture of the country's finances, I am announcing tonight that the Government is prepared to implement most of the suggestions made by the Auditor General.

The House welcomes the statement of the Minister of Finance and his efforts to provide the people of Canada with true and accurate accounting information.

* * *

CULTURAL AFFAIRS

CUT-BACKS IN GOVERNMENT FUNDING

Mr. David Orlikow (Winnipeg North): Mr. Speaker, during the recent election campaign the Conservative Party, in response to questions from the Canadian Conference of the Arts, stated:

> We are committed to real growth and federal contributions to the cultural sector. . . . to maintaining federal funding for the agencies and councils in line with inflation—

Despite that promise, last night the Conservative Government announced a $75 million cut for the CBC and a $3.5 million cut for the Canada Council, the very agencies that the Conservative Party promised it would not attack. Both of these organizations are crucial to the development of culture in our country; both have been the pillars of Canadian cultural initiatives.

It is presently very unclear what will be sacrificed and how many jobs will be involved as a result of these cut-backs. The Minister should tell us whether Canadian TV production will be reduced—only the CBC does such production—whether minority language services will be cut, or whether there will perhaps be additional reductions in regional production facilities. Will the Canada Council be forced to cut funding to such cultural events as the Stratford Festival, or its already small grants to individual artists and writers?

The Government has reneged on its promises and broken its word. We ask the Minister to convene immediately the Standing Committee of the House on Communications to answer some direct questions on these cuts—

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

[*Translation*]

THE ECONOMY

SUPPORT FOR GOVERNMENT'S ECONOMIC STATEMENT

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, I wish to raise a matter of national and even international significance.

[*English*]

As someone who worked during the last four years at the prestigious and objective Conference Board of Canada, I continuously had to live with the traumas of their accurate doom and gloom scenarios of our national economy. This morning I have already had a number of telephone calls from corporate and personal contacts that I developed during my years at the Board, from Ottawa-Carleton and from all across Canada. The consensus is that our new course of fiscal responsibility to planned prosperity is the right one.

● (1130)

As a member of what is now being called the southeast Conservative Caucus in the House, or the left rump, by some Hon. Members, I am proud to have the Minister of Finance (Mr. Wilson) as one of my constituents here in Ottawa. I look forward to teaming with him to deliver his so-called backhand with athletic vigour.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MARC GARNEAU, FIRST CANADIAN ASTRONAUT

Mr. Speaker: Before proceeding to Oral Question Period may I call to the attention of the House the presence in our gallery of a very distinguished Canadian, our first astronaut, Mr. Marc Garneau, and his family.

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

GOVERNMENT'S ECONOMIC STATEMENT—EFFECT ON EMPLOYMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, last night in the House we were finally shown the true intentions of the Government. Last night, for the first time, we were finally allowed to see the Tory right-wing hidden agenda.

During the election campaign the Prime Minister talked about "jobs, jobs, jobs"—

[*Translation*]

—jobs, jobs, jobs and more jobs.

[*English*]

It is evident from last night's mini budget that there will be a significant loss of jobs as a result of cuts to various programs, particularly in the Atlantic Provinces, Quebec, northern Ontario, and parts of western Canada.

Did the Prime Minister consult his Minister of Finance and see a forecast given to him by his Minister of Finance before last night's statement or, more properly, budget, as to what the effect would be in terms of the net job loss in the various regions across the country? If so, would he be good enough to reveal those numbers to the House of Commons?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the most recent numbers on employment came out this morning. Unemployment has dropped by half of a percentage point. Thirty-four thousand new jobs have been created since the new Government was sworn in.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I think that the Right Hon. Leader of the Opposition would agree with me—because it is consistent with what he has said very clearly and believed in for many years—that the only way that new and durable jobs can be created is through the genius of the private sector. We are committed to doing that by positive, active, government policy.

Mr. Turner (Vancouver Quadra): The unemployment figures, while slightly encouraging, are still higher than they were when the right hon. gentleman took office. Any improvement seems to have been concentrated largely in Ontario and not in those areas of the country which are brutally affected by last night's budget.

REVIEW OF SOCIAL PROGRAMS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Prime Minister has said on several occasions that our social programs are, to use his words, "a sacred trust" not to be tampered with. In light of the proposed review of assistance to the elderly, for the children of the country, for the unemployed, for housing, and for lower income Canadians, as mentioned on page 8 of the economic statement and page 71 of the document entitled "A New Direction for Canada", will the Prime Minister now reveal the total hidden agenda to dismantle the social programs of this country as part of what the Minister of Finance calls, in language fairly reminiscent of the West Coast, the "new realities"?

Right Hon. Brian Mulroney (Prime Minister): In fairness, Mr. Speaker, the only dismantling and radical change of social programs about which I have heard in the last year really came from the present opposition finance critic when he was seeking the leadership of his Party and proposed their abolition for a negative income tax across the country. That was a major departure.

For my part and that of the Government, we remain committed to the view that universality is a fundamental key to our social development. Given the process of consultation, we are ready to examine with unions, and groups who care for the poor and disadvantaged, the proper utilization and targeting of public funds.

It seems that if one is to enter a process of consultation it is legitimate to ask how best we can use public funds on behalf of those who need them most. That is what we are trying to do in a reasonable way. This in no way jeopardizes the principle that we have referred to, but it opens the door to legitimate considerations from a number of groups designed to help those in Canada who need it most. That is what we are trying to do.

Mr. Turner (Vancouver Quadra): Those were not the words that the right hon. gentleman used during the election campaign.

REQUEST THAT MINISTER OF FINANCE APPEAR BEFORE COMMITTEE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my final supplementary question is directed to the Minister of Finance. Would he undertake to appear with his senior officials before the Standing Committee on Finance, Trade and Economic Affairs as soon as it can be constituted, so that he can explain to Parliament and, through us, to the country, how the economic and budgetary forecasts of that Department could alter the projected deficit for the next fiscal year—$37 billion as against $27-some billion forecast by Marc Lalonde, a difference of $9 billion—in a short period of nine months?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the simple answer to the question is yes. However, I would ask the Right Hon. Member if he would also agree that the mess, as he described it, with which he was presented after he became Prime Minister, should also be made public to the people of Canada so that they would know exactly what the Right Hon. Member was withholding from Canadians during the course of the election campaign.

Some Hon. Members: Hear, hear!

PRIVATE SECTOR

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I made part of that available last night—a 2.6 per cent rate of inflation from July to September. I suppose that that is part of the mess to which the Right Hon. Member refers.

Last night the Minister provided us again with a first class example of saying one thing and doing something else. I heard the Prime Minister say in a press conference a few moments ago: "We are not going to throw money at problems". This comes on the heels of throwing $15 million into Petromont, which I mentioned last night.

The Minister of Finance said that there must be certainty and taxpayers need to know where they stand. At the same time he withholds advance rulings, destabilizing some major economic players in the economy. That is what we have seen.

We were told—again this is the rhetoric—

Mr. Speaker: With great respect, the Hon. Member knows that he has the right to say something at this point but he should then proceed to a question, please.

Mr. Johnston: We are told that jobs will be re-energized by the private sector.

Some Hon. Members: Question.

Mr. Johnston: Last night the Minister of Finance put $702 million of additional costs in the private sector. I ask the Minister to show us where, in that budget of last night or in any of his supporting documentation, the private sector is to be re-energized and jobs are to be created?

Hon. Michael Wilson (Minister of Finance): If the Hon. Member and his Leader would read their own speeches during the course of the last six months, I think it would be quite clear in their minds that the way we can get private sector job creation going is by injecting a greater degree of confidence into the system.

We have said that one of the key steps that must be taken is to reduce the size of the deficit because, in the words of both those Members, that is one of the key reasons why business confidence and consumer confidence are down. We believe that, if we do that, there will be a very, very clear link between deficit reduction on the one hand and job creation on the other.

• (1140)

I cannot give the Hon. Member the exact figures he wants. It is much easier to come up with the precise figures on individual spending cuts. But I am convinced that over time there will be a substantial increase in job creation by the private sector because of the very positive response that is arising from my statement of last night, on the part of the private sector.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

UNEMPLOYMENT

ALLEGED CONTRADICTION BETWEEN MINISTER'S DECLARATION AND DOCUMENTATION

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, if our Minister of Finance is so sure of himself, why do his economic projections show an unemployment rate of nearly 9 per cent until the end of this decade? There is a

flagrant discrepancy between his statement and what we find in the documentation. Can he explain that to the House?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member has said that at the end of the decade, according to my projections, there would be a level of unemployment of 9 per cent.

Mr. Johnston: You said it.

Mr. Wilson (Etobicoke Centre): I believe the figure was 7 per cent. That 9 is the average from 1986 to 1990. But if the Hon. Member reads carefully, he will see that at the end of the decade it would be 7 per cent. I will take him through the book later, if he wishes.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): What I am saying is that those projections were made on the basis that no changes, no changes in policy were made. We set out the first start to the changes that we propose to make that will re-energize the private sector and if those changes are made, and if Members opposite would co-operate in generating those changes that we will be bringing forward over the next few months, then I am convinced that that level of 7 per cent at the end of the decade will be significantly lower.

* * *

THE ECONOMY

EFFECTS OF GOVERNMENT'S PROGRAM

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question to the Prime Minister flows immediately from what was just said by the Minister of Finance. The Prime Minister promised in the campaign to produce jobs, jobs, jobs, just as we have been saying on this side of the House. Last night the Minister produced a program that gave Canadians tax increases and cut-backs which will destroy thousands of jobs.

The forecasts that were made in the budget documents for the coming year included assumptions about the interest rate situation, assumptions about what would happen in the American economy, but strangely enough did not include the effects of the program that was announced last night. I assume the program was run through the economic model of the Department of Finance. Will the Prime Minister confirm that this program was run through that model? Will he confirm also that it showed it would destroy thousands of jobs, that the effect of this program would be a net increase in unemployment? Finally, as a man who promised open government, will he produce those figures for the House of Commons?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, as the Hon. Leader of the N.D.P. knows, models never can quantify consumer confidence or investment intentions.

Mr. Broadbent: That is not the question.

Mr. Mulroney: The signal sent out last night is a most important precondition to economic renewal in this country. I think that it is not unfair to say that the premise, as articulated by the Hon. Member, is inaccurate.

Mr. Deans: Inaccurate?

Mr. Mulroney: The premise of the Hon. Member's question presupposed that this program would result in the destruction of thousands of jobs. The program as set out by the Minister of Finance last night lays the groundwork, the essential groundwork, for correcting a malady that we were left with, and lays the groundwork for economic reconstruction on a durable base that will produce the thousands and thousands of jobs we need.

Mr. Deans: It is a dream.

Mr. Broadbent: Mr. Speaker, for three days in a row in this House the Prime Minister has continued to act like a campaigning politician instead of like a Prime Minister.

Some Hon. Members: Hear, hear!

Mr. Broadbent: He has not answered a question straight yet.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Therefore, I will switch to the Minister of Finance and put the question directly to him.

DEPARTMENT OF FINANCE FIGURES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Minister of Finance. It concerns his Department. Will he confirm that the effects of the program he announced last night were indeed run through the econometric model of his Department and that the employment effects shown by his own officials show there will be an increase in unemployment as a result of his program, not a decrease in unemployment? And if he confirms that, will the Minister give the House of Commons the figures?

Mr. Benjamin: The short answer is yes.

Hon. Michael Wilson (Minister of Finance): No, Mr. Speaker. The short answer is no.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): The question of the Leader of the New Democratic Party is based on the wrong premise. He did not listen to the very clear answer of the Prime Minister.

Mr. Broadbent: I heard it.

Mr. Wilson (Etobicoke Centre): What the Prime Minister has said is that econometric models simply cannot measure the impact of confidence.

Mr. Deans: Especially if they do not tell you what you want to hear.

Ms. Mitchell: Take a look at B.C.

Mr. Wilson (Etobicoke Centre): If I could answer the question, Mr. Speaker, I might be able to shed some light on the matter.

When the Budget of 1981 was brought in, there was a clear impact on business confidence and consumer confidence at that time, and that was not measured by the models at that time, by any econometric models. That had the effect of a major downturn in business confidence and in the economy. The reverse, I am convinced, is going to happen as a result of the initiatives that we commenced last night, and that should be very apparent as time goes by, even to Members of the New Democratic Party.

Some Hon. Members: Hear, hear!

UNEMPLOYMENT EFFECTS—DEPARTMENT'S CALCULATIONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister of Finance has been around for a while. He was in business before. He has been in the House. He knows the use and the misuse of economic models, as do I, but I want a factual answer from him, not guff. I say put aside the question of business confidence. He may be right about that, he may be wrong.

I am asking a very specific question. Did his officials run the data and the effects of them through their econometric model, that he produced in his program last night? Will the Minister give a straight answer to that? Did they or did they not? I find it extraordinary that they would not have done so. If they did, will he confirm that they show negative results in terms of unemployment and, I repeat, will he give us the data? Then we will see what happens after the so-called business confidence effect comes into being.

Hon. Michael Wilson (Minister of Finance): Yes, Mr. Speaker, the data were run through.

Some Hon. Members: Oh, oh!

Mr. Deans: Where are the numbers?

Mr. Blackburn (Brant): What was the result?

Mr. Wilson (Etobicoke Centre): I say to the Leader of the New Democratic Party, and I say to all Canadians, that what we are doing here, in the statement last night and the agenda paper that was attached, is setting a clear, different road for Canadians to follow in economic policy. That different road is to say that we are going to have less reliance on government, more reliance on the private sector, and also rely less on the Government to solve all our problems.

Mr. Broadbent: Where is the data?

Mr. Wilson (Etobicoke Centre): I want to say to the Leader of the New Democratic Party—if he could just move his mind away for a minute from the fact that Governments are going to solve all our problems—

Mr. Clark (Yellowhead): Away from the 1930s.

Mr. Wilson (Etobicoke Centre): —that they are not going to solve all our problems.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): And if the Hon. Member would have some confidence in Canadians, the ordinary Canadians for whom he says he speaks—

Mr. Broadbent: Bay Street, yes. Go ahead.

Mr. Wilson (Etobicoke Centre): —if he would have some confidence in those ordinary Canadians, he would have some confidence that there will be a far better economic future for them as the results of this program take place.

Mr. Broadbent: Where is the data? Give us the data.

REQUEST THAT DEPARTMENT'S CALCULATIONS BE TABLED

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, we have just had revealed in answers to the last series of questions incredible statements by the Minister of Finance and the Prime Minister that they issued one of the most savage series of cuts on the Canadian people without knowing what the job impact would be across the nation. That is an incredible dereliction of responsibility. As responsible parliamentarians we have to ask them whether they are prepared to table in this House, for the sake of all Canadians in all parts of Canada who will be savaged by the budget, what the impacts will be of this statement? Will there be 60,000 jobs lost? Will there be 100,000 jobs lost, or 200,000 jobs lost? The only way this Parliament, which the Hon. Members here say they revere, can properly debate and examine that economic statement is if the Minister is prepared to fess up the facts. Will he do that and table them today?

• (1150)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me draw something to the attention of the Hon. Member for Winnipeg-Fort Garry. The savage cuts which the Hon. Member talked about represent about 4 per cent of the total spending of the Government of Canada. Surely those are not savage cuts. They are not Draconian. They are a reasonable start to getting control of the deficit, which is one of the major obstacles to economic activity and a major obstacle to economic growth and job creation. That is why the two are very clearly linked.

I say to him, as I said to the person across the row from him, that if he would have confidence in Canadians to get out from under this load of government, and have the flexibility to do the things that they can do and should be able to do, then the job creation that is going to flow from the statement that I made last night will even make his head spin.

CANCELLATION OF WINNIPEG RESEARCH CENTRE

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, the Minister of Finance says that these are not Draconian measures. I would ask him, therefore, how he would describe a cut of $200 million in a program that provides for major opportunities in expansion and modernization for small business in the Atlantic provinces, in northern parts of Quebec and Ontario, and in western Canada. It may not be Draconian where he comes from, but in our regions it is very Draconian. Will he not admit that the cancellation of a major high-technology research centre in my own city, without consultation with business and labour, and which was designed to bring in small business and the high-technology industry, is a Draconian measure? It was to help a region of the country that has been treated as a hewer of wood, and that Party wants it to stay that way obviously. Is that not Draconian? Is he prepared to come to Winnipeg next week and show us how he is going to replace the loss of all those jobs and, in particular, the loss of those job opportunities?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I will be in Winnipeg in about three weeks' time, so I will be happy to do that.

Mr. Axworthy: We will set up a meeting for you.

Mr. Wilson (Etobicoke Centre): Thank you very much. The Hon. Member mentioned two programs. One was the regional industrial expansion program. I am sure my colleague, the Minister, will be happy to discuss this. Let me just point out to the Hon. Member that that program is going to be scaled back and it will affect mainly the tier one category, not tier three and tier four, and very very marginally tier two. It will have a much less impact on those areas of the country which need this help the most.

Let me now comment on the research centre in Winnipeg, something that I know is very dear to the Member's heart because he spent a lot of time on it, related not in any small way to his election campaign. Let me say that the Canadian Manufacturers' Association and the National Research Council were both in favour of that. That is why it was cancelled.

Mr. Speaker: Order. I am forced to do this. I had to call a member of the Opposition to order a while ago for his length, and I must call the Minister of Finance to order for his length.

REQUEST THAT DEPARTMENT'S FORECASTS BE RELEASED

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is supplementary to my earlier questions. It is directed to the Prime Minister. It has just been acknowledged by the Minister of Finance that his Department has run the effects of the Government's program through a computer, through its model, to get the results. The Prime Minister has preached jobs, jobs, jobs. When he was on this side of the House he castigated the Liberals for keeping back information. The Prime Minister said he wanted more open government. My question is pretty straightforward. We want to see the recovery the Minister is talking about. We also want to see the statistical hard data on what the implications are of the Government's program. Will the Prime Minister now live up to what he promised in the campaign with more open government? Will he give the House of Commons and, more important, the people of Canada, the results of the forecasts made by the Department of Finance, based on his statement last night?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, any program of governmental action clearly depends on the response that it provokes in society. It depends on the investment decisions that will be made nationally and internationally. That is the way jobs are created, based on those criteria. The reaction of overwhelming approval from those who invest money to create jobs is a very important consideration of confidence building. As the Minister has quite properly pointed out, that is the kind of information that cannot be factored into any analysis. We are satisfied, based on preliminary reactions from the business community, here and elsewhere, that the steps that have been taken are positive and will be most helpful to those who need the jobs. The statement yesterday was based principally on job creation. That is what this Government is all about, jobs and prosperity.

Mr. Speaker: This is an unusual procedure. I recognize the Hon. Member for Oshawa on a supplementary in his Party's time.

REQUEST FOR DEPARTMENT'S STATISTICS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a final supplementary. The Prime Minister knows that what he is indulging in now is a cover-up completely of the same kind we used to get from a man named Trudeau, exactly the same. It is hypocrisy. On this side of the House he preached open government. On that side of the House he is trying to cover up an unpleasant statistic. He knows the data that he has will show his program will lose between 50,000 and 100,000 jobs. Rather than admit it, he is trying to keep the truth from the people of this country. I ask a final time whether he will produce the information which his Department of Finance has and let all Canadians, business people, farmers, and the unemployed, pass their judgment on it.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think that the question has been thoroughly and honestly answered by the Minister of Finance and by myself.

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PETRO-CANADA

CALF-HIDE CHESTERFIELDS AND CHAIRS

Mr. Paul Gagnon (Calgary North): Mr. Speaker, I have a question for the Minister of Energy, Mines and Resources. It was reported in the Calgary *Herald* that ten elephant-hide chesterfields were purchased by Petro-Canada for its executive offices. The cost quoted was from $8,000 to $15,000 each, a

total expenditure in excess of $80,000. What a shameful waste of taxpayers' money, not to mention the loss of animals of an endangered species. If we are going to use the hides of an endangered species, we should use thick Liberal hides. Can the Minister confirm this newspaper report? Is the person responsible for this extravagance still in the employ—

Mr. Speaker: The question is clear and has been asked. I think that is a decent length for a question.

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the Hon. Member was kind enough to give me notice. I was able to speak to Petro-Canada officials and I established that they are not in fact elephant-hide chairs. There are two sofas and two chairs made of Canadian cow hide, manufactured in Toronto.

* * *

EMPLOYMENT

EFFECT OF GOVERNMENT EXPENDITURE REDUCTIONS

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, during the past week we have heard an awful lot about consultations. This Government was going to consult with everybody about everything. Last night we had the most massive change in Canadian Government in many years, without any consultation whatsoever. My question is directed to the Minister of Employment and Immigration. In her Department alone there were cuts amounting to $432 million, mostly on the employment side. Can the Minister responsible for employment give us the exact figures on how many jobs will be lost, not only as a result of the cuts in her Department but as a result of all of the cuts? I know the Minister believes in open government. Let us have those figures.

● (1200)

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member and members of Opposition Parties would like to ignore the fact that last night the Government announced a $1 billion fund for job creation and for human resource development.

Some Hon. Members: Hear, hear!

Miss MacDonald: I would like to tell the Hon. Member that I will be using the time to work out with my provincial counterparts, and with the private sector, the way in which we together can put those jobs and that training into effect. I know that it will take a joint effort to do that. However, I would ask the Hon. Member and all Canadians to take that very positive point of view into consideration.

ECONOMIC STATEMENT—GOVERNMENT POLICY

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, what a shell game. The Minister has talked about consulting with the private sector and the provinces on her new program. Why did she not consult with the private sector and with the many people who would be affected by those cuts beforehand, to see how the $432 million that was cut from her Department would have affected them? With respect to the $1 billion, I say that that is a shell game because the First Chance Program, which she cut after coming into office, provided for $1 billion for the next five years. She cut that program out and then brought in a $27 million program, not even near the amount that was there in the first place.

She completely cut out of the budget the general industrial training program and the Summer Canada program. Last night, the Government said it does not believe in direct—

Some Hon. Members: Order.

Some Hon. Members: Question!

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

Mr. Allmand: Mr. Speaker, if the Government does not believe in direct job creation, would the Minister tell us exactly how the Government will create the jobs and provide the training that was lost through the cutting out of those two important programs?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am sure that all Hon. Members are aware that we have just recently announced a $430 million direct job-creation program which has been detailed to all Members of the House.

It is true, Mr. Speaker, that we have said that we will work very closely with the private sector in order to create new jobs. I cannot think of any way that this was better phrased than it was the other day, when it was stated:

> We believe that the role of Government is to support and encourage private initiative and to provide the framework in which it can grow and create the thousands of jobs that we need.

That, Mr. Speaker, was said by the Leader of the Opposition. I thank him for endorsing our approach.

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THE ECONOMY

PETROLEUM TAXES AND UNEMPLOYMENT INSURANCE PREMIUMS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Minister of Finance who has explained carefully, and on many occasions, that confidence cannot be measured in dollars and cents. There is something that can be measured in dollars and cents, and that is what will happen to all Canadians over the next couple of months and years while they pay a 12 per cent increase per gallon of gasoline, while they pay increased unemployment insurance premiums, while the regressive sales tax comes back into play, while they pay an increase in air travel tax, and while they pay

for the imposition of a whole host of user fees. The Government campaigned during the election saying it was going to get off the backs of the people of Canada. Through this set of measures, it has not only leaped back upon the backs of Canadians but it now has its hands in their pocketbooks as well.

Will the Minister of Finance explain why this priority has been changed? Will he explain why, rather than giving some breaks in order to provide purchasing power to the people of Canada, the Government has increased taxes for every single Canadian citizen?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the increases in both the petroleum compensation charge and the unemployment insurance premiums are charges that we are required to deal with under the terms of the rules set out for those particular programs. However, I would ask the Hon. Member to give consideration to, and read carefully, what was said last night.

The over-all reduction in the deficit is a prime obstacle to job creation. We must get that deficit down. If we are able to get that deficit down, it will more than offset the impact of the items to which he has referred. We do not like having to raise the petroleum compensation charge or the unemployment insurance premiums, but we do believe that if we get the deficit down it will create many, many more jobs than those to which the Hon. Member now refers.

Mr. Riis: Mr. Speaker, the spectre of Bill Bennett rises throughout the Commons today.

* * *

INCOME TAX

FAIRNESS OF SYSTEM

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my supplementary question is directed to the Right Hon. Prime Minister. During the Leaders' debate the Prime Minister promised the people of Canada that he would bring some degree of fairness to the system by imposing a minimum tax on those Canadians who, as a result of countless loopholes, were able to pay not a single cent in income tax year after year. That promise of fairness is now being put under study, is being reviewed and will be examined, meditated, and contemplated upon.

Will the Prime Minister explain to the House why he has changed his mind about this promise, which was very strong during the Leaders' debate, and why he will now study it further, rather than take steps to implement it as soon as possible in order to raise the up to $400 million that would assist Canadians?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I can give assurance to my hon. friend that that important matter which deals with the issue of equity and fairness in the tax system, something in which I think we all believe, will be dealt with by the Minister of Finance in his first Budget.

* * *

THE ECONOMY

GOVERNMENT'S ECONOMIC STATEMENT—DEPARTMENT'S FIGURES

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my first question this morning, which was addressed to the right hon. gentleman, sought to seek the figures for the projected additional unemployment which will result from last night's mini budget presented by the Minister of Finance. I did not receive a satisfactory answer. If the figures do not exist, it would be absolutely irresponsible to bring that type of mini budget down without knowing the effects it would have on the people of Canada and on the weaker regions of the country. If, as the Prime Minister has suggested, as he did in his answer to the Hon. Member for Oshawa, that the data were run off, and if the Prime Minister believes in open government, he should tell the people of Canada and this Parliament the consequences of what happened here last night.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think my right hon. friend is really raising a different issue and one that goes to the question of secrecy in government. I agree with his comments. If he were to be consistent, he would want to begin the process by releasing the secret letter that he signed in regard to some nominations made when he became Prime Minister.

Some Hon. Members: Oh, oh!

Mr. Mulroney: I can simply tell my right hon. friend that all of the working documents have been dealt with from time to time in the course of the preparation of budgets. We are satisfied, as I know he would be, that the response of the private sector and of the international and national investment sector is very critical to the ultimate results of any new economic initiatives. We believe, and I am satisfied that most Canadians believe, that this will result in the kind of job creation that we need.

* * *

NATIONAL REVENUE

DISCONTINUANCE OF ADVANCE TAX RULINGS IN CASE OF LIMITED PARTNERSHIPS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Finance. In view of his commitment to greater certainty and to private investment, confidence, and a stable investment climate, why, two weeks ago, did he discontinue the practice of the Department of National Revenue whereby it would give advance rulings when corporate mergers were to take place and where advance rulings have been given in the past? Why have there been no advance

rulings when companies like Algoma Steel and Tembec want to put together limited partnerships in order to create jobs? Why is the Minister creating this kind of uncertainty and blocking this kind of job-creation activity in our country?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the limited partnership vehicle to which the Hon. Member refers concerns the use of a tax vehicle for a use which it was not originally intended. We wanted to take a close look at the impact, use, and long-term implications of that. That review is now ongoing and I would hope to be able to make some comments after the normal amount of consultation with the people who are affected, in order to give taxpayers a greater degree of certainty regarding this matter. I should underline the fact that this is the only area where the Department of National Revenue is not giving advance rulings. The whole matter of advance rulings, as the question seemed to imply, is not being withdrawn. It is only as it affects the limited partnerships.

● (1210)

EFFECT ON ALGOMA STEEL

Mr. Maurice Foster (Algoma): Mr. Speaker, is the Minister of Finance aware that in the case of Algoma Steel this new policy will effectively block the completion of a $300 million tube mill project which would create approximately 700 permanent jobs? As well, is the Minister aware that the Prime Minister personally committed himself to that project during the election campaign? In a case such as this, where there will be substantial economic benefit to the community, is the Minister willing to make an exception and introduce a grandfather clause to this policy? Otherwise, it is a mean and cruel device for an industry such as Algoma Steel which has been suffering for the last two and a half years. It is a community which desperately needs jobs.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have met with officials from Algoma Steel as well as officials from Tembec. They have put forward representations to provide for some means of grandfathering the particular projects. We are now reviewing the situation, but at this point we do not have a decision. However, at some stage I hope to be able to let them know exactly where things stand.

* * *

SOCIAL SECURITY

PRINCIPLE OF UNIVERSALITY

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I would like to ask the Prime Minister what he means by universality. During the election he said: "Our position is simple and straight forward. We are in favour of universality in social programs and it shall not be touched". Now he is talking about a means test. He has already tightened up on social insurance, is cutting back on social housing, and has indicated that old age security and child benefits will be studied. Did the Prime Minister mean what he promised? Are universal social programs a sacred trust of this Government, or will a means test be introduced, as the Prime Minister implied earlier today?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the definition of our position is exactly what the Hon. Member has set out. We have absolutely no intention of introducing a means test. We view it exactly in the manner in which she has set out.

A legitimate question has frequently been raised by Members in this House, including Members on this side, regarding the fairness of someone who makes $500,000 a year receiving these kinds of benefits—could they not be added to the benefits of those who need them most in our society, the poor, the disadvantaged, and people on welfare. These are the people we are trying to help. It seems to me that it is a legitimate question to raise for discussion across the country. That is what we are trying to do in a fair and open way. I think the Hon. Member would encourage us in that view and in the pursuit of a more effective delivery of dollars to the people in our society who need them most.

Some Hon. Members: Hear, hear!

OLD AGE PENSIONS AND FAMILY ALLOWANCES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my supplementary question is directed to the Prime Minister. I think the women of Canada were right to ask: "Why should we believe you now"? If the Government needs to do a study, all it has to do is look at what has happened in British Columbia through cut-backs, restraint, and the kind of programs which his Ministers are proposing. I want to ask the Minister again—and let us see whether he is a hypocrite or not as he sounds—

Some Hon. Members: Oh, oh!

Mr. Speaker: Will the Member proceed directly to the question, please?

Ms. Mitchell: Will the Prime Minister tell Canadians right now that there will be no change in universal old age pensions and family allowances? Yes or no?

Mr. Clark (Yellowhead): Withdraw.

An Hon. Member: Which one is a hypocrite?

Ms. Mitchell: The Prime Minister.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, first, I hesitated in answering the question because I thought that the Hon. Member would want to withdraw that unfortunate reference—

Some Hon. Members: Hear, hear!

Mr. Mulroney: —secondly, because I could not believe that she was asking me the question inasmuch as I had just given her a very clear answer to the same question. Our position is clear. The reference to Canadian women is not unhelpful, because Canadian women voted for the Progressive Conservative Party in record numbers.

Some Hon. Members: Hear, hear!

Mr. Mulroney: Canadian women, like Canadian men, know that durable job creation can only come about by a renewed and re-energized economy, which requires co-operation, and examination of all the programs so that the people who need assistance, who need the benefits of this kind of a country—those people most in need—get more from the Government at all times. That is our principle.

Some Hon. Members: Hear, hear!

Mr. Speaker: Hon. Members will know that I am in some difficulty because it has not been the practice of the House to deal with points of order during Question Period. I must inform the Hon. Member, however, that the word "hypocrite" is in fact regarded on all lists as an unparliamentary word.

Some Hon. Members: Hear, hear!

Mr. Speaker: I presume that she will do the honourable thing.

Ms. Mitchell: Mr. Speaker, I think that if the "blues" are checked we will see that I did not accuse the Prime Minister of being a hypocrite, but I will certainly withdraw the word.

Mr. Speaker: I thank the Hon. Member.

* * *

PETITIONS

TABLING OF REPORTS BY CLERK OF PETITIONS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of one, presented by Hon. Members on Thursday, November 8, 1984, meet the requirements of the Standing Orders as to form.

TESTING OF CRUISE MISSILE

Mr. Speaker: The petition which was presented by the Hon. Member for Kamloops-Shuswap (Mr. Riis) does not meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

THE OFFICIAL DESIGNATION OF NOVA SCOTIA ACT

MEASURE TO ENACT

Mr. Pat Nowlan (Annapolis Valley-Hants) moved for leave to introduce Bill C-201, an Act respecting the official designation of "Nova Scotia".

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Nowlan: Mr. Speaker, the purpose of this Bill is to define the official designation of Nova Scotia, the words "Nova Scotia" being neither English nor French but Latin. The proper use of the proper noun is Nova Scotia. That is the purpose of this Bill which I ask for leave to introduce.

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

* * *

WAYS AND MEANS

DESIGNATION OF ORDER OF THE DAY

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, pursuant to Standing Order 64(2), I request that an Order of the Day be designated for consideration of the Ways and Means motions tabled on November 8, 1984.

* * *

Mr. Speaker: I apologize to the House as I should have previously called for petitions. With the consent of the House, may we revert to Petitions?

Some Hon. Members: Agreed.

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PETITONS

CORPORATION TAX BREAKS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is my pleasure to present a petition on behalf of a number of constituents from the riding of Kamloops-Shuswap who ask that Parliament change the appropriate law so that in 1985 corporations will receive tax breaks only in proportion to the net new jobs they have created, and that the number of jobs created by each corporation and the tax breaks received will be reported quarterly to Parliament.

ECONOMIC STATEMENT OF MINISTER OF FINANCE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have a petition signed by several members of the Liberal caucus,

which has been cleared through the Chair, calling upon the Minister of Finance (Mr. Wilson) to depose all of the documents relating to the budget which outline the massive loss of jobs as a result of the so-called economic statement.

[*Translation*]

I just want to clarify, Mr. Speaker, that we Liberal Members have a petition that is duly signed.

● (1220)

[*English*]

Mr. Speaker: May I explain to the Hon. Member, please, that the tradition here is that petitions are submitted with a brief description of what they are and the translation takes care, I believe, of the problem the Hon. Member is trying to deal with. I take it that is the explanation.

Ms. Copps: Mr. Speaker—

Mr. Speaker: I regret to inform the Hon. Member that the tradition here is a short explanation of the petition. Does the Hon. Member have something she wishes to add?

Ms. Copps: Mr. Speaker, I just wanted to explain that, certainly, from a government which has pledged to the Canadian people that it was going to be an open government, this—

Mr. Speaker: No, I regret to advise the Hon. Member—and I will be very clear on this—that that is not an explanation of what is in the petition. I will be very firm on that matter.

TESTING OF CRUISE MISSILE

Mr. G. M. Gurbin (Bruce-Grey): Mr. Speaker, I am privileged to present a petition on behalf of 200 constituents in the riding of Bruce-Grey who ask that the Parliament of Canada act to refuse the testing of the Cruise missile in Canada and to reject research, production, testing and transport of any nuclear weapon, their delivery systems or components in Canada; that Canada be declared a nuclear-weapons-free zone; that the wasteful spending on the arms race be diverted to fund human needs so as to ensure prosperity through peace and finally, that the above stated objectives be subject to ratification through a free vote in the Parliament of Canada.

Therefore, the undersigned call upon this honourable House to bring about these changes.

* * *

BUSINESS OF THE HOUSE

DISPOSITION OF AMENDMENTS TO ADDRESS IN REPLY

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, there have been consultations with the Opposition House Leaders with respect to the business on Tuesday. It was contemplated, as I mentioned yesterday, that when we return after the Remembrance Day weekend we will proceed with the Speech from the Throne debate. In order to avoid any possibility of procedural technicality whereby deferred votes today would have to be disposed of before we proceeded with the debate, I would like to propose for the unanimous approval of this House the following motion. Therefore, I move:

That on Tuesday, November 13, 1984, notwithstanding any deferred division on the proposed amendment to the amendment of the Hon. Member for Oshawa (Mr. Broadbent), if the Order of the Day is the consideration of the Address in Reply to the Speech from the Throne, the business to be considered shall be the proposed amendment thereto of the Right Hon. Leader of the Opposition (Mr. Turner).

I believe you will find that unanimous consent will be forthcoming, Mr. Speaker.

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to confirm that we give our consent to this order.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, we did in fact confer on this matter. It is a technical question, as you well know, Sir, as to how to deal with that portion of a debate which is supposed to have ended but which in fact by agreement is being continued. Therefore, I will on this occasion accept that this is one of a number of ways it can be dealt with and we accept the motion.

Mr. Speaker: The House has heard the suggestion of the Government House Leader. Is there unanimous consent that the matter be introduced?

Some Hon. Members: Agreed.

Mr. Speaker: Shall the matter be disposed of as the Hon. House Leader suggests?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

QUESTIONS ON THE ORDER PAPER

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, I ask that all questions be allowed to stand.

Mr. Speaker: Shall all questions stand?

Some Hon. Members: Agreed.

* * *

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed from Wednesday, November 7, consideration of the motion of Mr. Ken James for an Address to Her Excellency the Governor General in reply to her Speech at the opening of the session; and the amendment thereto of Mr.

Turner (Vancouver Quadra) (p. 38) and the amendment to the amendment of Mr. Broadbent (p. 46).

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, it is with a profound sense of humility and pride that I stand in this Chamber today to address my fellow Members of Parliament on the occasion of the Throne Speech debate. I feel humble because the people of Scarborough Centre have entrusted in me their confidence that my vote will be their vote and that my voice will be their voice in this magnificent House of Commons.

I feel pride because I am part of a new and exciting Progressive Conservative Government, one which will lead Canadians to a better future, prosperous and free. This sense of pride and optimism is shared, I believe, by all new Members of Parliament. Certainly it was clearly expressed by the Hon. Member for Sarnia-Lambton (Mr. James) in moving the Speech from the Throne and by the Hon. Member for Montreal-Mercier (Ms. Jacques) in seconding it. I wish to salute the eloquence of these two colleagues.

[*Translation*]

I wish to extend my sincere congratulations.

[*English*]

I can tell you, Mr. Speaker, that the view from these Private Members' benches is quite marvellous. In one long sweep of my eye the entire Chamber is visible. To my left, to my right and out in front there is a sea of new Government Members, and, of course, across from me sit the Opposition Parties, one of which is "official", but perhaps only in name alone.

The view across these government benches is indeed clear, Mr. Speaker, as clear as the mandate which our Party received from Canadians on September 4. Canadians are tired of negativism. They voted to change the old ways and habits of government. The Throne Speech marks a real start to the fulfilment of this mandate. Many of the initiatives outlined in the Throne Speech relate directly to the good people of Scarborough Centre whom I proudly represent in this House of Commons. First and foremost, the people of my riding are common sense people. They work hard, take care of their homes and apartments and know the value of a dollar. The Government's goal to reduce the deficit through economic growth is therefore strongly welcomed by my constituents.

As well, the residents of my riding understand the value of consultation and consensus. Scarborough Centre is a suburban riding within the boundaries of Metropolitan Toronto. Its people live and work as neighbours. They know that the common good is advanced when people work together. Thus the people of Scarborough Centre strongly support the declaration in the Throne Speech of a new era of national reconciliation. Together we can and will do better.

There are over 1,000 industrial, commercial and retail businesses in Scarborough Centre. Dozens of light manufacturing firms, the backbone of small business in Canada, are to be found as well as several larger companies. However, my riding has recently been affected by the closure of a major electrical equipment manufacturing plant. Sadly, unemployment remains high, especially among youth and older, mature workers. I am confident, Mr. Speaker, that measures proposed this week will have a strong, positive effect on the economic climate in Scarborough Centre.

• (1230)

Likewise my constituents are confident that the national economic summit to be convened early next year by the Prime Minister (Mr. Mulroney) will offer good news and fresh initiatives.

People of many different cultural backgrounds make their home in Scarborough Centre. I am proud to represent them all with a spirit of equality and fairness as enunciated in the Throne Speech. These citizens appreciate the Government's refreshing new attitude that multiculturalism is more than just displays of dances, costumes, and cooking; it is also full and complete equality of opportunity throughout the land.

Senior citizens comprise a significant portion of people in my riding. No less than six major seniors' residences are to be found in Scarborough Centre. All three levels of government have worked closely in the construction and administration of these homes. The proposed overhaul of the pension system will ensure that seniors in Scarborough Centre need never fear for the integrity and the security of their pensions.

The compassionate tone, Mr. Speaker, of the Throne Speech offers assurances not only to the elderly but also to the single parent family. Due to societal pressures, such families are more numerous today than ever before. This week the Government has spoken on the need to improve the child care system and to increase employment opportunities for women. Such measures are timely and demonstrate to Canadians that the Government they elected is Conservative but with a conscience. Indeed, that phrase, "Conservative with a conscience", aptly describes my own political philosophy as well as that of this Government. I feel an obligation to watch over both the welfare of the public accounts and the welfare of those people most vulnerable to hardship. For the past two years I have fulfilled this task while serving as the chairman of the Board of Health in the city of Scarborough. It is my hope to broaden such involvement in health issues during my term in the Thirty-third Parliament.

I believe that there are several emerging issues in the health field which will receive greater attention in the 1980s. First, of course, is the matter of cost. It is my belief that Canada must continue to move toward a community-based health care system in order to lower costs and increase responsiveness of care. Geriatric care will become a crucial issue as Canada's baby boom generation enters its senior years. I believe the Government must take the lead now to plan for this future trend. Private sector investment in chronic and geriatric care centres is an option which government should promote.

Finally, Mr. Speaker, a question of particular sensitivity has emerged in recent years in the health care field. I speak of the palliative use of heroin for terminal cancer patients. Canadians are compassionate people and I believe would accept legislation allowing such treatment.

I have spoken today of the riding I represent, Scarborough Centre, its people and the ways in which the Throne Speech relates to them. I have also described in some detail my interest in health care issues. Permit me now to speak in more personal terms; first, of a certain former Member of Parliament; secondly, the Leader of my Party; and thirdly, my commitment at the start of this Thirty-third Parliament of Canada.

On March 4, 1948, the following words were spoken in this House:

> Mr. Speaker, I rise to take part in this debate, realizing that it has been some length of time since it was begun. First, I should like to join with other hon. members in expressing my congratulations to the mover and the seconder of the address in reply to the speech from the throne. I have listened to the various speakers who have taken part in the debate, and it has been somewhat of an education to me to learn something more about this great country which we are pleased to call Canada.

The occasion, Mr. Speaker, was the Throne Speech debate during Canada's Twentieth Parliament. The speaker was my father—

Some Hon. Members: Hear, hear!

Mrs. Browes: —the late Major Robert Earl Drope, the Member of Parliament for the riding of Northumberland, Ontario. Perhaps my fellow members can understand the feelings within me at this moment, to hear his words echo once more off the stone walls and the high ceilings of this House of Commons. The sentiments I express for my father are profound and very special. Those I hold for my mother are equally precious since she still lives, proud and strong, in the century old family home on a farm near Rice Lake in Northumberland riding in Ontario.

I take my place in Parliament, Mr. Speaker, knowing that it is due in some large part to the efforts of a man who once was very close to his father, that being the Right Hon. Prime Minister. It was the Prime Minister who earned the collective confidence of the people of Canada during the election campaign, and it was on a hot, sunny afternoon last July that he earned the confidence of the people of Scarborough Centre. When the Prime Minister attended our riding's annual summer picnic and barbecue, he touched all the people of Scarborough Centre. He spoke with sincerity because he is a self-made man whose humble roots allow him to understand the plight of the elderly and the disadvantaged. He spoke with confidence because he is a proud Canadian who believes in the potential of our nation and the spirit of its people. Our Prime Minister spoke with determination because he is a leader of a political party and now Leader of the Government with the people, the ideas and the policies to bring about a new beginning for Canada.

As a Member of Parliament in the new government I look ahead to fulfilling the mandate given us by the people of Canada, especially those in Scarborough Centre. It is an honest mandate, earned by the dedication of hundreds of campaign volunteers and sealed by the oath of office I took as a private member.

I am proud of my family roots in rural Ontario, Mr. Speaker. I am proud of my life in Scarborough with over 25 years of participation in issues of education, public accounts, health and housing. I accept the challenges which await me in the months and years ahead and I am eager to serve the people of Canada.

• (1240)

In summary, Mr. Speaker, I wish to say that when people ask if the Government truly will accomplish the goals it has set, I declare: Absolutely, it will.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, it is, of course, customary in the House to congratulate the mover and the seconder of the Speech from the Throne, to congratulate the newcomers and those who make their first intervention, such as the hon. lady who just spoke, and to wish the new Members well as they cross the threshold of the Thirty-third Parliament.

It is also natural that we resume debate on the Speech from the Throne and attempt to find the thread which in a way we lost yesterday as a result of switching the order of debate and having to witness last night a presentation which has deeply disturbed us on this side of the House. I submit to you, Mr. Speaker, that people in my riding and across the country, at this stage of debate on the Speech from the Throne, are beginning to wonder about the theme of consultation which emerged so strongly in the Speech just a few days ago, as read in the Senate by Her Excellency the Governor General.

It took only a few days, until last night, to make us realize that the theme of consultation is really one that is proposed but not practised by the Government. Last night the Minister of Finance (Mr. Wilson) announced a series of decisions which will result in the elimination of jobs estimated by some to amount to over 100,000 and perhpas as high as 127,000 Among the programs or intitiatives and projects which are going to we wiped out is, for example, Summer Canada. This was announced on the very same day that the Canadian Federation of Students was here in Ottawa speaking to the caucuses and representatives of the three Parties, probably wanting to ensure that next summer there would be a job opportunity program for them.

I ask you, Mr. Speaker, did the Government consult the students before cancelling Summer Canada? To whom will they turn next summer for a job in the absence of this program? Will they go to Loblaws, to Canadian Tire or to the oil compagnies to find a summer job? Where will they find the jobs upon which they rely in order to finance their studies in the following year? Consultation was promised in the Speech from the Throne. Was it carried out with the students in relation to Summer Canada?

Last night we learned about the cancellation of a number of projects, research centres and initiatives across the country which would have resulted in construction projects. I ask you, Mr. Speaker, were the unions and the construction associations

consulted about the cancellation of these projects which will mean the cancellation of jobs in their respective communities?

We learned last night that certain programs of the National Research Council are going to be cancelled. I ask you, Mr. Speaker, were the scientists affected, young and old, and the union which represents the scientists in the Public Service, consulted about the cancellation of important, long-term, far-reaching research projects? Last night we learned about unemployment insurance premiums, Mr. Speaker. Were the employers and the workers consulted about the increase in premiums by the Government? We learned about cuts of some $200 million in the Industrial Incentives Program. I ask, Mr. Speaker, whether the Government consulted industry about the desirability of cutting these programs, particularly in regions that are not at the centre of our economy.

We learned last night about cutbacks to essential train and ferry services, Mr. Speaker. I ask you, was the travelling public in those regions consulted? We learned that Canadians will have to face higher prices at the pumps. Was there consultation with the Canadian public on this increase and the timing of the increase?

We learned last night about cutbacks in social housing and housing rehabilitation programs. These initiatives create jobs in their respective communities and help Canadians reduce their heating costs. I ask the Government whether it consulted with the housing industry. Did the President of the Treasury Board (Mr. de Cotret) consult with them? This is the theme of the Speech from the Throne. Are they practising what they are preaching?

Were the fishermen consulted about the cutbacks on export promotion and fisheries development programs? We learned about cuts in the cultural sector through the Canada Council. Was the artistic community consulted by the Minister or those who are absent at the present time about the cutbacks in art programs which somehow represent an income to our artistic community from coast to coast, be they writers, sculptors, poets, musicians or the like?

What a sham of consultation, Mr. Speaker. Here you see the reality. We and the Canadian public are being treated to a display of hypocrisy. Consultation versus unilateral action on the part of the Government, with no consultation at all, was proclaimed as the main theme of the Speech from the Throne.

We were also treated to that beautiful trick last night, that great demagogic gesture of a salary cut imposed on Ministers. They have a job. They know they will have it until the next election and not beyond that, we know that. As a great gesture to Canadians who are going to lose their jobs they introduced this magnificent salary cut. We congratulate those heroes for having cut $3,000 off a salary of $100,000. I congratulate the President of the Treasury Board for his courage in light of what he has done by eliminating jobs for tens of thousands of students who next summer will have to knock at his door and ask him where they should go to find jobs. Where will they go? Next summer, or next year, or perhaps even beginning next month, there will be some 126,000 less jobs. Or perhaps the Government will tell us the exact number of people who will be affected by the cuts last night.

● (1250)

Therefore, I must conclude that it only took four days for the Tory Government to show to the House and the country its ugly face. Through its own action it has destroyed the credibility in the consultative process which it proclaimed in the Speech from the Throne. The good news this morning that Canadians found 50,000 more jobs last month has been wiped out by the announcement of last night. We have been left with a negative result. Over the weekend Canadians will be agonizing at home with their families about whether they will have a job next year, be they civil servants, construction workers, fishermen or workers in any sector that will be affected by these measures.

Cuts are not made in a vacuum. A program cannot be cut in abstract terms because it eliminates jobs. This is what the Government does not want to realize or admit.

We say that the approach taken by the Government on deficit cutting is wrong. Let me explain why. The deficit can be cut in two ways. The Tories are doing it by withdrawing from the economy and partially closing down Canada during the winter, until next spring. That is what the Government is saying. It says that it must think and consult on the one hand, but then it proceeds without consultation. It is basically telling Canadians to consult with the Government next spring and it will talk business again.

The other method of cutting the deficit is by generating real growth, supporting the jobs that have been created so far and enabling Canadians to maintain the purchasing power that permits them to pay taxes, allowing them to generate revenue for the state and pay their bills. It should not be done by adding their names to the unemployment rolls.

Since we are in debate, let us assume for one moment that the Tory approach is the right approach. There is a profound contradiction when the Minister says on the one hand that he wants to energize the private sector, while at the same time he cuts $200 million from the Industrial Incentives Program, 40 million from the Job Training Program and $250 million from the Exploration Assistance Program in the oil and gas industry. How can those measures energize the private sector?

As Liberals, we do not believe that this is the right policy. If one wants to energize the private sector, one does not pull the rug from under it as the Minister of Finance and his colleagues are proposing. The Conservative Government approach to deficit cutting is wrong. Instead of cutting jobs it should provide incentives for expansion and job creation. That is the sensitive and positive approach that does not cause hardships for students next summer, hardships on people who have a job in the Public Service or those who are looking to a job in the private sector as a result of federal Government initiatives.

I believe that Canadians elected a majority government on September 4 with the understanding that all segments of society would be represented and protected. I believe the

Government has failed to understand that message to this point.

There are some very serious gaps in the Speech from the Throne. Let me attempt to illustrate three of them. No thoughts emerged from the Speech from the Throne on the effect of technological change on existing and potential jobs. Although jobs are disappearing as a result of the chip, jobs may emerge as a result of the chip. While people are losing jobs, new opportunities may emerge. The fundamental question facing any industrial society is how we will manage that transition and what is the role of government in the management of that transition. Will the Tory administration abdicate that responsibility? Does it believe that Exxon or IBM will do it for them and provide the necessary social shock absorber to protect those affected by technological change? If it believes that, it is dreaming in colour. The Government must play a profound and important role in protecting those affected workers. When workers lose their jobs as a result of technological change, someone must step in to manage that transition.

Mr. Benjamin: Why did you not do it?

Mr. Caccia: We did it and you know it.

Mr. Benjamin: What about the railroad workers?

Mr. Caccia: I regret that the Hon. Member has been so asleep over the last two years that he does not even recall the elementary tenets of a Liberal administration. We did it through training and the provision of early retirement schemes requiring workers in certain industries to retire at the age of 55. We did it by way of the mobility program, which the Tory Government cancelled last night, a program which permitted people who knew of an opportunity in another region to move there with their family with our help. That is a social shock absorber. During this time of technological change in which the pace will accelerate, the issues will become more complex and difficult to resolve. This is a profound and important issue for any government to address.

In the short time I have remaining, let me point out another shortcoming with respect to what is missing in the Throne Speech. No thoughts are advanced on how to proceed on the frail path leading to arms control and disarmament. It is a very complex issue and an important debate for everyone in this country. Surely the Speech from the Throne would be the natural mechanism to put forward the options and approaches that ought to be examined for the sake of debate in the House and possibly for the guidance of the Government.

The third issue that is missing from the Throne Speech is the very important issue of the interrelationship between the environment and the economy. As Hon. Members know, our economy depends very heavily on our natural resources. Therefore, we have a particular economic interest in maintaining our natural resources in a condition which generate the jobs and wealth contained in our unique nature that makes Canada so envied in the world.

We must ensure that the air we breath, the water we drink and the soil we use for agriculture, forestry and other purposes are in a sound condition. If one accepts that concept, one must conclude that our country and even the world cannot have a healthy economy without a healthy environment. The two are part of the same concept. Therefore, we must pay attention to the consequences of acid rain.

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock this afternoon. The Hon. Member may continue at that time because he has some time left.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Mr. Deputy Speaker: When the House rose at one o'clock the Hon. Member for Davenport (Mr. Caccia) had the floor. Does he wish to continue in debate?

Mr. Caccia: Yes, Mr. Speaker. Before the recess I was outlining some of the major areas in the Speech from the Throne that this Government has forgotten or omitted to cover. Having outlined some, I feel compelled to tell you, Mr. Speaker, and Hon. Members that an important area of policy making missing in the Speech from the Throne is the whole question that relates to the North, the economic future of native people in the North, and the utilization of the natural resources in the North. That raises also the basic question as to the economic future in the North when the exploitation of gas has been completed and the rigs are gone. On what will future generations of northern people rely for their livelihood and for their economic survival?

Another area also missing in the Speech from the Throne, that needs to be dealt with and cannot be dealt with in the limited time available to me is the important issue of a water policy for Canada. As you know, Mr. Speaker, it was the Liberal Government that launched a federal inquiry into water policy. The commission appointed under the chairmanship of Dr. Peter Pearse of Vancouver is to report next year. I would invite the Government to endorse and support that very important inquiry which will determine the quality and quantity of water that Canadians will need in the future, particularly as we are facing some profound changes in climate due to the greenhouse effect which, as scientists and meteorologists tell us, is bound to bring about changes in agriculture, different levels of water—

Mr. Deputy Speaker: Order, please. I am sorry but I have to inform the Hon. Member that the time allotted to him has expired. Do Hon. Members have any questions or comments? The Hon. Member for Windsor-Walkerville (Mr. McCurdy).

Mr. McCurdy: Mr. Speaker, my question is directed to the Hon. Member for Davenport (Mr. Caccia) and it concerns his

speech. In the early part of his speech he took the Government to task for having failed to consult young people in particular with respect to the demise of the Summer Canada program. It is not clear to me whether his concern is about the failure to consult or about having broken a promise to consult. If it were the former, I would ask the Hon. Member, if his concern is about consulting, how does he reconcile that with the failure of the government of which he was formerly a part to consult with students and young people concerning cuts in post-secondary education for which that government was responsible?

Mr. Caccia: Mr. Speaker, I cannot understand the inevitable attraction for the Hon. Member to try to score political points in this House on a matter on which he displays abysmal ignorance. If the Hon. Member were informed, Mr. Speaker, and if he knew what had been done in the Thirty-second Parliament by the Liberal Government, then he would know that post-secondary education was one of the major concerns of the Liberal Government. Post-secondary education received funding and increases in funding, but if there were a shortcoming in the provision of funds it was because we never knew whether the respective provinces would channel the earmarked funds to destination.

Now we hear from the new Tory Government—because the Hon. Member's Party will never form a government—that there is a new notion in the country whereby we are going to consult the provinces, that we are going to do things as if a new era had started. We will be watching Hon. Members across the aisle in the Government to see how they will ensure that funds to post-secondary education will reach their destination. We will watch Hon. Members across the way to see how they will reconcile the backward position of provincial governments across the nation on native rights and the commitments made by the former Minister of Indian and Northern Affairs which recognized that the native people have legitimate rights and aspirations.

We will watch and find out how Hon. Members across the way will reconcile the energy interests of Ontario with those of Alberta in this holding hands under the table, which seems to be the latest gospel proposed by the Party opposite. We will watch them on a number of federal-provincial relationships. I, therefore, welcome the question of the Hon. Member for Windsor-Walkerville (Mr. McCurdy).

Mr. Heap: Mr. Speaker, regarding consultation with students, the Hon. Member for Davenport (Mr. Caccia) never answered the question. He expressed his government's great interest in post-secondary education, but he never said what consultations were held with the students before a couple of hundred million dollars was taken out of the budget, taken out not by the provincial governments but by the government of which he was a member.

● (1410)

He also raised the question of whether the provincial governments could be relied on to use the money. He probably recalls that this Party asked that legislation be amended so as to require provincial governments to use the money for the purpose intended. His government would not introduce such legislation or would not support such an amendment.

When the Students' Administrative Council of the University of Toronto asked permission to be heard, with a very thoroughly documented brief opposing the cuts by his government earlier this year, what response did his government make to that request and to the request of other councils like it when they asked for consultation on the question of cuts to post-secondary education?

When answering that, I would be glad if the Hon. Member would tell us what consultation the then Minister of Public Works held with the Co-operative Foundation and the non-profit corporations of several cities when he cut their budget, cutting co-ops to about half and practically wiping out Section 56(1) of the National Housing Act. What consultation was there with the co-operative and non-profit housing industry? We know he consulted with the private profit builders; but what consultation was there with the non-profit and co-op builders?

Mr. Caccia: Mr. Speaker, if the Hon. Member had been here yesterday, he would have had the benefit of the meeting with the Federation of Canadian Students in which the whole question of past and present consultations was elaborated. Also, he would have learned some of the answers. He would have learned the answer to the pseudo question he just posed.

In the past, as far as I can recall, long before the Member was elected to this House we launched programs in close consultation with the groups affected. In the case of co-op housing in Toronto, we have developed one of the most outstanding programs of social housing in the whole western world. We did that in very close consultation with organizations, not only with that one. The Liberal Government funded organizations so that they could be formed, when they expressed that intention, in order to provide criticism at times, support at times any ideas and policy changes that they from their experience saw fit to make at given intervals. This is why he and I can rightly claim that we have a social co-operative housing movement in this country.

It is true that there has been a change in that policy. It is a proposed change whereby the former Minister of Public Works, to whom the Hon. Member for Spadina (Mr. Heap) alludes, indicated that at this stage of development of our housing policy it was desirable also to find ways of improving the quality of rental housing in the downtown urban areas of Canada. This includes housing that needs to be upgraded and housing for single person households with a very limited income. They require as much attention as those who have found accommodation through co-op housing.

We were discovering a new public responsibility towards a group of Canadians who until then had perhaps not received the attention they deserved.

Mr. Deputy Speaker: We shall now resume debate.

Mr. Alan Redway (York East): Mr. Speaker, I of course wish to thank the mover and seconder of the Speech from the Throne. As well, I want to express my sincere thanks to the people of my riding of York East for selecting me to represent them here in the House of Commons. At the same time, I want to assure the people of my riding that I intend to represent each and every one of them and to serve each and every one of them to the best of my ability, regardless of their political persuasion and regardless of my own political affiliation.

The riding of York East is located in the central and the eastern portion of Metropolitan Toronto. Approximately 40 per cent of my riding is located in the City of North York and is comprised of the original Don Mills community as well as the communities of Flemingdon Park, Jonesville, Victoria Village and Wynford Heights. The balance of the riding, the other 60 per cent, is located in the borough of East York, the central and eastern portions. That is the municipality where, until recently, I had the privilege of serving as mayor.

York East is a slice of urban Canada. It has a population of approximately 100,000 people. That includes people from every part of the economic spectrum. About 70 per cent of the people in my riding come from the traditional, long-time Canadian background. The balance, approximately 30 per cent, come from Greek, Chinese, Southeast Asian and black origin. In fact, there are over 60 different cultural and ethnic groups and backgrounds represented in my riding. At the same time, York East is the home, proportionately speaking, of one of the largest communities of senior citizens anywhere in Canada. As well, it is the home of a great many businesses and industries, some large and some small.

Although the recent recession has not affected Metropolitan Toronto or my riding as severely as many parts of the country, a day does not go by in York East when I do not hear from somebody who is either unemployed now, has been unemployed, or expects to be unemployed in the near future.

Mr. Boudria: It will get worse with the Tories in power.

Mr. Redway: I stood for Parliament because of remarks like that and because of the policies of the previous government.

In the last two years that I served as the mayor of East York, I would go to my office every morning to find it filled with people looking for work. In 1982, because of exorbitant, horrendously high interest rates, many of the businesses which formed the tax base of our community went bankrupt.

At the same time, because of those same high interest rates brought in by the last government, the senior citizens of our community could not sell their homes. The young people could not afford to buy those homes. That was two years ago. Today we still have 1.5 million unemployed in this country.

This morning I was very pleased to hear the Prime Minister (Mr. Mulroney) indicate that there has been a gain of some 34,000 new jobs since September 4. I was pleased this week, at long last, that the Speech from the Throne and the economic statement spelled out the new government's strategy for the unemployment problem. The first is to restore fiscal responsibility by putting our own house in order in order to limit and reverse the massive build-up of public debt and the damaging impact that this has on confidence and growth. The second is to redefine the role of the Government so that it provides a better framework for growth and job creation and removes obstacles to change and innovation. The third part of the strategy is to foster higher investment, greater innovation, increased international competitiveness and a positive climate for the birth and growth of new enterprise. The fourth is to bring about these changes in a way that is fair, open and consistent with the basic sense of compassion, tolerance and justice that is a characteristic of Canadian society.

• (1420)

Last night the Minister of Finance (Mr. Wilson) began the process of implementing that strategy by outlining his plan for reducing the deficit in an orderly, balanced and fair manner. As the Finance Minister continues the process of implementing government strategy, I ask him to bear in mind that, in addition to restraining expenditures, to improving management and to eliminating programs and agencies, there are two other ways to reduce the deficit and to restore business confidence. I commend both of those ways to the Minister.

The first way to do this is to reduce interest rates. Even a modest reduction in our interest rates would substantially cut the cost of government borrowing which this year will reach something like $17 billion out of a $34 billion deficit. It is plain to see that any slight reduction in interest rates will have a very substantial effect on our deficit and on the cost of borrowing. In my view, the second method by which we can reduce the deficit is simply to put people back to work again and turn them into taxpayers instead of welfare recipients.

Some Hon. Members: Hear, hear!

Mr. Redway: I understand, Mr. Speaker, that the Department of Finance has a little rule of thumb that indicates that for every 84,000 people who are out of work, we lose $1 billion in government revenues. Just think about that, Mr. Speaker. If we could put one million people back to work again, we could cut that $34 billion deficit right in half.

In the United States, people have been put back to work again and this has been done by cutting personal taxes to stimulate consumer spending. It is no wonder that President Reagan was re-elected with such an overwhelming majority. After all, who could refuse to vote for a man who cut unemployment, who cut taxes and who cut inflation? That is an amazing record and one that I commend to our own Minister of Finance.

The primary task of this Parliament is to put people back to work and to get the economy moving again. If we can do that, we will have laid a firm foundation for the new era which was described in the Speech from the Throne as an era of national reconciliation, economic renewal and social justice. If we can do that, we will get Canada growing again and Canada can truly reach its real potential as a nation.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Are there any questions or comments? We will proceed with debate.

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, I would like to thank the House for this opportunity to speak on the Speech from the Throne. I would like to begin by extending my sincere gratitude to the people of northwestern Saskatchewan who live in my constituency of The Battlefords-Meadow Lake. These people have given me the honour and the privilege of being their servant in the Thirty-third Parliament of Canada.

When one reflects on the outcome of the September 4 general election, one sees that the people of northwestern Saskatchewan and their counterparts around the country voted for a change in government. They did not vote for change for the sake of change but for a significant, markedly different sort of government, a government that the citizens would like to have effect not only new policy initiatives but also a new process and a new way of governing. This way of governing is a consultative, positive, open form of government.

As debate on the Throne Speech continues, I am pleased to be able to speak on this occasion on behalf of my constituents from The Battlefords-Meadow Lake. I would like to explain my riding to Hon. Members. It comprises the entire northwest of the Province of Saskatchewan. It is truly a beautiful area of the country comprising almost 100,000 square miles. It is also large.

From the wheat fields to the rolling hills to the forest country of the north, this constituency comprises a vast array of people and backgrounds. There are 65,000 people living in The Battlefords-Meadow Lake with one-third of them residing in The Battlefords, which is the major economic hub of the constituency. The Battlefords is located on the banks of the North Saskatchewan River with the Town of Battleford to the south and the larger City of North Battleford to the north.

The Battlefords provides goods and services to a constituency that is largely dependent on agriculture. Many of my other constituents live in smaller centres, the largest of which is Meadow Lake with a population of 5,000. The smaller communities are strongly tied to agriculture and reflect a diversity in ethnic backgrounds. There are the Francophone communities of Jack Fish, Vawn, Edam and Leoville, the early Ukrainian settlements of Krydor, Hafford and Speers and the many other communities like Paradise Hill, Spiritwood, Glaslyn and Big River.

In the northern area of my riding, beyond this strongly agricultural base, is the largest geographic area of the riding, the far north. This is home to several thousand constituents who live in communities like Patuanak, Beauval, Île à la Crosse and Buffalo Narrows. There is now a tiny settlement in the far north of my riding which remains as a sad legacy to the former government. It was called Uranium City.

In my constituency of The Battlefords-Meadow Lake, the concern of most people is farming. Farmers have defied misguided government policies of the past decade by adapting to rising costs, but these costs reflect values of 1984 while the prices the farmers receive for their products reflect prices of 1972. This dichotomy, which is known as the cost-price squeeze, has forced many farmers in my constituency off their land. For many of their counterparts who remain, life is difficult, even for the people in the urban centre of The Battlefords whose livelihoods and professions depend upon the viability of farms. It is with this commitment to agriculture that I come to Parliament.

Prominent too in my constituency is the oil industry which, in the community and surrounding area of The Battlefords, employs some 200 people who work in oil development, on the rigs, on the service rigs and in the other industries associated with oil.

The Battlefords-Meadow Lake has several other unique features. Twenty-two per cent of my constituents are of native origin. There are 19 Indian reservations in The Battlefords-Meadow Lake. It is with growing concern that I see the plight of the native person on the reserve. This person is often neglected by the society in which he or she lives, a society which starts with our past Parliament of Canada and extends down even to the Indian leadership which, in often cases, is less responsible for the needs of its people than it should be.

• (1430)

In my constituency of The Battlefords-Meadow Lake there are many elderly people. Because this is a farming, agrarian community, families tend to stay closer to one another. Often farmers retire to the urban area of The Battlefords while their families take over the farm. Older members of society demand from us a better world for their children and for their grandchildren.

Cognizant of this, we should address our country's business as we have in this Speech from the Throne. In that Speech our Government has made commitments which appeal to the people of western Canada, and particularly those in my constituency. Our Government has promised, in an open and forthright fashion, reconciliation, renewal and economic growth. These themes are suitable within the framework of social justice and can be further paraphrased in three sentiments: common sense, honesty and fairness. Every person growing up in small-town Saskatchewan knows that honesty, fairness and common sense are what comprise truly successful people, farmers, families and traditions.

If one looks at the history of Saskatchewan, they will see that the early pioneer knew that life was more bearable for everyone if people co-operated rather than confronted. This spirit of co-operation grew from helping a neighbour or fellow farmer into the co-operative movement and the credit union movement which are still so vital a part of Saskatchewan today. Much of western Canada owes its present prosperity to the fact that the early settlers realized that consultation, co-operation and sharing made society move ahead. It is that same commitment which is in the Throne Speech.

I find it rather odd that critics of the Government find it distasteful that emphasis has been placed on co-operation and consultation at the expense of belligerence, arrogance and

unilateral action. The days of government heavy-handedly telling people what is good for them are over. With those days being over, we have a government which will truly listen to the ideals, aspirations and dreams of Canadians from all walks of life.

In The Battlefords-Meadow Lake the change of Government, and the directions which the Government plans to undertake, have been welcomed. The people who have placed their trust in me by electing me to this Parliament are people who know that one does not spend money on what one does not have. One does not bully and force your way on others when talking out a problem may create exciting, new possibilities and solutions which were earlier thought impossible. That is the way in which most well-intentioned Canadians of good judgment have lived their lives and that is what most Canadians wanted on September 4.

Lamentably, the federal government of the past has not lived up to this expectation. This will change. I am proud to be a part of that change and I am proud to be a part of bringing some long-awaited and positive moves to this country.

As the youngest Member of Parliament ever elected from northwest Saskatchewan, and as one of the younger Members of the House, I take a great interest in the future of this country. The future, as seen by other young Canadians, is a future to be challenged and conquered. Through an era of reconciliation, as expressed by the Government in the Speech from the Throne, all Canadians will be able to search mutually and share in new views and new ways of addressing our national obligations and responsibilities. With a united commitment among all of us to consensus, tolerance and fairness, our country will be a better place to live for those of my generation and the generation of our children.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I would first like to say a few words of thanks to my constituents for once again re-electing me to this Chamber for the sixth time. Obviously I was either very lucky, or else the constituents of Yorkton-Melville were very wise in their choice.

[*Translation*]

Mr. Gauthier: Mr. Speaker, it would seem to me that we did not have a period of questions and comments.

Mr. Deputy Speaker: The Hon. Member is right. I looked on both sides of the House and did not see any Member rising. I apologize, but I had not given the floor to the Hon. Member for Hamilton East (Ms. Copps)—

[*English*]

Ms. Copps: Mr. Speaker—

Mr. Deputy Speaker: I do not think the Member was standing up.

Ms. Copps: Mr. Speaker, in terms of the order, if in fact there are no questions from the floor, do you revert to the Official Opposition or do you revert to the third Party? There was in fact a Member standing from the Official Opposition to make his response to the Throne Speech.

Mr. Deputy Speaker: In terms of the order, what I will do for the rest of the day is to choose two from the Government, one from the Official Opposition, one from the NDP; two from the Government, one from the Official Opposition and one from the NDP. We had a Liberal member a little while ago; I have recognized two from the Government and one from the NDP. The next speaker would normally be a Liberal, and then two from the Government and one from the NDP.

[*Translation*]

Mr. Gauthier: To clear the matter up, I think there was a misunderstanding because you did not ask the usual question as to whether there were questions and comments. The Hon. Member rose to make her speech, thinking that she would be given the floor, and I am sorry if there was a misunderstanding. But we will accept—

[*English*]

Mr. Deputy Speaker: Proceeding with debate, the Hon. Member for Yorkton-Melville has the floor.

Mr. Nystrom: Thank you, Mr. Speaker. As I said previously, I want to thank the voters in my constituency for once again re-electing me to this Chamber. It is something which I appreciate and I will try to do as much as I possibly can for everyone in that riding.

[*Translation*]

I want to congratulate the new Prime Minister of Canada (Mr. Mulroney) as well as his government, his Ministers and his colleagues in the House, and all the other new Members of the Liberal Party and of the New Democratic Party.

[*English*]

I would also like to commend the Prime Minister (Mr. Mulroney) about one thing that I liked in the Throne Speech—which is a welcome break from the past—and that is the emphasis on consensus, the emphasis on trying to find some co-operation in this country. It is a consensus for working together. I think that is very good because we are a federal state and in the past there has been too much confrontation, too much unilateral action which has led to all kinds of regional frictions between our peoples, the provinces and the federal Government.

I also want to say that I am pleased to see in the Throne Speech a reference to the fact that there will be a special committee, headed by the Hon. Member for St. John's East (Mr. McGrath), to look into the reform of the rules of the House in order that the average Member in the House can have more input and power over the direction that the country is moving toward. I think it is time that that sort of thing happened, because in the past there has been much too much power given to the Prime Minister's Office as well as the offices of the various Ministers of the Government. I hope that this is a sincere move on behalf of the Government. If it is, it will be a worth-while contribution to this new Parliament.

I believe there is already a national consensus on one very important issue, and that is that the most important issue of the day is job creation, providing jobs for the Canadian people from one coast to the other. In this Parliament we must make a massive contribution to the creation of long-term, permanent jobs for Canadians. That must be the number one priority.

• (1440)

Unfortunately, in my opinion, Mr. Speaker, last night we saw the Government going in exactly the opposite direction. We saw it do two things; first, it cut back on services by $4.2 billion a year, some $430 million of that in the Department of the Minister of Employment and Immigration. Just today in the House we heard the Prime Minister (Mr. Mulroney) confirm that they have run these figures through their economic model, through the computers, but he will not table the lists of what kind of job losses or job increases resulted from that.

Mr. Dick: He did not say that!

Mr. Nystrom: We asked him very clearly to make public that list—perhaps the Hon. Member was not here this morning for Question Period—but he will not do it.

Mr. Dick: The Minister never said that!

Mr. Nystrom: I ask you, Mr. Speaker, what is he trying to hide? I thought the Prime Minister believed in open government. When he was in opposition he asked for an open government. He wanted more freedom of information. All of a sudden, now that he is on the other side only two months later, he is not going to make available those statistics for the Canadian people to see. I really wonder what he is trying to hide, Mr. Speaker.

Mr. Dick: Mr. Speaker, on a point of order, I just want to mention to the Hon. Member for Yorkton-Melville (Mr. Nystrom), if he wants to be accurate, that if he was here this morning he would have realized that it was the Minister of Finance (Mr. Wilson) who said they had put it through an economic model.

Mr. Deputy Speaker: The Chair rules that this is not a point of order.

Mr. Nystrom: I think he just proved my point, Mr. Speaker. If he will check the blues or *Hansard* on Tuesday morning he will see that the Prime Minister will not make a commitment to make that information public.

Something else which happened last night, Mr. Speaker, which really concerns me is that we have now seen some tax increases. The sales tax has gone up in Canada. We have seen an increase in the price of energy in this country, the gasoline tax, the excise tax, the move toward the world level in the price of fuel in Canada. We have also seen the increase in unemployment insurance premiums.

This all comes from a political party whose members said in my riding and other ridings across the country that, if elected, there would not be a cut-back in services; if elected they would not concentrate on the deficit because jobs are number one; if elected they would not increase the taxes on ordinary Canadians; in fact, if elected, there would be a minimum tax which rich people would have to pay so that they would not get away with all of the loopholes we have in our tax system today. After only two months, Mr. Speaker, we are seeing a cut-back in services of over $4 billion. I am told by economists that as many as 100,000 people could lose their jobs because of those cut-backs in all of the government departments across Canada. In fact, if one looks at agriculture alone, one sees a $62 million cut-back. And it is not just Canagrex. There is a $32 million cut-back on extra fees which a farmer is now going to have to pay for the services the farmer needs on his farm.

There are millions of dollars cut back in funding for rail lines, branch lines and rehabilitation. In my riding, Mr. Speaker, there are rail lines which need to be rehabilitated. I recall a certain all-candidates meeting in my riding when the Conservative candidate could not show up because he was out with the now Minister of Transport (Mr. Mazankowski) looking at a rail line in my riding which goes from Kelvington to Lintlaw to Preeceville, and they made a promise that they would keep the rail line, which those nasty Liberals would not; that there was not enough funding, and that was true.

[*Translation*]

That is the truth of the matter, Sir.

[*English*]

Here is the Conservative Party saying: "You elect us and we will keep that rail line". But what has it done? If one goes to the Government's information books distributed last night, one finds it cut off tens of millions of dollars for branch line rehabilitation. It is one thing to promise the people of Canada and not deliver. But here we have the Party across the way promising the people of Canada one thing and delivering something else.

It was the now Leader of the Opposition of the Liberal Party who talked a lot about the deficit being too high in this country and that we had to cut back on the debt. I notice the present Prime Minister is now quoting him day in and day out. I suggest, Mr. Speaker, that the Conservative Party is now implementing the program of the Leader of the Opposition (Mr. Turner). No wonder the people of this country are becoming increasingly cynical of politics and politicians when we see that kind of breach of promise within 60 days of the September 4 election campaign.

[*Translation*]

As I said, Mr. Speaker, we now have a national consensus in this country. It is a national consensus and unemployment is the first priority for the government and the country. Canadians will get to work and build a new country. As the Canadian bishops pointed out nearly two years ago in January 1983 in a document that is now very well known throughout Canada, the most urgent issue facing us is setting up a program to fight unemployment which is already too high in Canada, and we

must take immediate action to find jobs for Canadian men and women across the country.

[*English*]

When the Pope visited our country he said that the big, important issue in this country is unemployment. I have here an article from *The Toronto Star* of September 14 wherein the Pope said, and I quote:

> Men and women are meant to contribute by their work to the building up of the human community, and so to realize their full human stature as co-creators with God and co-builders of His kingdom," the Pope told the fishermen of Newfoundland and their families this week. "Prolonged failure to find meaningful employment represents an affront to the dignity of the individual, for which no social assistance can fully compensate."

The Pope reminded us that this is the big issue facing the country today. The Bishop said the same thing. Our Party has been saying the same thing, as have farm organizations, trade unions and ordinary Canadians from coast to coast.

The point is that it is not just the fact that if people are not working they cannot make a contribution to society. The fact of the matter is that if people are not working it creates all kinds of anxieties and problems for them and their families. A Canadian psychiatrist said recently that last year about 70 per cent of his patients came to him because they were unemployed and were facing problems which were created from their unemployment. The problem is real, Mr. Speaker, for the over one million Canadians who are unemployed today. If one looks back over the last few years, one can see that it is a problem which is becoming worse each and every single year.

In 1981 some 7.5 per cent of the Canadian population was unemployed; in 1982, 11 per cent; in 1983, 11.9 per cent; in 1984 the average so far is at 11.5 per cent. This morning it was 11.3 per cent; last month it was 11.8 per cent; in July it was 11 per cent. So no matter how you look at the figures they have been consistently over 11 per cent during 1984. I do not forget that the Prime Minister said in Prince Albert that if he was elected, within days, as a matter of fact when he was sworn in, thousands of jobs would be created almost magically, like Alice in Wonderland, overnight. I would like to hear the Prime Minister say that to unemployed people in the City of Yorkton, in the City of Melville or in any place in this country. As a matter of fact, if one compares the situation at the time this Government was sworn into office with the situation today, one can see there are more people unemployed today. If one looks at the figures between October, 1984 and October, 1983, one finds there are 72,000 more people looking for work. Those figures come from a government which said: "If you swear us into office, automatically overnight there will be thousands of jobs created". Where are those jobs, Mr. Speaker?

Looking at agriculture, for example, the Party across the way made promises during the election campaign to get rid of the capital gains tax. It made promises to freeze freight rates because the Crow rate had disappeared. It made promises to pay out money from the Farm Stabilization Plan. It made promises to give aid to farmers in northeastern Saskatchewan because there was too much rain. It made all kinds of promises to the farmers of western Canada. They promised to upgrade the rail lines. Yet we have had a Throne Speech, a budget—

• (1450)

Mr. Jelinek: No budget.

Mr. Nystrom: All right, maybe it is not a budget but it was a financial statement. That is what budgets used to look like when I came here a number of years ago. If you want to create jobs, I say to the Government why not spend money in agriculture, helping the farmer, the ordinary citizen and small business in this country, and we will put people to work like we have never put them to work before?

I see across the way the Minister of State for Fitness and Amateur Sport (Mr. Jelinek) and other Members who sat in opposition a few months ago. They were asking why the Government was not doing more for small business and the farmers of this country, but all of a sudden they are on the Government side of the House and they think they are Pierre Trudeau.

Mr. Dick: Please, no. That is an insult.

Mr. Boudria: They do not deserve that compliment.

Mr. Nystrom: I do not know if I would call it a compliment or not, but they have certainly forgotten what they stood for before the election campaign was announced.

We have all seen the statistics that were announced this morning. Unemployment is 11.3 per cent. It is 21 per cent in Newfoundland, 15.1 per cent in British Columbia, and 12.8 per cent in Quebec. The unemployment rate is still very high, yet we do not see any new ideas, programs or initiatives whatsoever from the Government to reduce unemployment. The mandate the Government was given in the election was to create jobs, jobs, jobs. Where are those jobs, jobs, jobs? What programs do they have for jobs, jobs, jobs? I do not see them.

If the Government was to spend the money on small business, agriculture, guaranteed prices, parity prices for farmers, this money would be spent on goods and services. Small business would do the same thing. We would create jobs. In fact, an economist said not too long ago that if we had had an unemployment rate of 7.5 per cent for the last few years, the federal deficit would have been completely eliminated by the year 1983. If we want to eliminate that deficit, the quickest way of doing so is to make sure we put more Canadians to work. They would then generate economic activity, pay taxes and make a contribution. That is how the deficit would go down.

Current levels of unemployment in Canada mean a loss of some $40 billion to $50 billion a year in economic activity. That does not include the anxiety, pain and suffering people go through when they cannot find work. I suggest that the Government set targets to reduce unemployment in this country by, say, 2 per cent or 2.5 per cent a year. The Manitoba Government set that objective a few years ago and it has been able to achieve that objective because of its special job creation

projects and programs. I remember very well that when the present Minister of Employment and Immigration (Miss MacDonald) and others were in opposition, they used to ask the then government: What are your objectives? What are your targets? How long is it going to be before you bring unemployment down from 11 per cent to 9 per cent, 5 per cent or 4 per cent? They used to get very upset when the government would not set targets. Well, we are seeing the same thing from this Government today. It has set targets for the deficit but we have not seen any target setting for unemployment. I suggest Members opposite tell the Canadian people where they are planning to go.

I believe job creation should be the main focus of this Parliament and this Government. More jobs for young people, women and small business. I have already mentioned agriculture. One can mention forestry, where we need a lot of research and development. That is another area where the Government is cutting back. Single industry towns must be diversified. We must put more money into shipbuilding. We must have tax reform. As I said before, there are lot of people not paying any taxes at all, or who are not paying their fair share. If we had tax reform, we could collect several hundreds of millions of dollars from the rich and put that money into job creation for the ordinary citizens of Canada. I believe those are things that can and should be done if we are to create jobs for each and every single person in this country today.

We in this country, Mr. Speaker, indeed right across the western world, are going through quite a change in the way our society is organized. We are in the process of moving from the industrial society into the post-industrial or information era. We are going to have to make sure that we spend more money on research and development. We have to spend more money on developing our computer and other high technology industries than we have in the past. Otherwise we will fall further and further behind.

Look at the trend, Mr. Speaker. In the United States in the 1970s some 90 per cent of new jobs were in the non-goods producing area. Only about 10 per cent were in the traditional areas of manufacturing, agriculture and forestry. That type of thing is happening in this country as well. As we move into this kind of society, the important thing will be brain power and knowledge. Yet we see a financial statement here last night which is cutting back on research and development. It will not put as much money into job retraining and upgrading of skills, not just for our young people but for all Canadians. I think that is going in exactly the wrong direction.

In conclusion, Mr. Speaker, I would like to see a government which has a little bit of imagination to do a little bit of planning; a government which will try with the provinces, labour, farmers and business to sit down and develop some national goals and objectives. Ask ourselves what we can do as Canadians and do well. Pick three or four areas that we can do well in, become world leaders and experts in, and I will suggest just three or four of them this afternoon.

We are one of the greatest agricultural nations in the world. There is no reason we should not be producing more agricultural machinery and equipment. We import most of our agricultural machinery from aboard. I think we should be putting more money into that sector so that we can start producing more of that machinery ourselves, thereby creating jobs for Canadians and exporting to other parts of the world.

Another area is that of resources. We are very abundantly blessed with all kinds of resources, yet over 80 per cent of the mining machinery we use in our mines is imported from other countries. I think that has to be changed. There is no reason we could not specialize in mining machinery and equipment to be used in our mines and also export it abroad as well.

A third area is that of communications. We are a vast country and communications is one area we should concentrate on and specialize in, in order to become world leaders in communications equipment and devices.

Another area is that of transportation. This is something that the Hon. Member for Regina West (Mr. Benjamin) has spoken about many times in this House. There is no reason in the world that we should not be in the forefront of technology in transportation. Yet it is not Canada that develops a lot of the more modern trains and transportations vehicles. The fastest trains in the world are in France and Japan, not here in Canada.

These are just four areas where we are naturals to become world leaders, which would create jobs through exports to other countries around the world. There are a lot of other things that one can mention in this debate, a lot of ideas that could be tossed into the hopper concerning jobs. We could be cleaning up our environment and creating jobs at the same time. We could be building a lot more houses, investing more money in people, health education, and creating jobs all at the same time.

We should also be looking at job security legislation because a lot of workers do not feel there is very much security in this high-tech age. We can look to countries in Europe such as Germany, Norway and Sweden and the legislation they have covering job security and protection. We could be doing that as well. We should also be looking at processing more of our raw materials in Canada, as well as asserting ourselves more economically so that we make sure that we make the economic decisions which are important to this country. At present more of our economy is foreign owned than is that of any other country in the world. That, Mr. Speaker, not only causes us to lose some political autonomy, but causes us to lose jobs as well. I see my time is up.

• (1500)

Mr. Deputy Speaker: Questions or comments? The Hon. Member for Western Arctic (Mr. Nickerson).

Mr. Nickerson: I have one question I would like to address to the Hon. Member. I found his presentation to be excellent. It was presented in a non partisan way and had some very good ideas attached to it. I would like to ask about the last point he made on the processing of resources in Canada. That is something which everybody, I am sure, would like to see

happen. However, how do we get around the following problem? We would like to sell sliced bread to Japan and European countries rather than just wheat in order to keep the extra jobs in Canada. However, they do not want to buy sliced bread and they do not want to buy flour. They want to buy wheat, and if they do not buy it from Canada they will buy it from Argentina, Australia or the United States. How do we proceed to implement the ideas of the Hon. Member?

Mr. Nystrom: Mr. Speaker, if we had a more aggressive sales policy and perhaps more aggressive trade commissioners around the world, we could sell more processed and refined goods. Other countries are doing it right around the world. The Hon. Member for Western Arctic (Mr. Nickerson) knows that as well as I do. Perhaps Canagrex would have been able to promote the sale of more processed farm commodities and do more trading and bartering. However, the Government across the way has decided to kill off Canagrex, thereby chopping another $6.6 million or $6.2 million from the budget.

The farmers from my constituency supported that particular piece of legislation. I voted for that in the House. I wish that that legislation would have stayed, but it is being chopped off by the Government across the way. The purpose of Canagrex was to sell, sell, sell for the farmers of Canada. I do not know what the Conservative Party is afraid of. Is it afraid of Canagrex because it is a Crown corporation? Is it afraid of Canagrex because it might get out there and sell for some of the small producers who do not have the ability to sell through the big private marketing agencies? I am not sure. Perhaps the Hon. Member can explain it himself.

Mr. Winegard: Mr. Speaker, I would like to make a comment on the last exchange between the Hon. Members. All of us in this country must recognize sooner or later that, if we are indeed to export manufactured goods, we have been remiss for 15 years or more in upgrading technology of all kinds in the country. We have not been able to produce manufactured goods at a cost which anyone could sell abroad. One of the reasons I believe this Government will increase the sale of manufactured goods is that for the first time in a long time we have a Government that recognizes the significance of technology transfer. That is the key which has been missing for many years.

Mr. Nystrom: Mr. Speaker, I do not necessarily disagree with the Hon. Member's comment that one area in which we as a country have fallen back is technology. I made some reference to that myself. We are into the so-called post-industrial era now in the information society, and we are rapidly falling behind. In fact, our standard of living in the last 30 years has fallen from second in the world to tenth or twelfth. One reason for that is that we have not restructured our economy. We have not restructured a lot of the industries in the country. One of the reasons for that is that so much of our economy is foreign owned. We have depended so much on the head offices in the United States, Europe and Japan and we have the branch plants in this country. The branch plants are always the last ones to be modernized. They are the last ones to have jobs preserved in them. They are the first to go by the wayside. They do not do research and development. There is no innovation in them. That is one of the problems and consequences of foreign ownership. Fully 26 per cent of our economy is foreign owned compared to 3 per cent in the States, France or Britain, or 1 per cent in Japan. I am afraid the Government across the way will be going in the opposite direction by getting rid of FIRA and opening up the doors once again to foreign equity, ownership and control.

The other point I would like to make is that if you look at the budget papers from last night you will find that the Government has reduced research funding in the country by either $60 million or $80 million, I forget the exact figure. This is in a country where research and development already had too low a priority. Until yesterday we had spent about the same percentage of our GNP on research and development as did Ireland and Egypt. Despite that, the Government has cut that back by an extra $60 million to $80 million.

The same thing is happening in agriculture. About $2 million or $3 million was cut back on research and development in agriculture. Mr. Speaker, coming from a farm riding I know that instead of spending less money for R and D in agriculture we should be spending more money in terms of helping the farmers improve the products which they are trying to produce to feed the hungry people in the world. Instead of going forward into the future we have a Government which is moving backward into the past.

[*Translation*]

Ms. Copps: Mr. Speaker, I would also like to comment briefly on what the mover has just said about Canagrex. I think that this was a program . . . I am very happy to see that the New Democratic Party is now joining the Liberal Party in recognizing that the former Government had some good programs. I also know that the Member from Guelph who has just spoken will have many other opportunities when he chairs the Committee on External Affairs to establish new relationships between Canada and other countries, and in my opinion, everyone is co-operating.

Mr. Nystrom: I only want to add a few words, Mr. Speaker. I have already said that I was in favour of Canagrex, and I still am, and the 31 members of our caucus voted for Canagrex last year. That legislation had been introduced by the former Minister, Mr. Eugene Whelan. It was nothing new for me. I have always been for Canagrex as we need such an agency to promote our exports throughout the world. This is very important. I agree with you that it was a backward measure which the Government announced last night.

Mr. Don Boudria (Glengarry-Prescott-Russell): Thank you very much, Mr. Speaker. It is a pleasure and a great honour for me to take part in this debate. But first, Mr. Speaker, I would like to congratulate you and your assistants on your appointment to the Chair of this illustrious assembly. I also wish to congratulate the Government opposite and, I should

add, on this side of the House, on their election on September 4 of this year. Finally, I wish to congratulate all Members of the House on their election to Parliament.

Mr. Speaker, I wish to thank all those who helped me in this and previous campaigns. First of all, the people who voted for me in 1974, when I was running for the Municipal Council of Cumberland Township, as well as those who voted for me in 1976, 1978 and 1980, and last but not least, the voters of Prescott-Russell who elected me as their Member of the Legislative Assembly of Ontario in 1981, and finally, the voters of Glengarry-Prescott-Russell, who voted for me on September 4 of this year and sent me to this illustrious House. I think the mandate the Government received on September 4 is very impressive, and I am sure, Mr. Speaker, that you will agree that this Government, now that it has obtained the support of 50 per cent of the voters of this country, definitely has a mandate to lead the country. A word of caution, however: they must recognize the mandate of the Opposition, that of all Members, and the aspirations of all Canadians. Mr. Speaker, we must not forget that even if 50 per cent of the voters voted for this Government, the other 50 per cent did not.

• (1510)

The Government must therefore recognize and even help the opposition parties by providing them with the tools needed to discharge their responsibilities.

Mr. Speaker, on September 4, we, of the Liberal caucus, were elected to be the Official Opposition in this House. Ours is also a very important mandate, and, interestingly enough, it will have to be discharged with 40 members as against 40 cabinet ministers. This means that each and every Opposition member is called upon to be an official critic for a department. This again is a very important task which, I am convinced, every member in the Liberal caucus will fulfill with our customary vim and the energy of our leader, the Right Hon. Member for Vancouver Quadra (Mr. Turner) along with the 39 other Members in the Liberal caucus. I am convinced that with such a dynamic team, we will very succesfully carry out that mandate.

I would like to thank our leader for selecting me as the Opposition critic for Supply and Services. This is an area I find most interesting, Mr. Speaker, because it has been my former privilege, as a Canadian civil servant, to be a purchasing agent here for the House of Commons, and to work with the Department of Supply and Services.

Mr. Speaker, the constituency of Glengarry-Prescott-Russell is a very special one in my view. Of course, every member in this House feels that his or her constituency is very special, and understandably so. Glengarry-Prescott-Russell is at the eastern tip of Ontario, east of the City of Ottawa. As opposed to what some people may think elsewhere in Canada, east of Ottawa we are still in Ontario. My constituency has an area of 3,137 square kilometres and lies east of the National Capital. It includes such communities as Orleans, Rockland, Embrun, Alexandria, Vankleek Hill and others. It has a few industries, but it is a farm constituency, especially the eastern part. Ottawa suburbs make up the western part of the constituency.

The area is Loyalist country, except for the Longueuil seigniory which is part today of the Prescott constituency. It is interesting to note that today 64.6 per cent of its citizens are French-speaking and, still more interesting, that 20 per cent of the French-speaking constituents are unilingual.

I think that this very fact makes the French-speaking citizens outside Quebec in the Glengarry-Prescott-Russell riding a very special group.

The average wages of electors in Glengarry-Prescott-Russell are slightly lower than those in the rest of the country. This means that our riding needs help from the federal government and that the cuts announced last evening by the Minister of Finance (Mr. Wilson) will affect the electors of Glengarry-Prescott-Russell.

The people in Glengarry-Prescott-Russell, Mr. Speaker, wanted action and a government which would take action on some issues. My constituents want positive action on women's issues, for the benefit of the handicapped, manpower training programs and improved conditions in the years to come. I suggest that those are the aspirations of my constituents of Glengarry-Prescott-Russell and very likely of all Canadians as well. But what have we seen over the past few days? A throne speech which offered nothing and an economic statement yesterday which made cuts across the board. That is not the way to improve the economic situation of my Glengarry-Prescott-Russell constituents.

I see that my colleague the hon. member for Gatineau (Mrs. Mailly) does not share my views. I am sure, however, that when she goes to Buckingham this weekend, on Saturday, her own constituents will impress on her that these cuts are a mistake. The hundreds of thousands of workers who will lose their jobs within a few months, a great number of them both in my riding and in the hon. member's, will find out that this is no joke, that it is very sad for one to lose one's job because of the action taken by the hon. Minister of Finance (Mr. Wilson).

Mr. Speaker, I should like to remind the House of a few historic events which took place in my riding of Glengarry-Prescott-Russell.

[*English*]

Some of the more interesting historical features include the fact that Samuel de Champlain came into our area in 1613. As well, it is in the eastern part of the riding that the battle of the Long Sault with Dollard des Ormeaux took place. This battle was fought between 17 French Canadians and 44 Indians against some 1,000 Iroquois. This battle took place just east of Hawkesbury in the vicinity of the community Chûte à Blondeau in my riding.

The riding also has some very interesting political history. Thomas D'Arcy McGee, one of the Fathers of Confederation, was a candidate for the provincial riding of Prescott in 1867. It is also very interesting to note that he was defeated in that

particular election by one James Boyd, who was a wood merchant from the Town of Hawkesbury.

Another interesting feature is the fact that John Sandfield Macdonald, Premier of the United Province of Canada and the first Premier of the Province of Ontario had the honour and privilege of representing the riding of Glengarry in the Legislative Assembly.

William Lyon Mackenzie King represented the constituency between 1945 and 1949. It is interesting for Liberals in the House to note that he was elected in that election with a vote of 4,551 for the Liberals against 325 for the Tories. While I do not quite enjoy that kind of majority in Glengarry-Prescott-Russell, I am grateful for the majority that I did receive and I hope that support from the electorate of my area will continue in future elections.

It is a particular honour for me to come to the House of Commons. I come from humble beginnings and I am very proud of them. I believe it is important for all of us, once we get here, to remember our roots forever. Those of us who forget them will often be reminded in a most ungenerous way by the electors at subsequent elections.

I started working at the House of Commons on October 25, 1966. I believe that I am the first former employee of the House of Commons ever to be elected as a Member of Parliament. I did not come here as an executive assistant to Mr. Speaker, although that would have been nice. Nor did I come here as an adviser to a Cabinet Minister. I was not the son of an MP. I came here as an employee of the Parliamentary Restaurant. I will always have a special place in my heart for the employees of the House of Commons.

During my first days as a Member of Parliament, I had the privilege of taking a tour of the House of Commons. I must say that I have come to the conclusion that we often do not appreciate the work of the staff of this great institution as we should. I want to bring one interesting fact to your attention, Mr. Speaker, of which perhaps we are unaware, that is the lack of attention that we pay to the work of the staff. A few days after the election I was in the hallway right in front of this Chamber. There I noticed a plaque which honours a Member of Parliament who died in the great fire of 1916. Underneath the Member's name it says that six employees also died, but their names are not listed. I think it important that we pay more attention to the people who make this place work.

• (1520)

Some Hon. Members: Hear, hear!

Mr. Boudria: I propose that we erect a plaque honouring these six people, and if this House is unwilling to do so, I will offer to pay for it myself if someone, some day, will instal the plaque. The plaque will honour the following six people: Madame Louis Morin, Madame Henri Bray, Mr. J. B. R. Laplante, assistant clerk of the House, Mr. A. Desjardins, a plumber, Mr. Alphonse Desjardins, employee of the federal public service, and Mr. Randolph Fanning, an employee of the post office. I believe it would be recognition of the 3,000 people who work here if we paid that special tribute to the six employees who gave their lives.

Some Hon. Members: Hear, hear!

Mr. Boudria: I have the utmost respect for this institution, Sir, and as I said, I worked here previously. I was a member of the Legislative Assembly of our great Province of Ontario, and I was a member on three different occasions of a municipal council. I believe, as my Leader very correctly said only a few days ago, that no greater honour can be paid to a Canadian than to be elected to the forum of this nation. I believe it was our Prime Minister (Mr. Mulroney) who said it is a great country when a truck driver can aspire to be Prime Minister. I would like to think that this is not a bad place where a busboy in the Parliamentary Restaurant can someday return as a Member of Parliament.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Are there any questions or comments?

We will continue with debate. The Hon. Member for Champlain (Mr. Champagne).

[*Translation*]

Mr. Michel Champagne (Champlain): Mr. Speaker, first I wish to thank voters in the riding of Champlain for the trust they placed in me and the Progressive Conservative Party on September 4 of this year. The vast majority of my constituents realized that important changes have to be made in the riding, in the province and in this country, if Canada is to be saved from the social and economic disaster towards which the Liberals have been leading us during the last twenty years. We owe this tremendous victory for democracy to a Party, to our Party, which listened to the needs of the people, which was receptive and understood the expectations of all Canadians, expectations which in the past had been dashed by an all too arrogant Liberal Government, a Liberal Government which thought it owned the country, a Liberal Government which wasted the hard-earned dollars of the Canadian people.

Mr. Speaker, this country was sick and tired of the Liberal Government's constant confrontation tactics with the provinces. That is why, Mr. Speaker, after the election on September 4, the Progressive Conservative Party has received a clear mandate, a mandate that will give Canadians, once again, a chance to fulfil their potential in all economic and social sectors. Hon. Members will remember that during the last election campaign, Brian Mulroney and his team of Progressive Conservative candidates invited the Canadian people to work together with them towards national reconciliation. The Right Hon. Prime Minister, Mr. Mulroney, has always associated reconciliation with the need to bring about an economic consensus. The climate of tension that existed under the previous government was one of the factors that led to the sad deterioration of our economy. In my riding, in Champlain, Mr. Speaker, this has meant a combined unemployment rate

of over 50 per cent in some areas. By combined, I mean the unemployment rate plus the welfare rate. Unemployment is particularly high among young people. They are almost desperate. Women are frustrated because they are being confined to traditional roles. Factory shutdowns have become common place. Farmers are increasingly being faced with serious financing problems, and this is particularly true among those who are starting an operation for the first time. People are very concerned, and it is clear that the situation requires a sustained and concerted effort by all Canadians. We cannot leave the people in my riding and throughout the country in a situation that is indeed deplorable in the eyes of the outside world. We must take action, and we must do so as soon as possible.

In the throne speech, the Prime Minister reiterated his intention of calling a national conference on the economy. In fact, before the opening of this session, provincial first ministers had been asked to meet to set the agenda for the conference. This economic summit will bring together representatives of consumers, women, native peoples, the business world, labour and various levels of government. The purpose of the summit is to establish a new national action plan. It will be a success, provided participants can agree on certain economic priorities and on the respective roles of the economic partners, and if there is a commitment to some immediate courses of action. The Prime Minister also mentioned the possibility of future summits which, over time, would generate mutual confidence and a sense of shared responsibility for our national economy. He also defined the Government's role in the economy in which it would act as guide, mediator and catalyst.

A Progressive Conservative Government will be less intrusive in the private sector but vigilant over the integrity of the national economy and of national standards. The co-operation of all economic partners in a movement towards common economic goals, a concerted effort to resolve economic problems that are at the top of the priority list, regular meetings of these partners, and getting Canada back on the road to prosperity—these elements are all part of the grand design for national reconciliation.

The Progressive Conservative Party did not fight the Liberals and win the election to do what they did, which was to let the Canadian dollar float downward and try to solve the unemployment problem with bandaid programs. We are aiming for consensus, but we realize this will take time. However, we can take other important steps to help create this economic renewal.

The strategy devised by the ministers of our government is threefold: to restore fiscal responsibility, to remove obstacles to growth and to promote new investments. The record shows, Mr. Speaker, that the former Liberal government had to work very hard at the end of its mandate to leave such a bare treasury. Faced with such conditions, the present government got down to work seriously. Our plan aimed at reducing the deficit will be enforced in a fair, balanced and orderly manner and will allow us to restrict the growth of the public debt. Nobody will deny that it is urgent to tackle the deficit. If it gets out of control, it will finally drain all financial resources still available and will prevent us from taking maximum advantage of new opportunities. It will exert a very strong pressure on interest rates and will eventually bring to a standstill all investments required for our economic growth.

• (1530)

I would like also to give my constituants the assurance that our Government will endeavour to increase the efficiency and flexibility of our financial markets. We will strive to improve employment opportunities, based on market needs, and stimulate investments in research and development in order to increase our productivity.

This Government, Mr. Speaker, will introduce legislation to improve market conditions, and will put forward proposals to stimulate enterpreneurship and innovation. And to better reward success, especially in the small and medium business sector, we will also have orientations to suggest. There will be initiatives to increase both Canadian and foreign investment. With regard to unemployment, that tragedy brought about by the former Government, our Government now speaks in terms of strategy. We are committed to put the economy back on its rails, in order to create jobs. It is therefore urgent to stimulate job-creating investment. But to be efficient, any strategy for increasing employment opportunities should rest on increased worker training and retraining. This is why such a strategy based on a broader utilization of resources will be submitted to the provinces, the labour unions and the business community, with special emphasis on the private sector. Intensive consultations will be held with these groups. I am convinced that we will achieve those most interesting results, with the one goal of restoring to Canadians their proper role which is to make this a united, prosperous and pleasurable country.

The Acting Speaker (Mr. Paproski): Questions? Comments?

• (1530)

[*English*]

Mr. Murray Dorin (Edmonton West): Mr. Speaker, it is indeed an honour and a pleasure for me to rise to address this House as the Member of Parliament for Edmonton West. After having heard the Speech from the Throne, I am confident in believing that a new chapter will be written in history. There are fresh ideas and approaches to show the country the direction in which this new Government will proceed in the coming year.

In this, my maiden address as the newly elected Member of Parliament for Edmonton West, I want to outline some of the reasons why I became a Member and indicate to Members of this House and my constituency those areas of personal interest and concern. I am very pleased that those areas have been

addressed in the Throne Speech as well as in the economic and fiscal statement last night in what I believe is a very positive way. As a Member of Parliament I do not have and will not have all of the answers to the many pressing questions facing Canadians today. I will, however, be searching for ideas and people with ideas to help me in my role as a Member of Parliament.

I will be consulting and seeking input from my constituents and others on the direction the Government has set. I will do the political leg work necessary to carry the ideas and views of my constituents directly to government, because I feel what has been missing in government in the past is that government has not been prepared to listen to the people and, furthermore, has lacked the political will to act once the consultation process has distilled and refined the ideas which have been presented.

Make no mistake, ideas abound. All Members will know that we here in Parliament are involved in a paper war. We are inundated daily with ideas and presentations of persons seeking to put forth their views. What we need then is to define the process through which all Canadians can be confident that their views will be heard in determining how best to proceed in the direction which the Government has established in the Throne Speech and also in the economic and fiscal statement, which I believe is an integral part outlining that direction, and also that they can be confident that, following proper consultation, the Government will act. For any Member of Parliament the greatest occupation is to serve others and make certain that those people less fortunate can be assured that their government will work with them instead of imposing policies without consultation.

It is obvious from this Throne Speech that the Prime Minister (Mr. Mulroney) strongly believes in consultation with the provinces, and the new Progressive Conservative Government has indicated its willingness, and indeed intention, to co-operate with the provincial governments and all involved sectors in major policy areas.

The key issues covered in the Throne Speech by my Government are important to my constituency and the Province of Alberta. The specific areas of economic recovery, international trade and parliamentary reform are of utmost concern to me. Alberta's views must be heard at the federal level, and the new Progressive Conservative Government has indicated its willingness to hear them.

The economic renewal three-part strategy plan announced in the Throne Speech refers to removing impediments to growth, seeking national consensus for economic direction, re-invigorating investment, and enhancing private sector risk taking and innovation among entrepreneurs.

As a chartered accountant by profession, it is obvious to me that, through consultation and co-operation rather than through confrontation, this new Government can adequately respond to regional difficulties when presenting national economic policies.

The initial introduction of a First Ministers' conference on the economy, followed by a national economic summit will join important groups together for the task of constructing a national economic consensus. This summit will be justly represented by all groups: women, consumers, native peoples, labour, business and government.

Alberta cannot prosper without international trade. It is vital that we continue to contribute to our growth and survival. Canada has a vital stake in the elimination of barriers to trade, commerce and investment on an international basis.

Any further protectionist moves by the United States or other major trading countries could have a very negative effect on Canada's and Alberta's trade expansion opportunities. The future of Canada and Alberta in this area must be keyed to our success in penetrating these markets with world level technology, fully reliable export capacities and transportation networks, and a skilled, highly productive domestic work force.

Since Canada is a trading nation—more than 30 per cent of our Gross National Product is derived from exports—changes in the international trading environment have important domestic ramifications. Government must play its part by creating the climate and fostering the entrepreneurial spirit needed to realize new products and processes and to adapt and develop innovations. My colleague, the Minister of Finance (Mr. Wilson), in his economic and financial statement which was presented last night, made specific reference to directions for change in increasing industrial research and development.

• (1540)

Canada has begun to experience other structural shifts as well, such as an increase in the average age of the population, slower population growth, alterations in demand for consumer products, and greater output shares accounted for by the service sector and the high-tech industries. All of these now demand enormous adaptation and adjustment. I am convinced that the most constructive role this Government can play is to concentrate our attention on creating a kind of environment in which the private sector can do what it does best, which is to create new jobs and new prosperity.

Increasing private-sector confidence and investment in the Canadian economy will result in the security of employment and jobs in Alberta. The quality of our economy rests on the self-reliance of individuals, and that requires room in order for creativity to be expressed. In this respect, our concern for small business, Canadian ownership and access to new careers for women, minorities and young people entails a vital human concern central to our quality of life. To meet these aspirations as well as our economic challenges, it is important for our society to encourage people to innovate and to create.

Economic growth is a social necessity because it will enable us to continue to invest in social programs. As we were reminded, people and not statistics are what economic growth is about. For us, this is a far more ambitious and indeed a far more compassionate concept than a safety net of food and shelter for the less fortunate. Rather, it is the provision of necessary resources and help to reduce dependence and to

liberate the individual to participate in the work and rewards in our rich society.

Because of poor job prospects in most other parts of Canada, many unskilled people moved to Alberta in recent years in the hope of finding a job, only to discover that an adjustment to the boom in Alberta was already under way and that fewer jobs were available. The federal Government's announcement that measures are needed to improve and expand skills training and re-training and the Government's intention to introduce an innovative employment strategy is an indication that every effort is being made by the Prime Minister and his Government to co-operate with the provinces, labour and business in determining appropriate policies.

In immediately attempting to reduce the huge federal deficit, this administration has realized that the cost of servicing the deficit limits the Government's ability to meet priority economic and social needs. The deficit hides the real cost of Government and does not allow for society to respond. The deficit inhibits private-sector growth and constrains the Government's ability to encourage growth. With a balanced budget, people would have to pay directly for services and programs initiated by the Government rather than paying indirectly for these services.

We have created an environment in which people expect governments to solve all of their problems but are actually shielded from the fact that, ultimately, the price tags for all those solutions must be paid for by the taxpayer. Deficits insulate that reality, and therefore governments become unresponsive to the true demands of their citizens.

By eliminating this smoke and mirrors distortion of reality, the Government can be held accountable for the success or failure to provide the level of services desired by the citizens with the resources allocated to it by those same citizens. The people are then in a position, through their exercise of the franchise, to decide what the role of Government will be, how large a role it should play and, most important, to what degree our society shall respond to the needs of those less fortunate. That is an important point. I have every confidence that Canadians will respond in a generous and caring way when others, either within or outside our country, are in need. In fact, Mr. Speaker, I have more confidence in average Canadians responding than I have in some bureaucrat or official making a decision on what an appropriate response might be on behalf of the Government and the people of Canada.

The willingness of Canadians to respond to those less fortunate has been demonstrated by the response we have seen to the tragedy in Ethiopia. I commend my colleague, the Right Hon. Secretary of State for External Affairs (Mr. Clark), for his approach to this world tragedy and for the way that he has provided a vehicle for Canadians to get involved and to respond.

Some Hon. Members: Hear, hear!

Mr. Dorin: In Edmonton West, groups have been collecting funds to provide necessary food and equipment for Ethiopians in the hopes of alleviating human misery. It is obvious that this Government and the Canadian people care.

The Government has also announced that Members of the House of Commons will be asked to approve the appointment of a parliamentary task force on reform of the House. This is indeed an important announcement. As a new Member of Parliament, I believe that if the House were freer to represent the regional and local realities of the country, more effective federal programs and policies would result.

Parliament does not at present appear to be in full control of government, and parliamentary committees are not as effective as they could be. Individual Members of Parliament must be given sufficient and adequate resources to do the job properly. We must be provided the tools to do the job and then be expected to deliver results.

Assigning genuine problems to standing or special committees would give Ministers the views of Members of Parliament from across the country. It would also give Members of Parliament the direct opportunity of contributing to the development of policies. We must be given the power to call before committees experts from all areas of the country and all sectors of the economy. We must be allowed more free votes on issues that are not matters of confidence in the Government, and we must be given more individual power. The enhancement of the role of the private Member is the key issue and would allow our system to reflect the reality of the country and lead us to a more effective system.

The Government's planned restructuring of the Foreign Investment Review Agency will undoubtedly benefit small business directly and encourage foreign investment. In my view, this is a positive step for the Province of Alberta. The prosperity of Canada and Alberta will depend on new job creation. Under the Hon. Minister of Employment and Immigration (Miss MacDonald), a new formula has been used to allocate funds for Canada Works programs to every riding across Canada on a more equitable basis.

While I have some concerns about the long-range effectiveness of such programs, it is important to note that areas of tragically high unemployment like Edmonton, which now has an unemployment rate of 13 per cent or more, are now receiving their fair share of federal employment funds to help temporarily alleviate a very serious situation. My constituency allotment for Canada Works has been increased from a mere $122,000 to a more realistic $777,000. This indicates a concern on behalf of the new Progressive Conservative Government for the equitable distribution of funds across the country in order to stimulate employment.

• (1550)

It is Edmonton's eightieth birthday this week. It became a city on November 7, 1904. It is also the one hundred and eighty-ninth anniversary of the building of the first fort by the North West Company. The tremendous growth of Edmonton is a result of immigration from other parts of Canada and many areas of the world. People came to Edmonton because

they had confidence in the future of the city and of the province.

It is evident from the Throne Speech and the economic and fiscal statement that this administration is attempting to breathe a new spirit into federalism and restore the faith and trust of all Canadians in the effectiveness of our system of government. Canadians voted for change, and from the indications in the Throne Speech debate I am convinced that this new direction will benefit Canada, the Province of Alberta and my constituency of Edmonton West.

The Acting Speaker (Mr. Paproski): Are there questions or comments on the maiden speech of the Member for Edmonton West (Mr. Dorin)? If there are no questions or comments, I will recognize the Hon. Member for Ottawa Centre (Mr. Cassidy).

[*Translation*]

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I want to congratulate you on your election to the Chair, and I would also like to congratulate this new Government.

[*English*]

I think it is quite clear that in the election the people of Canada did vote for change, and as a consequence decided to turf the Liberals out and, hopefully, to make them a historical vestige in Canada. I believe that people also voted for the kind of compassion and concern for ordinary people which New Democrats have traditionally represented and certainly intend to represent in the course of this Parliament.

I would like to thank the electorate of Ottawa Centre for their confidence in electing me. The House may be aware that my majority was a modest one of only 54 votes, and therefore I congratulate other Members of Parliament who were elected with a larger landslide than I was able to attain this time. I will attempt to catch up with them in the 1988 election.

This is a new venue for me, but it is also a return. I was in this House as an observer, as a parliamentary journalist for *The Financial Times* of Canada, from 1966 to 1970, before spending 13 years in provincial politics as an MPP. It is good to be back in my home city. I recognize and fully sympathize with those Members who have distant ridings, because for 13 years I have been living in one community and representing another. I know the difficulties that that represents. To those new Members who are residents of my riding I offer a particular welcome and a promise that I will inform them regularly through my householder of my work in politics.

I would like to talk about the election campaign as well as the economic statement and the Throne Speech. I believe there is a real danger of polarization between Bay Street and Main Street, and I think that that danger has already been amply demonstrated by the two policy statements which the Government has delivered this week. I do not believe that the people of Canada voted for the values of Bay Street when they voted for change on September 4. I also fear that too much, too quickly and too soon the new Government is beginning to look like the Liberal Government which it replaced, rather than bring in real change which will benefit the ordinary people in my riding and across Canada.

I have a number of priorities I would like to speak on which relate to the people of my riding as well as to many people across Canada. One of those priorities is the question of housing. More than half of the people living in Ottawa Centre are tenants. We have a vacancy rate of 0.2 per cent. One apartment in 500 is actually vacant, as some new Members may have discovered when seeking accommodation after being elected to Parliament. Rents as high as $500 or $600 for a one-bedroom apartment. For family accommodation as well as apartments they are far beyond the affordability of large numbers of people who live in Ottawa Centre, despite the fact that Ottawans are perhaps fortunate in having a higher level of employment and somewhat higher incomes than people in many other parts of Canada.

In my area, homes which rented for $100 a month in 1966 have been renovated. Then are now renting for up to $1,000 or more a month, 18 years later. That is symptomatic of what has happened to the housing situation in Ottawa. The question is, what do families on modest incomes do?

Over many years as an MPP I fought for the rights of tenants. I was among the first people in the Ontario Legislature to seek and successfully gain rent review to protect tenants in the Province of Ontario. But that protection is not good enough if housing is not being provided for people on modest incomes. That is why I regretted so much the cut-backs on co-operative and non-profit housing allocations which were taking place under the Liberals, and why I equally regret that in the Throne Speech and the economic statement there was no thrust at all to have a job-creating investment in new housing directed to people on modest and moderate incomes.

It is to our shame in Ottawa that last winter we had to open emergency shelters because there were hundreds of adult men and women who were homeless. They had no place to live and no place to sleep. There is no form of social alienation in our society which is more intense than that of a person who does not have a roof over his head. In our province, people cannot even qualify for welfare unless they have a home address. There are now sizeable numbers of people in Ottawa who do not qualify for that minimum level of assistance because they have not got a home of their own.

The market system, in which the Minister of Finance and the Conservative Government have put so much trust, is not succeeding in providing housing for people who are poor and people who are on moderate incomes. There are a million Canadians who face an affordability crisis in housing, many of whom are here in Ottawa and in my riding of Ottawa Centre. If the market system is not going to work, people in that situation are either condemned to inadequate accommodation—to paying 30 per cent or 50 per cent of their income in rent—or to having no accommodation whatsoever. I fear that is what the Government is doing because of its lack of housing provisions in the Throne Speech.

The Throne Speech and the economic statement indicated that the Government intends to make cut-backs in the Public

Service. My riding is a Public Service riding, and I certainly intend to be a voice on behalf of those people who are public employees and who do essential jobs for Canadians through the Public Service. So far, it has been indicated that 1,500 cut-backs will begin in March, and 2,400 positions will be cut back over the next two or three years. That is disturbing and disquieting. Those numbers are less than we had feared, and for that small mercy I suppose we should be thankful. However, I want to insist that training schemes and relocation schemes be put into place so that no one in the Public Service is forced to lose his or her job as a consequence of the economies which are imposed by this Government. If there were adequate training and adequate advance identification of those workers, that would not occur. It certainly occurred when the Ministry of State for Economic Development was shut down a few months ago under the old Government. I want to ensure that the secretaries, the clerks and the little people who work in the Government get the same treatment as the high-priced bureaucrats in senior jobs received when that Ministry of State was closed down. I hope that the new Government will give that priority.

I also hope to see priority given to the question of political rights for public employees. Over the last several years people working for the Government of Canada have had to put up with an awful lot. A Liberal Government was elected which said that it was opposed to wage and price controls, but it brought in those controls. In the last two years, the Liberals brought in the six and five program. The Liberal Government did it a second time. If people working in the service of Canada wanted to get involved politically to defend their own interests, or if they wanted to get involved politically and had some interest which was completely unrelated to the fact that they worked for the federal Government, they were impeded because of federal law which gives no political rights to people who work for the Government of Canada, apart from the fact that they can vote. As well, under certain limited circumstances those people can present themselves for nomination. This was a major issue in my campaign and I am pledged to work for political rights for people who work in the Public Service of Canada. I want to see that the vast bulk of those workers do not face the disciplinary threats that they faced over the course of this year when the federal election was impending.

• (1600)

Since 1966, the Public Service Employment Act has had restrictions, but they have not effectively been in force because they had to be initiated by a candidate for Parliament, and that did not occur. However, this year the restrictions and warnings were intense. Cases have been lodged and people have been threatened with dismissal for attending political conventions, even despite the fact that no election was taking place. It seems to me, Mr. Speaker, that that kind of treatment runs in the face of what we have been trying to achieve in this country, which is to broaden people's political rights rather than to narrow them.

I want to remind the Government that when the Conservatives were campaigning this summer, before they became a government, they made it very clear that they believe that most people in the Public Service of Canada should have political rights along the lines for which I would argue and which I would support. In fact, in the correspondence with both the Professional Institute of the Public Service and also with the Public Service Alliance, Brian Mulroney, as Leader of the Conservative forces in the campaign, indicated that the matter should be addressed by an all-Party parliamentary committee in consultation with Public Service organizations, and I am quoting now—

The Acting Speaker (Mr. Paproski): I would hope that the Hon. Member would refer to the Right Hon. the Prime Minister as the Right Hon. the Prime Minister.

Mr. Cassidy: Well, at that time he was Brian Mulroney, but I will certainly refer to him as the now Prime Minister of Canada.

The now Prime Minister said in his letter to PIPS, "We believe the situation can be quickly resolved—", and referred to the work of the D'Avignon Commission in 1979 as a valuable base on which that should be done. I am disappointed, Mr. Speaker, that that promise was not reiterated in the Throne Speech. I urge the Government and all Hon. Members, in particular those from Public Service ridings, to ensure that that parliamentary committee is set up in the life of this Parliament, hopefully by December. I remind the Government that similar promises were made by the Liberals when they were in Opposition in 1980, but the moment they came back to power they forgot about that particular promise and commitment. I would urge the Government not to be like the Liberals. Do not start forgetting your promises as soon as you get into government. This is an issue which I believe ought to be addressed and ought to be addressed very, very soon.

There are many ethno-cultural communities in my riding. I have made some strong commitments on a number of issues which relate to people from ethno-cultural communities and I am determined to ensure that we will respect those commitments, such as action for redress to the Japanese Canadians for their treatment during the war; action for redress for the terrible situation imposed on Chinese Canadians with the head tax, which effectively shut off immigration to this country over the first part of this century; and the need for affirmative action programs within the Government of Canada in order to ensure that visible minorities are no longer discriminated against in terms of employment. I look forward to the results of the Rosalie Abella Commission on that particular subject. I regret the fact that in the Throne Speech the Government did not take advantage of the opportunity it had to commit itself to the principles and recommendations of the all-Party task force of this Parliament which were contained in the document called Equality Now. It seems to me that that is an excellent blueprint with respect to action by the Government of Canada regarding that important part of my riding, and of our country, which is represented by the ethno-cultural communities.

[*Translation*]

Mr. Speaker, I would like to get back to some broader issues concerning what was announced in the Throne Speech and the statement made by the Minister of Finance (Mr. Wilson) last night. As Hon. Members are aware, I am now my Party's critic for Treasury Board and Science and Technology, but I have also been appointed Chairman of our Caucus on Quebec, and, Mr. Speaker, we intend to further develop the New Democratic Party's action on issues that concern Quebecers, as well as the activities of our Caucus in the Province of Quebec.

I am afraid that since the September 4 election, there has been a change in the Government's priorities. During the election campaign, the Government ... the Progressive Conservatives said that their priority was jobs. Now it is the deficit, and they maintain that if they can get rid of the deficit, that will attract investment and create jobs.

Since I am going to deal with issues that concern Quebec, I sincerely wonder whether these policies will really affect the situation of Quebecers. Will investment solve the unemployment problem in Quebec in the near future, considering that a majority of Quebecers voted for the Progressive Conservative Party? They elected 58 PC Members to sit on the Government benches. I believe that Quebecers did not vote simply for the theories of Ronald Reagan or Neo-Conservatives, but for a real change to solve the unemployment problem in Quebec and throughout Canada.

The facts are as follows: Unemployment in Quebec has now reached 12.8 per cent compared with 8.9 per cent in Ontario. There is a difference of 4 per cent between the two provinces. Regionally, unemployment has reached 25 per cent in Rouyn-Noranda, 21 per cent in Chicoutimi and 15 per cent in Hull and the Outaouais compared with 8 or 9 per cent in Ottawa. Unemployment is now 14 or 15 per cent in Trois-Rivières. That is the situation. However, the Government is trying to convince us that, if the deficit begins to decrease, this will promote investment which will in turn help correct the situation.

Is the market place going to reduce the difference between the unemployment rates in Quebec and Ontario? Definitely not, in my opinion. What we need is for the government to show leadership and to give priority to employment and not to concentrate only on the deficit.

Will the private sector create jobs in Chicoutimi or Rouyn-Noranda? I do not think so.

What has happened in the past? Many industries in Quebec, such as the mining and the textile industries, have specific problems with which the Government of Canada should be dealing instead of ignoring them. However, the new Government seems to be planning to ignore these problems in the belief that the market place will solve them.

Mr. Speaker, I would like to remind you about the situation of the Iron Ore Company of Canada. This company had as its president Mr. Brian Mulroney before he became Prime Minister—

[*English*]

The Acting Speaker (Mr. Paproski): I regret to remind the Hon. Member that this is not the Ontario Legislature. The Hon. Member must, not use the Right Hon. the Prime Minister's name. I must also correct him on his use of the name of the Hon. Minister of Finance. He must not address them by their names.

[*Translation*]

Mr. Cassidy: Mr. Speaker, I am newly elected to this place, but in the future, I shall definitely refer to the Right Hon. Prime Minister and to the Minister of Finance by their titles.

When the Prime Minister was president of Iron Ore, he closed down the Schefferville mine. At the time, some 600 workers received compensation and separation pay totalling $9 million. However, between 1980 and 1982, the American owners of Iron Ore of Canada received $225 million in dividends while 600 workers received separation pay amounting to $9 million and 1,200 workers were laid off without getting any compensation from the company. These were people who worked in Labrador or for the railways owned by Iron Ore of Canada.

Mr. Speaker, this is how the private sector operates. This is what happened to a private company in Quebec.

[*English*]

That is a good example, Mr. Speaker, of why we are concerned about the promises of the Government, that the free market on its own will suddenly invest and bring jobs back to places like Chicoutimi, Schefferville, Rouyn and Noranda. We quite honestly do not believe that that will in fact occur. We intend to be very active in our attention to the Province of Quebec. As I said in French, I am now heading a Quebec committee of our caucus. We have a Quebec committee in our Party as well. We will be working there because now we are the second party in terms of representation in the House of Commons from all of English Canada, and after 1988 I want to make sure that we are the second or first party in this Parliament representing the people of Quebec as well.

• (1610)

In conclusion, Mr. Speaker, I am very disappointed that in the course of the statements made in the Throne Speech and in the economic statement of the Minister of Finance (Mr. Wilson), so little reference was made to the problems of technological change which we have to learn to manage if we are to survive successfully the next ten or fifteen years. I believe that responding to technological change can only be done if we do it together. I welcome some of the statements made by the new Government concerning seeking consensus, conciliation and consultation. But consultation is empty if you are not prepared to share in decision making. One of the most urgent problems, it seems to me, in responding to the challenge

of technological change is for us as Canadians to learn to share in decision making. The responsibilities of management will have to be shared. Management rights will have to be redefined. Working people will have to take some of that responsibility as well. It is a two-way street. It means both legislation, exhortation and a lot of new thinking by a lot of people. That is why I very much regret that somehow we seem to be getting the rhetoric of Bay Street and encouragement for some of the most outdated management attitudes from the new Government, rather than a clear move forward.

For my part, as critic for science and technology in my Party, Mr. Speaker, I certainly intend to ensure that we look for consensus, conciliation and consultation, but that we do it by sharing, a real kind of economic democracy. If we could move to make economic democracy in this country as powerful and meaningful for every Canadian as is political democracy, I think we would be doing a very good job for all Canadians in moving this country toward the 21st century.

[*Translation*]

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

The Hon. Member for Ottawa-Vanier (Mr. Gauthier).

Mr. Gauthier: Mr. Speaker, I would like to extend a warm welcome to the Hon. Member for Ottawa Centre (Mr. Cassidy) even though he defeated one of my good friends whom we will miss, the former Member for Ottawa Centre, Mr. Evans.

I think that the Hon. Member has raised a rather important question in his remarks concerning the Public Service of Canada, particularly with respect to the right to participate in the political process. He is referring of course to this issue which he used himself during the electoral campaign—and it served him well. But I would like to ask him to comment briefly and make it clear to Hon. Members and the public at large that there are indeed two aspects to the question he has raised. First, the political participation of public employees which is covered under Section 32 of the Public Service Employment Act. I think that the Hon. Member has explained that this section applies during an election and that the Public Service Commission must initiate disciplinary proceedings against a public employee who has been the subject of a complaint by a Member of the House. I should think that very few Members are not fully aware of that provision. That question has been debated at length here and, in the spring of 1984, the Members of the parliamentary committee had an opportunity to raise that issue with the Chairman of the Public Service Commission, Mr. Gallant.

The second aspect is very important, Mr. Speaker, and it is about it that I would like to put a question to the Hon. Member. It has to do in fact with the freedom of expression of public employees.

[*English*]

—freedom of expression. The Hon. Member will recognize that in the PIPs brief that was made public in the last week or ten days a lot of emphasis was put on freedom of expression. That is a totally different approach than the strictly political participation. I would like to know if he agrees with me that it is a much more encompassing, much larger, more difficult area to discuss, assess, evaluate and come to grips with.

[*Translation*]

And if in his answer he could explain to me his position on the question of the freedom of expression of public employees—

Both the Hon. Member and myself represent civil servants here, in Ottawa. In our riding we probably have a majority of them, and certainly more than most other ridings. The problem is that there are Hon. Members from outside Ottawa who represent ridings where there are high officials dealing with customs, manpower, skills upgrading or immigration; an immigration officer has the power to decide whether or not a person may enter Canada. From his point of view, would he allow these officials to make public statements concerning government policies? Would he extend to all civil servants this freedom of expression? Since he mentioned the D'Avignon report, does the Hon. Member suggest, like D'Avignon, that there should be restraints placed on the Civil Service as a whole, so that as politicians, we could rely on a non-partisan Civil Service which not only refrains from arbitrary statements concerning government policies but also which is perceived by the Canadian public as totally independent from the government and partisan politics?

Mr. Cassidy: Mr. Speaker, that is a good question. I would say that—

[*English*]

Perhaps I can reply in English to that particular question. The Hon. Member raises a good question, one which I believe should be studied by a parliamentary task force, particularly if it were to be established very quickly. I happen to believe that most of the restrictions which exist now can and should be removed. That was the position of the D'Avignon Committee, and it is also the practice in Great Britain where senior civil servants do not have freedom to act in a political way. They have to remain neutral, but people who hit the typewriters and drive the trucks and run the weather stations and do all the other jobs that most of the 250,000 people in our Public Service perform would in fact have political freedoms which are essentially the same or almost the same as those of anyone else. I say almost the same in this respect. The principle that is you work for General Motors you do not criticize Chevies if you want to stay in the firm probably applies here, too. If you happen to work for Transport Canada, then I think it is legitimate to expect that a person would not speak out about the policies of his or her immediate employing department. I think that that probably is something that can be developed through guidelines or in other ways, but it certainly would not

prevent someone from Transport Canada from being quite actively involved in concerns about, let us say, ureaformaldehyde insulation or concerns about peace or the Cruise missile or some other issue not related directly to his or her department.

I do not think that people in this Parliament are going to be inhibited or restricted by the fact that some people working for government are active politically or are, from time to time, when sitting at a bar, going to a meeting, or in some other way, speaking out on some issue not directly related to their employment. I think this place can rise above that. I do not think that is particularly a problem.

In the case of a Customs worker or someone else who is making quasi-judicial decisions, there may be a certain limited group around whom one has to have a certain intermediate level of restrictions. That is a possibility. But I would say that somewhere around 90 per cent or 95 per cent of the people working for the Government of Canada should have the freedom of expression and of political activity, a freedom which should not have been taken away from them many years ago.

The Acting Speaker (Mr. Paproski): The period for questions and comments is now terminated. I recognize the Hon. Member for Peace River (Mr. Cooper).

Mr. Nickerson: I rise on a point of order, Mr. Speaker. I would like to bring to your attention the fact that in the last question and answer period there was only one question asked and one answer given. My understanding of the rules is that what we were trying to do when we changed the rules was to allow some kind of debate and to have one, two, three or four Members ask questions of the Member who had spoken.

● (1620)

The Acting Speaker (Mr. Paproski): Order please. I can appreciate what the Hon. Member said, but when the Hon. Member completed his maiden speech there was only one Member who rose. I considered him to be the only individual who was going to be asking a question or making a comment. Therefore, I proceeded to allow him to have the whole 10 minutes. I am sorry about that.

Mr. Albert Cooper (Peace River): Mr. Speaker, may I begin by congratulating you on your appointment to serve this House in your honoured position. We are very flattered to have you as one of the officers of the House. I would also like to offer my congratulations to Mr. Speaker Bosley. As he has become the interpreter of the rules of this place, I would like to share with him and with you, knowing your sense of humour, a little definition of what an interpreter is. I must say that my comment is made with tongue in cheek. The definition comes from a dictionary which you may well know was written by Ambrose Bierce. It reads:

> Interpreter: one who enables two persons of different languages to understand each other by repeating to each what it would have been to the interpreter's advantage for the other to have said.

I will leave that with you to think about a little bit. You may consider that as you and Mr. Speaker Bosley are called upon to interpret what takes place in this special institution of which we are privileged to be a part.

Before I really begin my remarks, I would like to thank the people of the Peace country for once again giving me the opportunity to serve them in the House of Commons. I found serving them over the last four years to be an exciting challenge, an opportunity, and one of the great thrills of my life. I appreciate the confidence which they have once again placed in me by returning me here. I also appreciate the constant feedback they have given me over the last few years, and which I know they will continue to give me as I continue to work for them in this new Parliament.

I would like to start to discuss the business at hand today, namely, the Throne Speech. As I heard the Throne Speech being delivered I felt there was a great deal of value in that speech. There were a number of things which I felt were extremely significant. I would like to focus on some of those which I feel are very important. One of the first items which comes to mind as I think back on the Throne Speech is the area of federal-provincial relations. This particular issue is very much a concern to the people of Alberta whom I represent. We are very concerned about federal-provincial relations because in the last few years we have watched what can happen when those relationships start to break down. We can see the development of separatists in a region where that had never been a problem. We can see the frustrations and angers that begin to boil and brew when federal-provincial relations are not working. We know that that can cost us jobs. We know of the angers and frustrations which become apparent when federal-provincial relations are not given a priority.

As I listened to the Throne Speech I sensed that we can now expect and look forward to an end to the bickering. I hope that we can start to see some realistic approaches. From conversations which I have had with provincial colleagues, I can tell that tensions are reduced now. There is an opportunity for us as Canadians, for Albertans, Quebecers and people from Ontario, to begin to relate to one another and represent those people at the federal-provincial levels whom we are all elected to serve. I see that as being one of the primary factors in the Throne Speech which I hope will establish a tone for the new Parliament.

A second area in the Throne Speech which is of particular interest to me is parliamentary reform. I had the privilege of serving on the special task force which dealt with parliamentary and procedural reform in the last Parliament. It is a subject which is very near and dear to my heart. It is a subject which I consider to be of paramount importance. It very much affects all of the individual Members of the House, but even more than that that it affects how this nation is governed, how we approach our legislation and the ability that we have to move legislation through the House of Commons.

From references in the Throne Speech to these subjects I sense that there will be a much more meaningful role for private Members of Parliament, Members who are not neces-

sarily in the Cabinet, who are not Parliamentary Secretaries or have not been given a high profile title. I sense that there will be new opportunities for those of us who are in that position. I also see an indication that there will be improved opportunities for Members of Parliament to examine the Government and to consider what it is bringing forward and the implications and seriousness of it. The Prime Minister (Mr. Mulroney) has asked the Member for St. John's East (Mr. McGrath) to head this very important task force. The Member for St. John's East is a well-known senior Member of the House who has contributed to parliamentary and procedural reform for years. I would like to congratulate him on his appointment and to congratulate the Prime Minister on his choice of this particular individual, who I know is fully capable of delivering to the House a concrete, serious and valuable report.

A third area of the Throne Speech which I believe to be significant is tax reform. Members will recall that in the last Parliament the Hon. Member for Wellington-Dufferin-Simcoe (Mr. Beatty), who is now the Minister of National Revenue, was asked by our Party to form a task force to look into Revenue Canada and the difficulties that Canadians from coast to coast were facing with that Department. In my opinion it was one of the most important task forces to be struck in the last Parliament. Out of that came a great deal of good, a great deal of excitement, and a great deal of challenge for the new Government.

In the Throne Speech we have seen signals that there will be an end to the quotas which had so many of us worried and kept so many of us busy by constituents who felt they were being harassed by the Department simply because someone was trying to fill a quota and making sure they were getting their promotions.

Another important factor in the area of tax reform is the concept that a person is innocent until he or she is proven guilty, which we have always thought was significant and totally acceptable in Canada. However, we found that was not the case with Revenue Canada. Often we had taxpayers who were reassessed and had to pay that tax before they could even appeal. So they were found guilty until they could prove their innocence. There are indications in the Throne Speech that we are going to change that. I would like to congratulate the Government on that.

The Throne Speech is a statement of intent, Mr. Speaker. It is a statement of intent in the broadest sense. It cannot outline specifically all that must be done. Of course, the Governor General, out of politeness and good manners, did not or could not tell us why all of these things had to be done. However, I am not under any similar restrictions today and I feel quite free to talk about why I think we need the changes which have been indicated in the Throne Speech and in the economic statement which followed. I believe that we must change the direction in which the Government has been leading the country. We must change it because for so long now the direction in which we have been moving has been the wrong direction. I would like to refer to a few examples which I think demonstrate very clearly the wrong direction in which the previous Government was moving.

Representing the region that I do, I must speak first about the National Energy Program. That Program destroyed investment, opportunity and jobs and set back our country in terms of energy self-sufficiency. That was an example of the wrongness of the actions of the previous administration. There was Canagrex, on which I can remember having a very long debate in the House. It was a debate that took place because Canagrex was going to be the new saviour of our agricultural community. It was going to catapult Canada into making world exports of our agricultural products. After it was formed, we saw that that did not happen, the results were not there. So we now see why we had to cancel Canagrex and return those funds to the Government of Canada. That is a second example of how wrong the last Government has been.

• (1630)

I have already referred to Revenue Canada. Never have we seen such a demonstration of arrogance and such an uncaring attitude toward Canadians. Canadians were treated like numbers and simply as a source of revenue. There was no sense of concern or compassion for fellow Canadians. I believe that the previous Government's use of Revenue Canada greatly contributed to the fact that we are now sitting on this side of the House and they are sitting on that side. There has been a change of government because Canadians did not like the attitude demonstrated by the Liberals. Fortunately, I believe that we are turning that direction around.

In addition to the Throne Speech we also heard the economic statement made by the Minister of Finance (Mr. Wilson) last night. When I listened to that very significant and important statement for all Canadians, I was struck by the open, frank and sometimes very disturbing appraisal of the problems we face in this country. I was particularly impressed by the fact that the Minister seemed to be speaking directly to the people of the Peace River constituency.

People from the area I represent could quickly relate to many items in the economic statement. They could see that there was an attempt by the Government to recognize the difficult situation that the people of Peace River and all Canadians experienced. They could see that there was an attempt to provide some solutions.

The first issue that comes to mind is that of farm fuel costs. Last night the Minister indicated that there would be an end to the sales tax on farm fuels of some three cents a litre. That is very significant because it gives a considerable advantage to people in the Peace country who consume a great deal of fuel in the seeding, harvesting and maintenance of their fields and crops. In addition, there will be no increase in the petroleum compensation charge to our farming community. These measures are a recognition of the importance of stable input costs to the agricultural community of Canada. That is extremely important to the people in the Peace country, particularly at this time when we are facing rather difficult times.

I must say that there are agricultural difficulties which still must be addressed, particularly in my part of the country. These include the difficulty of covering freight costs for such places as Valleyview, McRae and Fort Vermilion. These are examples of communities in my riding which do not have rail service for grain transportation. I will continue to emphasize this serious situation faced by that part of my riding. There are other areas that are affected by freight costs as a result of changes in the Crow rate.

Let me point out that we in the Peace River area were pleased with the Prime Minister's appointments to the agricultural community. My colleague, the Hon. Member for Vegreville (Mr. Mazankowksi), who is now the Minister of Transport, is probably one of the most knowledgeable people about the difficulties facing our farmers in terms of the shipment of their grain to market. The Minister of Agriculture (Mr. Wise) understands the difficulties that we face, and the Minister responsible for the Wheat Board knows that industry as does no other person in the House. We are very pleased, and I know that the people of the Peace country want to congratulate these Ministers on their appointment to these positions. We look forward to their leadership and assistance in providing for the needs of the people in the Peace country.

Another area of particular concern to my constituents is the question of northern allowances. As Hon. Members know, a previous Minister of Finance who is now a Senator in the other place introduced legislation that would greatly affect and tax benefits that northerners receive while working in the North to compensate them for the high cost of living and working in those areas. As a result of last evening's economic statement, there will be a remission of a number of these taxes until 1985 and there will be a study made to determine what further changes can be made. I plan to participate in that process and anticipate the opportunity of making an input to ensure that the people who work and develop the North and provide many of the resources which the rest of Canada enjoy will have a fair tax set-up.

Furthermore, there will be a reference for study on the whole issue of part-time farmers. Many Members will be aware of the difficulties that have arisen in this area. It is a unique problem that is very much a factor in the Peace country. Many new farmers in that area are opening new land. This involves tremendous costs with no income initially, because one must wait for some time before there is any return. Therefore, many of these individuals must earn income off the farm. Under the previous administration, once they did this they were immediately declared part-time farmers and lost the tax benefits they previously would have had as full-time farmers. This placed them in a classic Catch 22, situation. I am pleased that this matter has been referred for study, because it must be addressed. Again, it is a recognition of the serious problems facing many of our farmers.

Other items that I could mention which have a significant impact on the Peace country include changes to the PGRT. This will remove some of the uncertainty faced by our producers. It will also have an impact on oil sands production, which is of particular concern to the region I represent because of the Peace River tar sands project, which is now considering an expansion. I hope that these changes will mean that the project can proceed, thereby encouraging investment and jobs, which are so desperately needed not only in my part of the country but in all of Canada.

There is the matter of veterans' pensions. Any Hon. Member who has spent any time in the House will know that this has been one of our biggest frustrations. It has been frustrating to deal with the members of the Armed Forces or their dependants who have been forced to exist on pensions that are terribly meagre and in fact an embarrassment to all of us when we witness such treatment to those who gave so much to represent our country in the last wars. I am pleased that there will be a one-year extension of pensions for a surviving spouse and that the disability pension will continue for one year. I am pleased that that pension will now be pegged to the consumer price index or to wages of a select group of public servants. We are making progress in recognition of the difficulties experienced by all Canadians.

The main economic thrust of the Government as illustrated by the economic statement and the Throne Speech is the reduction of the deficit. In closing let me address that question. If we avoid dealing with the deficit, we are locking ourselves into permanent debt. Without such action we will not be getting the value for our tax dollars and soon will only be making interest payments on interest payments. The third result of a high deficit is high interest rates. An economy cannot grow with high interest rates and the result is reduced consumer demand. It would mean reduced housing starts with reduced investment and consequently fewer jobs.

• (1640)

We cannot sit and do nothing. We have to make a number of hard decisions and we have to make them now. That is what I see coming through this Throne Speech and what I see coming through this economic statement.

The most optimistic projections indicate that our present deficit is up to about $34.5 billion. Next year it has been projected at about $37 billion. Between now and 1990 that deficit could well stay between $34 and $38 billion.

As the Minister of Finance said last night, to put it in common terms, it means that in 1967 a family would have had a debt of $4,000. Today that national debt per family has gone up to $24,000. If that trend continues, it could well mean by 1990 a debt of $54,000 per family.

My time is just about up, Mr. Speaker, but let me say that it is most important that we kick our economy into gear. We can do that by addressing the deficit and by addressing the serious situation that exists in this country.

I want to congratulate the Prime Minister and his Cabinet on the initiatives they have taken both in the Throne Speech and in the economic statement.

Some Hon. Members: Hear, hear!

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

It being 4.45 p.m. it is my duty, pursuant to Standing Order 42(3), to interrupt the proceedings and put forthwith every question necessary to dispose of the subamendment.

Mr. Gauthier: Mr. Speaker, I rise on a point of order. Perhaps my eyes are deceiving me but it appears to me that we have speakers on this side of the House who would like to speak in this debate, and I take it that it is only 4.42 p.m. at best. I do not want to question the time that you have called, Mr. Speaker, but I would appreciate it if our Members could also participate in this debate.

The Acting Speaker (Mr. Paproski): In response to the Hon. Member for Ottawa-Vanier (Mr. Gauthier), I did not see anyone rise from his side of the House. The Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano) will be recognized now that I see him rising. There are about two minutes left, and in order for him to make his maiden speech and keep it intact, it would be much better if he were recognized now and were to be one of the first to speak at the next debate on the Speech from the Throne.

Mr. Gauthier: Mr. Speaker, I take it that you are protecting the position of the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano) on Tuesday morning at eleven o'clock and that he will be recognized first on this side.

The Acting Speaker (Mr. Paproski): Yes, when we next commence with the Throne Speech debate.

May I reiterate. It being 4.45 p.m. it is my duty, pursuant to Standing Order 42(3), to interrupt the proceedings and put forthwith every question necessary to dispose of the amendment to the amendment. The question is the following one. Mr. James, seconded by Ms. Jacques, moves:

That the following Address be presented to Her Excellency the Governor General of Canada:

To Her Excellency the Right Honourable Jeanne Sauvé, a Member of the Queen's Privy Council for Canada, Chancellor and Principal Companion of the Order of Canada, Chancellor and Commander of the Order of Military Merit, upon whom has been conferred the Canadian Forces' Decoration, Governor General and Commander-in-Chief of Canada.

MAY IT PLEASE YOUR EXCELLENCY:

We, Her Majesty's most loyal and dutiful subjects, the House of Commons of Canada, in Parliament assembled, beg leave to offer our humble thanks to Your Excellency for the gracious Speech which Your Excellency has addressed to both Houses of Parliament.

Mr. Turner (Vancouver Quadra), seconded by Mr. Gray, moves:

The Address—Mr. Cooper

That the Address be amended by adding the following words:

"But this House condemns your advisers for their failure to demonstrate leadership and to provide plans for immediate action in the creation of tens upon tens of thousands of new jobs".

Mr. Broadbent (Oshawa), seconded by Mr. Deans, moves:

That the amendment be amended by adding the following words:

"and specifically, that your government has failed, 1. to set jobs as its top and immediate priority; and to set targets and outline specific new programs to put Canadians back to work; 2. to reform the tax system to ensure wealthy Canadians pay their fair share of taxes and that corporations use their tax breaks to create more jobs; and, 3. to provide immediate measures to bring about equality for women in Canada".

The question is on the amendment to the amendment.

Is it the pleasure of the House to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour will please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the nays have it.

I declare the amendment to the amendment lost.

Amendment (Mr. Broadbent) negatived.

Mr. Gauthier: Mr. Speaker, I rise on a point of order. I am very disappointed, and I hate to point this out to the House, but my friends from the New Democratic Party surprised me. I stood up to help them and hold their hands in order to get their subamendment voted upon. I am sorry to see the 10 per cent solution, that there are only three New Democrats in the House and they could not be here to make this subamendment of theirs a votable motion. I regret that this motion—

Ms. Copps: And this is the real Opposition.

The Acting Speaker (Mr. Paproski): I am sorry to interrupt the Hon. Member for Ottawa-Vanier but he does not have a point of order.

It now being five o'clock, pursuant to order made Thursday, November 8, 1984, this House adjourned until Tuesday, November 13, 1984, at eleven o'clock pursuant to Standing Order 2(1).

At 4.45 p.m. the House adjourned.

HOUSE OF COMMONS

Tuesday, November 13, 1984

The House met at 11 a.m.

• (1105)

[*English*]

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed from Friday, November 9, consideration of the motion of Mr. Ken James for an Address to Her Excellency the Governor General in reply to her Speech at the opening of the session; and the amendment thereto of Mr. Turner (Vancouver Quadra) (p. 38).

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, thank you for recognizing me on this occasion, my first address to the House of Commons. I would like to congratulate you on your election to a role in which you will surely excel. As one of the most junior Members, I would also like to extend my best wishes to the most senior Parliamentarian, the Hon. Stanley Knowles. Mr. Speaker, you will undoubtedly find him to be a great source of wisdom.

[*Translation*]

Mr. Speaker, it is a great privilege for me to address this august assembly, and I wish to thank the people of Saint-Léonard-Anjou for electing me as their Member and giving me the honour of representing them in this Chamber.

My riding, located on the eastern part of Montreal Island, consists of two towns, Saint-Léonard and Anjou, and part of the parish of Saint-René Goupil. Saint-Léonard has a population of over 70,000, of whom 40,000 are French speaking, 25,000 Italian speaking, 8,000 English speaking and 5,000 of other origins, including many Haitians. In Anjou, the vast majority of the population, 36,000, is French speaking, followed by 3,000 Anglophones and 1,500 residents of various origins. The riding also includes about 5,000 residents of Saint-René Goupil.

[*English*]

It is particularly exciting to represent such a diverse and truly multicultural riding. It is principally residential but it also contains the important industrial parks of Saint-Léonard and Anjou. Both of these industrial parks contain a broad sample of that most vital part of our economy, small business.

[*Translation*]

In 1963, our municipalities were small towns without any real economic infrastructure. In twenty-one years, thanks to Liberal legislation which promoted business development, we have been able to achieve a level of economic growth seldom equalled in Canada. By dint of hard work, diligence and intelligent planning, our small and medium-sized businesses have made the riding of Saint-Léonard-Anjou a major commercial and industrial area.

[*English*]

While I am on the subject of Saint-Léonard-Anjou, which I am very proud to represent, let me say how honoured I am to succeed the Hon. Monique Bégin as its Member of Parliament. It is no small task to try to follow her example. She was such a bright and compassionate person, one who worked so hard to improve the lifestyle of disadvantaged Canadians.

[*Translation*]

An exceptional Member of Parliament, she remained close to the concerns of her fellow Canadians, while at the same time developing a vision of the realities of this country. She is one of those remarkable people who have had a profound influence on Canada, both through the legislation that was adopted by Parliament and her contribution to the social evolution of our country. Without her, this country would not have become what it is today: a modern and dynamic country, with a concern for social justice and able to provide health services that are the envy of the rest of the world.

[*English*]

I join with my constituents in thanking her for the 12 years she worked for the riding. I will try my hardest to maintain the standard of service which she set.

[*Translation*]

Mr. Speaker, I pointed out earlier the major role played by small businesses in my riding. Thanks to these businesses and to the assistance provided by the previous Government, Canada has one of the highest job creation rates in the industrialized world. Our small businesses certainly deserve to be praised for their role in the present economic recovery.

[*English*]

Small businesses, from corner grocery stores to microchip manufacturers, from tailor shops to machine shops, can create more real jobs faster than any other sector of the economy. In light of this, I was pleased to hear on Monday that the Government intends to enhance risk taking and to reward entrepreneurs. That is good, but it would be better to know how it will be done.

[*Translation*]

Confidence is said to be a wonder drug. However, if the government wants to restore confidence, it ought to follow a realistic and constructive rather than an ambiguous approach. Canadians are impatiently waiting for specifics.

Referring to the correctional system, the government stated, and I quote, Mr. Speaker:

But it is obvious that there are grave defects in the system and my government accepts its responsibility to rectify these quickly.

Well, Mr. Speaker, it is now up to the government to accept the responsibilities set forth during the electoral campaign and to begin to deliver on its promises, including those which it forgot to include in the Speech from the Throne.

The government proudly and rightfully talks about its mandate as if it were an excellent opportunity. Mr. Speaker, it is an excellent opportunity to suggest concrete solutions instead of making empty speeches as they have been doing so far.

According to the polls, the majority achieved by the Conservatives reflected a desire for change, not a miraculous conversion to the Conservative Party. The Progressive Conservative government has a very clear mandate to take action. It has a mandate to keep its promises, for indeed they were very generous and even impossible promises. One could even say that they were irresponsible promises.

Mr. Speaker, the government stated that the answer to all the problems of this country lies in consensus, and I quote:

A national consensus is also needed to reduce the persistent isolation of Canada's regions, to meet the challenges of economic and social disparity, to revitalize the strength of our traditional resource industries, such as agriculture, forestry, mining, the fishery and tourism, and to ensure that our critical transportation and communication links better serve the national purpose.

To me, those are pious wishes. A national consensus, but what about? And on what? We have yet to hear practical suggestions which might lead to a consensus. A national consensus! Would problems disappear as if by magic so that the government will not have to solve them? And then we are told, and I quote:

Future summits could address in more details issues such as the enhancement of productivity, and the responsibilities of industry, labour and government in training and technology.

Those are important issues which are put on the back burner, Mr. Speaker, such as the tens of thousands of jobs which were to be created the moment the new Cabinet was sworn to office.

• (1110)

[*English*]

The vocabulary of the Government is full of expressions showing it is in no hurry, expressions like "over time" and "following extensive consultations". I hope it does not substitute "lengthy" consultations for "extensive" consultations. Where is all the work that the famous Tory transition team is supposed to have accomplished? Why were there no new and solid policy proposals in the Throne Speech?

We heard during the campaign that with the swearing in of the Cabinet tens of thousands of jobs would be created. In the absence of any substance to that blarney, we could have at least expected there would be legislation to reduce unemployment; but no, instead of "jobs, jobs, jobs" we hear those heroic Tory buzz words "study, consultation and consensus". Will the words "some time in the future" cure the unemployment problem?

[*Translation*]

Mr. Speaker, I admit that some initiatives were taken last Monday, but they did not come from the Progressive Conservatives since they did nothing more than implement the initiatives of the previous government. For instance, deletion of discriminatory provisions in the Indian Act, repression of pornography, assistance to victims of family violence, and resumption of discussions on pension reform already launched by the Liberals. The government might claim to have some credibility if it had been able to fulfil the expectations of Canadians by implementing its own policies as a substitute for the Liberal policies it has adopted.

[*English*]

As for the meagre Tory input of the cure-all "consultation, mediation, co-operation, consensus" and above all "confidence", well, they are very slick buzz words but are a poor substitute for the type of credible and concrete prospects required to generate real confidence.

[*Translation*]

After the hue and cry raised against the problems created by the previous government, it is comforting, Mr. Speaker, to see that Liberal policies did make sense after all.

• (1115)

[*English*]

We all know, Mr. Speaker, that imitation is the highest form of flattery.

[*Translation*]

We thank them for the compliment.

[*English*]

Mr. Deputy Speaker: Are there questions or comments? We shall then proceed with debate.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, it is a great honour to be here this morning to address the House of Commons of Canada in this Thirty-third Parliament. I wish at the outset to thank my constituents for the opportunity they have given me to stand here on their behalf and address the people of Canada regarding the many important concerns that face the people today.

Members giving their maiden speeches are inclined to say a good deal about their ridings. They talk about the people who live there, how they work and what they do. This morning I would like to address those topics in the context of the recent election campaign and of the expectations that have been raised and the hopes the people of Thunder Bay-Nipigon expect the Government of Canada to maintain.

The people of my riding joined in a sweeping change that occurred on September 4 in the Government of Canada. Of course, they joined, as did the people of other northwestern Ontario ridings, in a rather different way than was true across

the country generally. By electing three New Democrats in Thunder Bay-Nipigon, Thunder Bay-Atikokan and Kenora-Rainy River, they created, as the editor of the weekly newspaper in Thunder Bay recognized, an NDP sweep in the midst of that blue tide. That fact is one to which the three of us, as new Members of Parliament, intend to be faithful in speaking as our constituents would have us speak about the enormously important concerns that face us.

It is beyond question that the economic situation in our country, primarily the problem of unemployment which faces so many Canadians, is the great concern of our day. There was no doubt about that during the election campaign. I called on thousands of people from door to door and met time and again those who had been seeking work. I met tradesmen who had been unemployed for months, carpenters who had been off for six months, a year or 18 months. They were by no means certain they would ever be able to work again. As I met them I began to realize the importance of the problem. We think so easily of the unemployment which faces the young as being a dreadful problem, but it is not much less serious for someone in his or her forties, fifties or early sixties, particularly those who do not have adequate pension plans. They feel a terrible fate before them when they are no longer employed. It was obvious to me that here was the great challenge that faced us. It was a challenge to which all Parties in the election campaign gave lip service, and it was certainly a challenge which all Canadians expect the present Government to face up to and deal with.

It is therefore tragic, Mr. Speaker, that with the fine words we find in the Throne Speech, on Thursday night we got in this financial statement what is, in my opinion, a profound contradiction to the hopes which have been expressed. In dealing with this, in recognizing the problems of unemployment that face our people I want to suggest that the hopes for national reconciliation which have been expressed in the Throne Speech are likely to end up being completely blasted if the financial statement truly indicates the direction the Government is going to take.

• (1120)

It will not be possible to resolve our difficulties by worrying only about the deficit and by using policies of "trim and cut" as a means of paring it back, which could only be done to a limited extent anyway unless one does become truly draconian. As of Thursday evening the Government was not prepared to take the drastic action which I suspect many of its business supporters wanted it to take. Yet we have this trimming and paring in various places which will surely inflict hardship on people, even when practised only to a limited extent, as in the area of the unemployment insurance administration.

The great difficulty with those actions is that the policies of the Government take the wrong direction. We are not going to see a resolution of the enormous problem of unemployment, which faces so many people across the country, if we deal with the deficit as the primary problem in the country. Instead we must have a different vision of what Canada should be like. We must think again of how the country could achieve full employment and how differently the fiscal system of the country would bear on its people if in fact we were able to achieve full employment.

Having spoken about that possibility during the campaign, I would like to put it on the record here so that there can be no doubt about where I stand. I still believe that 4 per cent is the goal towards which we should be moving. Settling for 10 per cent unemployment is simply unacceptable. If the people of Canada ever considered what the enormous costs of unemployment are, they would be inspired to support us in the actions which need to be undertaken.

I have suggested some of the human costs of unemployment. There are social costs as well which impinge on government, such as the higher cost of policing. The social and economic costs run to enormous amounts when we take into consideration the revenues which are forgone when people are not employed. There are clearly billions and billions of dollars of tax revenue not coming in because people are not employed. On the other hand, we must recognize the direct cost to government of unemployment insurance which is paid out month by month, running to billions of dollars over a year. Other costs include higher social assistance payments which drive up the cost of the Canada Assistance Plan.

We recognize these factors as the consequences of employment and begin to realize that the road out is not to be preoccupied by a deficit which is inevitable in these circumstances. Instead we must ask ourselves by what means we could make real progress toward 4 per cent unemployment. We must ask ourselves what kinds of capital investments, among other things, need to be undertaken by government in order to make that progress.

If we were to achieve substantial movement toward that goal and to consider what the costs of government would in fact be given 4 per cent unemployment, surely we would have reason to undertake those measures rather than follow the ones the Government has taken. We would find that taxation, which is opposed by so many people, could be reduced to a level all Canadians could accept once we have achieved full employment in Canada.

Taxation was an important concern in all of the election campaigns across the country, as it was in my campaign in Thunder Bay-Nipigon. I think we want to recognize there the possibility of achieving some greater fairness even before achieving the full employment of which I have been speaking. We must realize that if the total costs of unemployment in direct outflows, in terms of unemployment insurance payments and the total of tax expenditures and subsidies—which are taxes not collected, particularly from large corporations—exceed the present federal deficit, then there is a basis for saying that the tax burden that is being borne by individual Canadians is far too high.

• (1125)

When these tax expenditures include benefits for wealthy Canadians who can avoid paying taxes altogether, and when there are grants and tax breaks for large corporations and

wealthy Canadians, there is a basis for exploring the two societies that are developing in this country. There is the situation of privilege in which some Canadians live, and the state of oppression by severe taxation in which the mass of ordinary Canadians are forced to live.

Surely there exists an explosive potential in this division of the Canadian people with those who are privileged because of past action by Canadian parliaments. I intend to make my constituents well aware of this situation and I am sure all Canadians want to recognize it. They expect action in these areas from the Government in order to achieve real fairness.

I would venture to say that if there was an attempt to make taxation more fair in this country and we were able to reduce the burden on ordinary Canadians so that they would have more money to spend, there would be an increase in the purchasing power of Canadians. There would be a larger demand in the market-place, which is surely what business needs in this country in order to prosper as business leaders say. Surely business does not exist for the purpose of seeking tax breaks or to find ways of hanging on to money. Surely people are in business to sell more. This can only be expressed by increased demand by people in the market-place. Business will be able to achieve the profits it wants through larger sales and more efficient operation.

On behalf of my caucus let me say that it is this kind of basic economic reality that is called for from the Government in this Parliament. We will be able to meet the hopes of Canadians only if the Government recognizes those realities and takes the appropriate action.

I believe that the question of hope is truly a fundamental matter in the national morale. We have gone through a number of parliaments in the past 16 years in which the hopes of Canadians were aroused. First, there was the "Just Society" campaign as far back as 1968. There was a campaign in 1974 which included a ridiculing of proposals for controls on wages and prices. There was that turnaround in 1980 with the defeat of a government, and people across the country are convinced that the legislated measures were very similar or even worse than those that the Opposition chose to defeat. Surely those actions over several parliaments have tempted the Canadian people to cynicism. If there is a degraded sense out there that politicians cannot be trusted, surely it is action of that sort from past governments that has done it.

I believe if there is to be a national reconciliation in this Thirty-third Parliament, it will have to be done by other means. The contrast between the Throne Speech and the financial statement stares one in the face. The contrast between the present policies and all the hopes that were aroused during the election campaign, such as statements about sacred trust which appear now to be open for reconsideration, can only confirm the Canadian people in the cynicism they have been taught by previous governments. That surely will be tragic. If there is to be genuine national reconciliation, then we have a government with promises given, expectations aroused and a mandate on which it has to act. The result if the Government refuses to do that can only be the degradation of Canadian public spirit and morale. Therefore, the Government will have to be held very closely to the standard of those promises.

• (1130)

As the critic for multiculturalism and fitness and amateur sport, I would like to say a little bit about those two areas as well. I can relate them to the activities of people in my riding readily enough. Although I am talking about the need for employment, I did not say very much about the activities that occur in Thunder Bay, the importance of the community to transportation, and the importance particularly of Thunder Bay to western Canadians as a port for the movement of grain.

We have at Thunder Bay the largest grain-moving port in North America, at least in terms of elevators and docking facilities. This port is of enormous importance not only to Thunder Bay and western farmers but to the Canadian economy. Thunder Bay is positioned on the Trans-Canada Highway. Through my riding, Highways 11 and 17 move together in one section of tarmac. It can pose real challenges to the movement of people and goods across the country if the route can be cut off so easily by accidents. Occasionally the Trans-Canada route is closed for hours at a time as the highway is cleared. That is one of the transportation matters that I do not intend to forget.

Thunder Bay airport is not on the main route, given the variety of routes Air Canada flies. However, Thunder Bay receives good service from Air Canada and Nordair. Thunder Bay is also served by a number of smaller carriers representing the way in which Thunder Bay is a regional metropolis.

The forest endowment of the Thunder Bay area is something about which we are deeply concerned. We are concerned about the extent to which the forests have been cut in years past and the degree to which forestry production will have to be limited in future. As costs rise and the mills find themselves more hard pressed internationally, we feel concern about the large pulp and paper mills in Thunder Bay at Red Rock and seek research and investment in one more area to ensure that this industry will continue. Again I feel concern about the kinds of policies that the new Government seems to be laying before us.

Then we have the Port Arthur shipbuilding company, which is primarily a repair facility although partial vessels are built in conjunction with the Collingwood yards owned by the same company. In portship we have seen the impact of the economic slowdown of the last years as construction yards in other parts of Canada have had less and less business. They have become more and more competitive in bidding for repair work. We have found business very slow at times and this has meant one more addition to the unemployment community of our area. In these aspects of the economy of Thunder Bay and the surrounding area we see the basis for prosperity and the challenge that exists for achieving full employment.

After those parenthetic comments on the economic life of the community, I want to say something about the multicultural and sports concerns for which I am responsible in our caucus. It is easy to relate those areas to the community of

Thunder Bay. The Thunder Bay Multicultural Association is an organization more than ten years old. This group unites the various ethnocultural associations of our community. It was a great pleasure a year ago for me as a faculty member of Lakehead University to join with community members in organizing the seventh biennial conference of the Canadian Ethnic Studies Association in Thunder Bay. I appreciated the strength that members of the Thunder Bay Multicultural Association brought to our planning and to our execution, if you will, of the conference in late October.

The multicultural realities of Thunder Bay are typical of many parts of western Canada and the past and, of course, these days of the various metropolitan centres of our country. We in the New Democratic Party have always regarded the multicultural nature of Canada as an important reality that governments should recognize and respond to.

There were indications during the Conservative election campaign that this reality would be true for the Party now governing, that there was to be recognition of the needs of the Canadian people, that multicultural realities called for the establishment of a department and that the Government would take action in order to meet the needs of affirmative action and justice for Japanese Canadians. Also we have the new concern now arising of justice for Chinese Canadians over the head tax in decades past. These are the various areas that I see need to be responded to and where there is a need to undertake spending. I find myself very anxious in considering what the Government has put before us in the past week.

We need a full-fledged multicultural department which will have a larger mandate laid open to it. We need, as the Minister of State for Multiculturalism (Mr. Murta) has suggested, a policy that is more than just one of providing some support for festivals, although even that is not what it used to be. We need more than just the politics of multiculturalism. Therefore, I shall be very attentive to these needs on behalf of my constituents. It is imperative that government act, in this area as in others, on the mandate it has.

My constituents and various friends have said to me: "Make sure you keep them honest". On Thursday night I felt very anxious about precisely that, of keeping the current Government honest and ensuring that it lives up to its mandate.

There are people in my riding who have not forgotten Conservative governments past. There was the Diefenbaker Government which was marked by recession, unemployment, high interest rates and so on. People have not forgotten the houses they lost in that era. There are people who still remember all too well the 1930s and the Bennett Government of those days. There is expectation in the Canadian people today that this Government will do much better by them than the last one did.

Mr. Deputy Speaker: Are there any comments or questions?

Mr. Nickerson: Mr. Speaker, I have a question for the Hon. Member. I have always considered it an important part of my education to listen carefully to speeches made by members of the New Democratic Party, especially when it comes to a Member like the Hon. Member for Regina West (Mr. Benjamin), and I see the new Member for Thunder Bay-Nipigon (Mr. Epp) will be no exception to this rule.

I was impressed by the Hon. Member's plea for capital spending on the part of the Government in order to reduce unemployment. Another member of the NDP whom I listened to on the same subject is the Hon. Member for Churchill (Mr. Murphy). One of the projects he suggested is for heavy capital investment in the railway going to Churchill and in the grain-handling facilities at the Port of Churchill. If that could be done as the Hon. Member describes it, one could reduce the reliance on the Lakehead method of shipping out grain. One could ship grain out from the Prairies cheaper than having it go through the Lakehead. Would the Hon. Member who has just spoken support his colleague, the Hon. Member for Churchill, in doing precisely that?

• (1140)

Mr. Epp (Thunder Bay-Nipigon): Mr. Speaker, I thank the Hon. Member for his question. It allows me to say something more about our important grain trade. I disagree with my colleague from Manitoba about the importance of the grain trade through Churchill. I frankly hand that proposal back. I do not see any need to do that. We in Thunder Bay are concerned through the Harbour Commission and other bodies about future demands on transportation.

We had a 20-million tonne season just past. Regrettably as a result of the crop difficulties in the southern Prairies, I do not expect the present crop year to be anything like that. However, our concern in Thunder Bay is about reaching 25 million tonnes. Concern is being expressed. Study is being made of ways to move a good deal more grain. The Hon. Member for Thunder Bay Atikokan (Mr. Angus) and I during the election campaign expressed interest in exploring the need for additional elevator capacity in Thunder Bay. We believe there is a good case for that in terms of ensuring that elevator storage space will always be adequate and that there is enough grain to ensure that the interface of trains and ships is always the most efficient possible.

In the context in which we hope to bring the port up to a 25 million tonne capacity, expecting that that is the size of crop we will have to move at some time and comparing the quite limited amount which goes through Churchill, about one million tonnes during a short season, we should have the most efficient system possible at both places. We want to ensure that we can move all grain to markets and that their returns are as large as they can be while we have lots of employment in Churchill and in Thunder Bay.

Mr. Deputy Speaker: I remind Hon. Members that questions on their speeches must be pertinent and directed to the particular Member. They should not be addressed to other Members.

Mrs. Mary Collins (Capilano): Mr. Speaker, I am honoured to speak for the first time in this Chamber and to support the Speech from the Throne. I offer my congratulations to the

Speaker and his deputies. I look forward to working with them. Also I congratulate all new Members and those who have been re-elected to the House. I know when I speak on behalf of new Members that we come here with a great sense of optimism and a deep sense of responsibility. I echo the words of my colleague, the Hon. Member for Vancouver South (Mr. Fraser), who asked last week that we all work together with a sense of civility and responsibility to achieve the ends required for all Canadians.

Some Hon. Members: Hear, hear!

Mrs. Collins: This morning I will speak only briefly about themes from the Speech from the Throne—economic renewal, social justice and national reconciliation. It would be appropriate first, in the tradition of a maiden speech, to thank my very good constituents in the riding of Capilano for their support and for electing me to this honourable position. Also I should like to extend my congratulations to my predecessor, the Hon. Ron Huntington, who served this House for 10 years and who served Canadians so well.

Some Hon. Members: Hear, hear!

Mrs. Collins: I thank my colleagues for joining with me in that expression of appreciation.

I do not know how many Hon. Members of the House have had the opportunity to visit Capilano. If they have not, they are certainly welcome as my visitors. It is perhaps the most beauteous part of this wonderful nation of ours. Geographically it is almost beyond one's sense of expression to describe its beauties. As one crosses the Lion's Gate Bridge and enters Capilano, one even smells the different scents in the air. When one looks up at the mountains, six months of the year they are capped with snow and ready for skiers; the other six months in gentle meadows receiving hikers. Perhaps my constituency is the only one in Canada where on a brilliant spring day one can ski down Grouse Mountain and five minutes later board a surf board on the beauteous ocean.

An Hon. Member: And it only rains at night.

Mrs. Collins: That is right. Along the seawall, rain or shine, one sees walkers every day inhaling the invigorating sea air. In the eastern part of the riding there is a busy port facility, with ships coming and going, plying foreign markets. There is also a major shipbuilding facility, one which I will be supporting and working toward. Only recently it received international acclaim. Further east one comes to Lonsdale McQuay, a bustling area where a new public market will soon join us with its lovely fruits and vegetables, only 20 minutes by seabus from the site of Expo.

As one's eyes lift up to the hills, one sees magnificent architecture. Capilano was probably the home of western architecture. There are homes with vistas of oceans and mountains enjoyed by the people of my riding. Then in the far western reaches of the island nestles Bowen Island where I spent many a happy childhood summer. It is 15 minutes away by ferry but hours away in the style of life. The general store there is the focal point for news and views. Life carries on with a full appreciation of leisure.

For all its physical glories, Capilano's greatest wealth is its people, people who truly represent the strength of the country, whose beliefs are grounded in the twin sense of responsibility and service.

We have seen in the Speech from the Throne and in the economic statement which followed that our prospects for economic renewal are predicated upon a desire for less government intervention and great reliance upon the individual to accept the responsibility for risk-taking ventures, for capital growth and increased productivity. We believe that jobs will only be secured by the private sector, by risk takers who are prepared to invest in new ventures. In Capilano live the people who will make these prospects come true, people who wish to accept responsibility for risk taking and expanding new business ventures. They only want an economic plan which encourages, and a government which understands and responds to their needs as a facilitator, not as a competitor.

Each day I spend in my riding I am approached by men and women coming to me with ideas for new inventions, new business ventures and new desires to become involved in Pacific Rim trade. They come to me not for financial assistance; they come to me only to know whether our Government will provide the economic climate in which they can take those initiatives and look forward to some appropriate rewards.

Do not let us get the wrong impression. Capilano has also been ravaged by the recession which we have felt for the past three years. Many professionals in their mid-years have been laid off for the first time. Many small businessmen have faced personal bankruptcy. Many families of my personal acquaintance are perhaps living on a third or on half the salaries they enjoyed only three years ago. Many young people with whom I speak are fearful whether or not they will have the opportunity to contribute to our society.

However, the people of Capilano are now looking ahead. This past weekend that I spent with them we talked about the Throne Speech and about the economic statement, and they could see for the first time the opportunities these would provide. It has rekindled their spirit and their desire to move forward, to take the initiative and to make the investments. I applaud this Government for the initiatives taken in the Throne Speech, initiatives which will set us on this right direction.

• (1150)

Some Hon. Members: Hear, hear!

Mrs. Collins: Social justice is a major concern of people across the country and certainly of the people in my riding. I am indeed fortunate to have residing within the bounds of my riding the Squamish Indian Band, a Band which provides an example for native people across the country. Members of this Band have worked toward economic self-sufficiency, and with them and with the help of my colleague, the Hon. Minister of Indian Affairs and Northern Development (Mr. Crombie), I

will work toward the increased political responsibility for their own affairs that they are seeking.

My constituents and I were also heartened by the other comments made on social justice. Certainly to me, the advancement of women toward full economic equality in the country must be a major agenda item for us all. However, I would ask my colleagues to try to put within a new context the traditional women's issues. Certainly issues with regard to divorce, violence and pornography have been raised by women in our society, women working together to make changes. However, they are issues for all people in our society. It will take a concerted effort and a concerted understanding to make the changes that are necessary.

I would like to comment particularly on the task force on child care which was proposed in the Speech from the Throne. My own view of this examination of child care is that it must not be limited merely to how we pay for day care for the children of working women. It should encompass the much broader issue of how we value and support family life in our society and how we may ensure the real nurturing of our young people.

Some Hon. Members: Hear, hear!

Mrs. Collins: We must take into account the changing nature of families in our society. My young daughter Sarah brought her class picture home from school two weeks ago. I asked her how many of the children shown in her picture still lived with their original biological mothers and fathers. She looked at the picture of a class of 27 children and pointed out three or four who still lived under those arrangements. We must recognize, as I personally understand, the changing nature of families and provide the necessary support to enable our families to bring up healthy and well-rounded children for the future of this country.

The issue of violence is of great concern to us, particularly violence against women and children and with respect to pornography. Basically, I believe some of us have had enough. While I am a great believer in freedom, I think that with freedom comes responsibility. We must take measures to define and limit the worst of the hateful and violent literature which degrades women and children. I will be working diligently with my colleagues in this House to that end.

Some Hon. Members: Hear, hear!

Mrs. Collins: Although he is not here, I concur with the words of my colleague, the Hon. Member for Burnaby (Mr. Robinson), who spoke last week. He said that it is not enough merely to advance new penalties or new laws but that we must look at the real root of violence in our society. He referred specifically to the issue of soliciting. I think the same principle applies to dealing with issues related to pornography and sexual violence against women and children. There is a big task before us and we need the good will of Hon. Members from all sides of the House to enable those discussions to go forward in this community of ours.

National reconciliation was the third theme of the Throne Speech. Again, the people of Capilano agree that we can no longer go on with confrontation between provinces and the federal Government and with confrontation between labour and management. We must again work diligently to ensure that all sectors of our society work together to solve the issues before us.

I have always been a great advocate of the consultative process and I applaud the initiatives our Government is taking to ensure that people are consulted, are involved and have an opportunity to participate in the major issues we are putting forward to them. It is only with an informed and involved public that we will be able to make some of the changes which I feel will be necessary in the years to come. I have begun those initiatives in my own riding and I appeal to the people of Capilano to join with me in this consultative process.

Finally and only briefly, I would like to touch on an issue which I will discuss in greater depth on a future occasion and that is the issue of international affairs. The people of Capilano expect us, as the Government and responsible players in international affairs, to first live up to our responsibility with our allies in NATO, to search for a lasting peace in a non-nuclear world and to share part of our wealth and resources with the rest of the world. They expect us to bring hope and dignity to human life on a global basis.

I am pleased to report to you today, Mr. Speaker, that the people of Capilano are already joining in the fight to ensure that this happens. This weekend in Capilano we formed the North Shore African Famine Relief Committee with support from all levels of government and all organizations. We are reaching out to the people of Capilano to ask them to assist in this emergency situation and I know that their response will be generous and supportive.

Time does not allow me to discuss further the many issues which I know will be important. I look forward to discussing these with my colleagues in the months and years to come. I leave you this morning, Mr. Speaker, with messages from the hills of Capilano to these hallowed halls of Parliament. These are messages of optimism because, in our minds, the Throne Speech provides that opportunity of rekindling the spirit of Canadians and providing a greater Canada for all of us.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Are there questions or comments regarding the Hon. Member's speech?

Mrs. Finestone: Mr. Speaker, I would like to compliment the Hon. Member for Capilano (Mrs. Collins). I really cannot wait to return to her area to go skiing and water skiing there. She gave us the most beautiful description of it.

I was very pleased to hear about the Hon. Member's concern with respect to violence and pornography and her description of child care. I think that child care is as much a right of the child as it is of the family. As well, I was very interested in what the Hon. Member said about international affairs and I

hope she will look at the budget cut and show some concerns there.

I am particularly interested in having the Hon. Member share with the women of Canada the secret held by the women of Capilano. The Hon. Member said that there are so many young, entrepreneurial-spirited women there who do not need or want any government support but are prepared to go into small business and show their entrepreneurship. I know that there are many young women and women of every age who have that desire but seem to be under some constraints, both in terms of obtaining loans from banks and obtaining support from business. Perhaps the Hon. Member could share the secret the women of Capilano know that the women I know do not know.

Mrs. Collins: Mr. Speaker, I appreciate the congratulations of the Hon. Member and I look forward to working with her. I know of her very fine record of working with the women of this country.

I believe the women and men of my constituency to whom I speak who are interested in establishing small businesses really want encouragement. They want to know that, if they take those risks, they will have the opportunity of prospering and will not be so heavily inundated by government regulations and taxes that they will not be able to take those kinds of initiatives.

I certainly share with the Hon. Member her view that traditionally women have had a much greater problem obtaining the capital to begin new businesses. I have been in that position myself in the past. I believe it will be our responsibility, as indicated by the Prime Minister (Mr. Mulroney) during the debate on women's issues, to work with financial institutions, perhaps beginning at home with the FBDB, to ensure that women have the same opportunities to obtain risk capital in order to begin the business ventures that I believe will be the future of this country.

● (1200)

Mr. Winegard: Mr. Speaker, I would like to add my endorsement to the comments which were made by the Hon. Member for Capilano (Mrs. Collins) and by the Hon. Member for Mount Royal (Mrs. Finestone) regarding the ongoing debate and the seriousness of the pornography issue. In recent days that issue has once again come to the fore. I look forward to debates in this House regarding the fine line between freedom and licence on this issue. I am pleased that the Hon. Member for Capilano raised the matter, and I could not let the opportunity pass to indicate that she is not alone in worrying about this very significant issue.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Are there further questions or comments on the speech of the Hon. Member?

[*Translation*]

We shall continue debate with the Hon. Member for Bellechasse.

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, after listening to my colleague, the Hon. Member for Capilano (Mrs. Collins), I understand why the Right Hon. Leader of the Opposition (Mr. Turner) decided not to run in Capilano.

Mr. Speaker, I am both pleased and proud to have this opportunity to make my first speech in the House of Commons, after being elected for an initial term, and I say initial, because there probably will be several more, if we on this side of the House have any say in the matter.

I was anxious to speak on behalf of my riding today, especially since my constituents have not often seen their elected Member rise in the House of Commons, at least not lately. For twelve years the people of Bellechasse were represented by Mr. Adrien Lambert, who is known and admired by many Members of this House, and that is why today, I wish to say a special word of thanks to Mr. Lambert for the work he has done for his constituents and for the entire country.

I am particularly pleased to be rising in the House today, Mr. Speaker, because in recent years, we were no longer accustomed to seeing Quebecers speak in the House to represent their constituents, with the exception of the Hon. Member for Joliette (Mr. La Salle), the Minister of Public Works.

Mr. Speaker, I can assure you that Quebec Members are proud to join the Hon. Member for Joliette, the Minister of Public Works, in representing the interests of Quebec within our marvelous Canadian mosaic.

We all know, especially since last Thursday evening, that the state of our country's economy is precarious. The irresponsible and intrusive attitude of the previous government has resulted in a series of deficits which over the years have become a major obstacle to economic development in this country.

Even worse, I think, is their attempt to have the Canadian people believe the deficit was necessary to maintain some semblance of economic development and to wipe out unemployment. We can see what all those promises have done for us in the space of a few years.

All public institutions in Canada have a duty to balance their budgets. In Quebec alone, we have over 1,200 municipalities, which in the next few weeks must send a copy of their budget to the provincial authorities. That budget must be balanced. If they send a budget that does not balance, it is sent back and they are asked to send in a new budget.

The same applies to businesses and public and semi-public organizations. The same goes for all heads of families in Canada. They have to balance their budgets and avoid spending more than they earn. People will say sometimes borrowing

is necessary to balance your budget, for instance if you buy capital assets such as a house or a car. I agree that occasionally, it may be necessary to take out a loan, but in that case, it has to be planned in terms of repayment over a certain number of years. I would have liked to ask the former Minister of Finance before September 4 how he intended to reimburse our cumulative deficit of $180 billion. They did not talk about that. It would have been interesting to hear what kind of answer they would have given me. We have reached the point, Mr. Speaker, where we have to borrow to pay the grocery bill. For every dollar we spend in Canada we have to borrow nearly thirty-five cents. It does not make sense. It was and is the duty of the new Government and that of the Official Opposition and the other Party, to support the Government in its sincere endeavour to gradually reduce this horrendous deficit. There is no other way out. There is no easy way out. We have to take the bull by the horns, as the Quebec Minister of Finance said so eloquently this week, when he congratulated us on the responsible action being maken by the Progressive Conservative Government.

Mr. Speaker, the previous Government has accustomed the people of Quebec and all Canadians to constantly ask for federal hand-outs for whatever they need. As a result, Canadians have come to see the Government as a kind of Providence which responds to their every need.

Mr. Speaker, this is not what a real government is supposed to do. Canadians should learn to take care of themselves and rely less on government intervention. Yesterday afternoon I was explaining to one of my constituents that I did not think the federal Government would be able to provide a grant for redecorating the church or enlarging the cemetery, which is what they were asking. Twenty years ago, nobody would have dreamed of asking such a thing. Everybody knew maintenance of churches, rectories or cemeteries was not a federal responsibility. However, it was the attitude taken by the previous government which literally threw money out of the window at anything that moved service clubs, sports clubs, factories . . . They gave money to anything that moved, to all those organizations, and now people have grown to expect it.

Mr. Speaker, it may not be particularly pleasant to have to say to all these people today who have seen the federal manna from heaven literally pour down on neighbouring municipalities to pay for church repairs, picnic tables or roadside haying: sorry, no more hand-outs.

Mr. Speaker, as I was telling this person yesterday, the Canadian people must gradually learn how to regain control over their destiny and realize that it is no longer possible to carry on this way giving money to everyone, money which we do not have in the first place because if we were to follow the example of the previous Government, we would mortgage our own future and that of our children and grandchildren.

I do not believe, Mr. Speaker, that such an attitude is at all ludicrous, as was suggested last Thursday evening in his reply to the Hon. Minister of Finance (Mr. Wilson) by the economic critic of the Official Opposition, the Hon. Member for Saint-Henry-Westmount (Mr. Johnston) who is not in the House this morning. Admittedly, the Hon. Member for Saint-Henri-Westmount is familiar with deficits. From what I read in certain newspaper articles this week, it seems that the Liberal Party leadership campaign has greatly depleted their resources. Therefore, Hon. Members opposite know all about deficits.

Mr. Speaker, how dare they call us anti-francophones and Orangemen?

• (1210)

We can see, Mr. Speaker, how and with what arrogance and contempt for our democratic institutions the previous Government governed our country. It is rather surprising to realize that the only issue for which there was a consensus in all, and I emphasize all Canadian provinces, as was very clearly seen last Summer and this Fall, was the need for change. Everyone wanted a change in Government.

I also want to take this opportunity to thank the Right Hon. Prime Minister (Mr. Mulroney) for the great confidence he has shown in my ability by appointing me Parliamentary Secretary for the important Department of Agriculture. As many of you know, the constituency of Bellechasse is very large. It is made up of a strip about 50 miles wide and 100 miles long on the shore of the St. Lawrence river in South-Eastern Quebec.

I am fortunate to represent a great number of farmers who have told me on many occasions, including last week-end and the one before that, how proud they are that a Quebec Member of Parliament has been asked to help the Hon. Minister of Agriculture (Mr. Wise) discharge his important responsibilities so that agriculture will once again regain its rightful place in the Canadian economy.

In addition, Mr. Speaker, nearly half of my constituency is a forested area. Our forests, especially in Quebec, have suffered from a spruce budworm epidemic and our people are counting on the Minister of State in charge of the new Forestry Ministry to see to it that Canada takes action, in co-operation with the private sector and the provincial Governments, and really looks after—which was not the case in the past—the management and development of our Canadian forests in accordance with the commitment made by the Progressive Conservative party.

Mr. Speaker, we do not claim to have solutions to all the problems. However, we are anxious to have a hard, fresh look at them and especially to co-operate fully with the provincial authorities in the search for adequate solutions.

As I indicated earlier, Mr. Speaker, there are in my vast riding of Bellechasse a considerable number of farmers who are involved in nearly all types of farming. They provide a

good sample of the agricultural community which exists both in Quebec and Canada. That is something I am proud of. There are in my riding some sixty municipalities, which is rather exceptional, for none of them is of significant size. The largest one has a population of only 14,000, which is relatively small. That is why there are as much as sixty of them. I have just been awarded two more for the next election. These communities boast many small and medium-size businesses which were hard hit by the 1981 recession whose effects continue to be felt. It will take quite some time before small businessmen regain confidence in the future. As the government, it is our duty to help them regain this confidence, and I suggest that the economic statement of the Minister of Finance has provided the basis for a new social contract both with the private sector and with the Canadian people as a whole.

Mr. Speaker, we feel that our sincere desire to see the private sector regain its legitimate role as the driving force of the economy will help these small and medium-size businesses in Bellechasse, in the Province of Quebec and throughout Canada get back to work with renewed courage. We believe that is a prerequisite to job creation. In this way, our productivity will be gradually increased and, thanks to the firms which have not been afraid to invest in research—there are many of them, both in my own riding and elsewhere—new export markets and long awaited permanent jobs will be created by this new approach and not, as in the past, by this increasingly encroaching government intervention in the lives of the Canadian people.

The Canadian people, Mr. Speaker, needed a breather and took it.

For over a year, I travelled extensively in the Bellechasse constituency and in the province of Quebec and I intend to travel also elsewhere in Canada including in the Capilano riding of which we were given a glimpse a moment ago.

I was able to meet our people and hear their complaints. They were dismayed at the attitude of the government and their leaders towards provincial governments. People everywhere noted the deep financial problems facing the Canadian government and felt that no effort was made to find a real solution.

However, Mr. Speaker, as stated in the Bible: "And the evening and the morning were the first day." On the morning of September 5, we said: "All of that is going to change."

The policies and directions announced in the Throne Speech by the Right Hon. Prime Minister and the financial statement made by the Minister of Finance (Mr. Wilson) are an indication to Canadians of the sincere effort and the very difficult exercise performed by the members of the government to cut the fat, out to use a colloquial expression, and reduce considerably government expenditures.

Such exercise was not easy but it was necessary if we want to give back to Canada its true place under the sun and more especially gain real credibility abroad and in our relations with other government levels.

After the statement of the Minister of Finance, the Canadian people might have expected all Hon. Members without exception to praise such a demonstration of courage and determination. Unfortunately, that is not what we got. We heard complaints and witnessed a defeatist attitude with respect to the constructive and sincere proposals made by the Government.

Mr. Speaker, when I am through with my speech in a few minutes, I will already have recorded a better performance than my predecessor, to a certain extent. Quite a few people still remember the Hon. Member who represented the riding of Bellechasse until 1980, the gentleman who belonged to the Social Credit Party, but fewer people can remember my predecessor. His personal record will be beaten when I end my remarks, Your Honour, I mean Mr. Speaker—I am still conditioned by my profession, although I had every intention of being careful about it.

Mr. Speaker, I can tell you that the people of Bellechasse were quite anxious to have a spokesman to represent them properly in the House of Commons.

In conclusion, the Members from Quebec, including myself, want to assure all their parliamentary colleagues that we will fully support the approach of the Government aimed at checking the spending sprees to which we had become used to, as well as the courageous efforts made by the Government in the coming weeks to make sure that the Canadian Government will at last live within its means.

Mr. Deputy Speaker: Any questions or comments on the remarks of the Hon. Member for Bellechasse?

• (1220)

[*English*]

Very well. We will proceed with debate.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am pleased to have an opportunity to participate in this debate on the Address in Reply to the Speech from the Throne. I want to compliment the mover, the Hon. Member for Sarnia-Lambton (Mr. James), and the seconder, the Hon. Member for Montreal-Mercier (Ms. Jacques), on the speeches with which they commenced the debate.

I want to express my congratulations to the Speaker on being appointed to this high and important position.

I also want to indicate my appreciation to the electors of Algoma for re-electing me to this House of Commons. It is a great and historic riding, once represented by the Right Hon. Lester B. Pearson for some 19 years. It has shown its outstanding wisdom by re-electing a Liberal to this Thirty-third Parlia-

ment of Canada. They did this as well in 1958 in the great Diefenbaker sweep.

The Algoma constituency is very diverse in its people and geography. We occupy that area of the north shore of Lake Huron from Sudbury to Sault Ste. Marie, including Manitoulin Island and the area along the Lake Superior route. Its economy is equally diverse, involving everything from agriculture to uranium mines, fishing to forestry, and of course the steel industry in Sault Ste. Marie as well as some of the most spectacular scenery for tourism of any place to be found in the country. Added to the English, French and other less populous groups, we of course have the second largest Indian population in the Ontario region. Some of the most active and vital Indian bands in the country are in the Algoma-Manitoulin area.

The election campaign in my constituency, Mr. Speaker, involved many items but especially jobs, inflation, the economy and youth employment. I believe that during the last two and a half years no community in our country has suffered more from the recession than Sault Ste. Marie, whose steel industry has been hard pressed. We heard all kinds of promises that there would be increased trade with the United States and that the Algoma Steel tube mill would be completed. We heard there would be more rail and rod business from CN as well as more help for industry.

It is unbelievable to me that so many of these promises have been dashed within the first few weeks of this new Government taking office. For example, non-tariff barriers are going to be imposed by the U.S. on the 14th of this month covering tubes being sold to that country. We had a decision by the Minister of Finance (Mr. Wilson) that the Government would no longer give advance rulings on the tax implications of joint ventures and limited partnerships. This effectively eliminates the opportunity for completion of that tube mill. Just before the provincial election in Nova Scotia we were advised that CN would give all of its future rail business to Sysco, whereas Algoma had provided a great deal of that steel in the past. Since then, of course, there have been cutbacks in the Industrial Regional Development Program which would have helped small industry locate in that community.

It seems to me, Mr. Speaker, that the Speech from the Throne is long on rhetoric but very short on specifics. There are umpteen studies, task forces, reviews, committee studies and endless consultation, but there is really very little specific agenda for action. That is what I believe the Speech from the Throne should be, but we simply did not get this except for a few left-over items from the last Parliament.

Although those items are important and we are all aware of them, surely that does not really constitute the agenda for action which was promised by the Prime Minister (Mr. Mulroney) when he said he was going to build a brand-new Canada. It seems to me the Prime Minister is engaged in a massive public relations exercise. It is very impressive but it does not really follow through. For example, look at the decision to sell off CDIC in one lump. I am sure that makes the moguls on Bay Street very happy as they read *The Globe and Mail* over their morning coffee, but when you look at the reality it is not so simple. Look at Eldorado Resources and its move to try and process more uranium. More exemptions are now being given out so that the uranium refinery in Blind River is operating at about one-third of capacity. If you really wanted to sell off Eldorado Resources you would not be giving exemptions of that type. We see the Prime Minister taking a token pay cut of $6,000, bringing him down to $124,000 a year—

Mr. Hnatyshyn: How about you?

Mr. Foster: —while he increases his staff allocation by $140,000. We see the Job Training Options Program announced to take place some time next spring which will create some 2,000 or 4,000 jobs, whereas the First Chance Program, which I understand was a similar kind of program, was supposed to begin on October 1 and by contrast would have created 26,000 jobs.

In the economic statement that we had last week there were massive cuts in financial activity by the federal Government, but we are not actually going to see a budget until some time next spring. The economic statement told us how the Government was going to make massive cuts in its expenditure, but it did not tell us how the Government was going to create the tens of thousands of jobs which were promised last July in Prince Albert. The headlines of the last three days pretty well spell out the impact of that economic statement. *The Globe and Mail* carried the headline "Government Focuses on Deficit Reduction, not Jobs". An editorial in *The Toronto Star* was headlined "Abandoning the Jobless". "PM Changes Stand on Social Programs", in *The Globe and Mail*. "Reversal of policy squeezes the Department of National Defence" in *The Globe and Mail*. The headlines "Dewar to Protest Housing Fund Cut", and "50,000 Jobs Price of Tory Cuts", both appeared in the Ottawa *Citizen*. "Social Welfare Advocates decry cuts in UIC and Job Training". "Tory Squeeze on Youth Outrages Student Leaders". "Gasoline to go up 2.5 Cents a Litre". Does anyone remember the Prime Minister promising anything in the election campaign that would lead us to believe that we would see headlines like these this first weekend after the opening of the new Parliament? Does anyone believe that the Canadian electorate will ever believe the Tory promises again? I doubt that even Tories will believe Tory promises in the future.

What happens when we bring these massive cuts and national headlines down to the constituency level? That is really where the action is. A ten-cent a gallon increase in gasoline probably means that the commuting worker at the Elliot Lake uranium mines or at Algoma Steel in Sault Ste. Marie is going to pay something over $100 a year more for his gasoline. The Government cut out the Summer Canada Program. Well, $85 million does not mean much perhaps at the national level, but for 500 or 600 students it means they will have that much less money to spend to go back to school next fall.

An increase in marina fees and the cutting out of the mobile surveillance group for customs means that tourism will be hit hard in my area. The cutting of the Canadian Oil Substitution

Program, CHIP and RRAP will mean that low-income families, many of them senior citizens, will not be able to carry out repairs to their homes. They will have to go and see their bank manager instead. The cutback of $200 million in the Industrial Regional Development Program will harm the attraction of new industries to cities like Sault Ste. Marie and northern areas of our country. Toughening up the qualifications for unemployment insurance benefits will push low-income families into welfare that much sooner. Job training programs are to be cut by $128 million so that people cannot be retrained for new jobs when they lose their old ones.

● (1230)

These are cruel and tough measures for the slow growth areas and the low income parts of our country. Cities like Sault Ste. Marie, which has been wracked by recession since the world-wide recession two and one-half years ago, will need more help this winter rather than less, which is what they will get. If the Prime Minister and the Minister of Finance had told the Canadian people during the election campaign last summer what their secret agenda was to be, the result of that election would have been different. They certainly would not have received the support of 50 per cent of the Canadian people. They certainly would not have gotten 75 per cent of the seats in the House of Commons. Surely, Mr. Speaker, this is the kind of change in promises which make people so cynical of politicians.

As well as not keeping its promises, with no advance warning in the election campaign, the Government has reduced many vital services to Canadians. The most frightening aspect of this, Mr. Speaker, is that this is not the end of the Tory "chop chop show". It is probably only the beginning. Our social security system was a sacred trust in the last election. Now it is something to be chopped and negotiated away. We will just have to stand by and see what is proposed for our Old Age Security pension program and our family allowance program which will come under the Tory cutting machine next spring when the budget comes out. Surely no one will believe these kinds of election promises again.

I would like to speak briefly about agriculture today because there is no sector of our economy which requires more attention than this industry at this time. It was mentioned only once in the Speech from the Throne and there were only a couple of proposals and a massive cut of $63 million with regard to it in the economic statement.

Agri-bonds, Section 31 of the Income Tax Act and capital gains are to be referred to a committee of Parliament. Mr. Speaker, I believe that it is the role of government to propose legislation and the role of the Parliament of Canada to dispose of that legislation . This Government seems to be asking us to do endless studies rather than putting forth concrete proposals to be dealt with in the form of legislation.

Canagrex is to be wound up to save the Government $6.6 million. The Tory policy talks about Canada being a superpower and increasing exports massively. How do we increase exports massively if we cut out this most important exporting arm of Agriculture Canada?

Agricultural research was to be increased, Mr. Speaker. Now we discover that it is to be cut by $2.7 million and that laboratory projects are to be deferred. Farmers were to be able to write their loans down to current day values and the special Farm Financing Assistance Program was to be reinstated. There was nary a word in the economic statement or in the Speech from the Throne about that. Agricultural service fees charged by the federal Government will be increased by $32 million. Some of these are bound to end up in farmers' costs.

There is a crisis in the agricultural industry today with regard to grains, red meats and other sectors. The Agriculture Canada report of mid-summer projects that farm net incomes will drop by 3 per cent across the country this year. In Saskatchewan this projection has increased to 8.9 per cent and to 35.5 per cent in Manitoba. Where is the action to overcome this problem? Grain exports are projected to fall by 25 per cent in the 1984-85 crop year. The value of those exports could drop from the $5.5 billion of last year to $3 billion in this coming crop year, according to the Wheat Board. The red meat industry is likewise facing low commodity prices, higher input costs and stiff competition, such as the imports from Ireland which are subsidized to the extent of some 40 cents a pound.

Already this year farm bankruptcies are up by 25 per cent. The Farm Credit Corporation reports that 39,000 farmers are severely stressed financially and that up to 1,700 could face imminent financial collapse due to the heavy debt load. Where is the action in the Speech from the Throne and the economic statement to solve these problems?

The Government promised lower interest rates to be written down by the Farm Credit Corporation or other lenders. There were no proposals put forward in that regard. Where are the review panels which could prevent bankruptcies and provide arbitration such as that which was proposed in Bill C-17 in the Thirty-second Parliament? Why is there no action in the Speech from the Throne to block subsidized beef coming in from Ireland? Why is there no mention of a marketing program or stabilization system to improve returns to the red meat industry? Why is there no action proposed in the Speech from the Throne to set aside debt for those good producers who, in normal times, would have a viable agricultural industry?

I hope that the Minister of Agriculture (Mr. Wise) will be putting forward a proposal such as was made in the United States in mid-September. Why is there no action to make amendments to the Western Grain Stabilization Fund to have a special payout of $500 million this year as was proposed by the former Prime Minister? That fund is made up of farmers' money and the returns and market opportunities are drastically reduced this year. That is the sort of action which should have been in the Speech from the Throne or the economic statement.

The Government has proposed practically nothing in the Speech from the Throne to solve the emergency situations

facing several sectors of the agricultural community today. The initiative for legislation in the House must come from the Government. Parliament cannot act to solve these problems with legislation or budgetary items which are not before it. Unless there is some action the situation will grow even more acute throughout the winter and spring months and we will see bankruptcies rise to the level projected by the Farm Credit Corporation. Mr. Speaker, there should have been action on these items in the Speech from the Throne or in the economic statement.

The figure projected by the Farm Credit Corporation of 1,000 or 1,700 bankruptcies is not just an empty statistic. It represents farms and farm families. It represents hopes and dreams which will be destroyed unless the Government acts in this first session of the Thirty-third Parliament.

Mr. Deputy Speaker: Are there any questions or comments?

Mr. MacDougall: Mr. Speaker, I would first like to congratulate the Hon. Member for Algoma (Mr. Foster), one of the few Members on the other side who returned to the House after the election.

I marvel at the Hon. Member for Algoma expecting us on this side, after a matter of two months, to be able to address all the problems which the prior government caused in the country. Would the Member for Algoma tell us whether he himself or his Party is in favour of pensions and baby bonuses for those in Canada who are making over $100,000 a year? Is he himself or his Party in favour of having individuals in that wage category receive that type of benefit?

• (1240)

Mr. Foster: Mr. Speaker, what we really marvel at is the change in what the Prime Minister was saying in the election campaign. At that time he said that these programs were a sacred trust and were untouchable. Suddenly they are no longer a sacred trust; apparently only medicare is a sacred trust. We marvel at the undoubted change that has occurred during the last two or three months.

Mr. Baker: Mr. Speaker, let me congratulate the Hon. Member on his speech. However, I think he made one unintentional error with respect to the Summer Canada Program. He said that some 500 or 600 students would lose their jobs during the summer. Would the Hon. Member correct that statement? Perhaps this figure only applies to his riding, because it is an $85 million program. At approximately $1,000 per student, it represents 80,000 students.

Could the Hon. Member give his opinion as to the rationale of a government that would discontinue direct job creation for students in high unemployment areas such as the Hon. Member's riding? What kind of wicked, cruel rationale would a government follow to take such a move? Does he think that the Government will have to turn around in the spring, reverse that policy and bring back the exact same program that the Liberal Government had last summer?

Mr. Foster: Mr. Speaker, let me clarify for the Hon. Member that it was 500 or 600 jobs in the Algoma-Manitoulin area and not the whole country. Those jobs will be sorely missed. Many of these students are from low-income families and many are native students from the 12 reserves in my constituency. Many of them have an opportunity to go to university in spite of their modest backgrounds, but they will not now have that opportunity.

Many communities depend on students for their tourism promotion, community betterment, recreational programs and many other projects which the municipal governments cannot afford. They depend on this Summer Canada Program.

I would not attempt to explain the rationale of the Government for cutting out this program. If I were to speculate, I would speculate that the hue and cry from students across the country, including those from constituencies of Members on all sides, will be so great by the spring that the program will be reinstated. This is a relatively modest expenditure and if my constituency is a typical example, it seems to be a cruel, unfair and unjust action to put 500 or 600 students into idleness and to foreclose on their opportunities to return to college or university. I certainly hope that the Government will reverse its policy with respect to this program. It gave no forewarning during the election campaign that it was planning to cut out the student program.

It would have been interesting to see how Progressive Conservative Members would have campaigned on that policy of cutting out student employment programs. I would have been interested to see what support such a policy would have had from the young Progressive Conservatives.

I welcome the question from the Hon. Member from Newfoundland because I did not go into any of the detail which his question allowed me to give in this debate.

Mr. Nickerson: Mr. Speaker, thank you for giving me the opportunity to set the record straight. In his presentation the Hon. Member for Algoma (Mr. Foster) said that Revenue Canada had ceased to give advance rulings on the tax consequences of certain arrangements. This is not the case. Revenue Canada continues to give those advance rulings, with one particular exception. That is the one with which the Hon. Member is concerned. It involves the use of a limited partnership for purposes that were not contemplated under the Income Tax Act.

According to the Act, limited partnership contemplated individuals forming partnerships. In the case with which the Hon. Member is concerned, there are two large corporations that would like to form a limited partnership. That is why an advance ruling has not yet been given in this particular instance.

However, I would agree with the Hon. Member that it would be advantageous, especially for the potential new employees in his riding, were the Department of National Revenue to be able to give that advance ruling in the near future.

Mr. Foster: Mr. Speaker, I mentioned this because I think it is a very important concept. The Government said that it would give greater security, confidence and certainty to the business community. In my opinion, the decision not to allow the implications of a joint venture on a limited partnership only adds uncertainty to the situation. I suggest that it is really a cop-out.

Apparently there were eight such cases before the Department of National Revenue. Two of them, Algoma Steel and Tembec, would create substantial jobs. We are talking about 700 jobs in the case of Algoma Steel. Algoma Steel wanted to form a joint venture or limited partnership in which some of the tax credits and capital cost allowances of the corporation would be used by another corporation under a limited partnership. This would mean 700 permanent jobs that are desperately needed in our own area.

I understand that a similar situation exists with the Tembec company which is about 100 miles north of Ottawa. If such an undertaking would create jobs, why could the Department of National Revenue not say that it would allow it and give the advance ruling? Why could it not do that in the case of Tembec?

If there were corporations which were putting together non-productive, limited partnerships that would not create jobs, the department could refuse to give an advance ruling in such a case.

The Prime Minister came to Sault Ste. Marie and Algoma twice in July to say that he would see that the plant would be completed. When the company laid down its proposal at a meeting in September, there was no indication that the Government was going to disallow it. Lo and behold, two weeks later this advance ruling by the Department of National Revenue was outlawed so that the opportunity to complete this $350 million tube mill is foreclosed.

I realize that the Hon. Member is saying that the advance ruling mainly applies to this kind of circumstance, but it is in these kinds of circumstances where the Government is, in effect, copping out from its responsibility to give advance rulings.

Mr. Deputy Speaker: The time for questions and comments on the Hon. Member's speech has now expired.

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, it is certainly a privilege for me to say a few words about the Speech from the Throne as well as the statement by the Minister of Finance (Mr. Wilson) last Thursday evening. At this time I would also like to congratulate the mover of the Speech from the Throne, the Hon. Member for Sarnia-Lambton (Mr. James), and the seconder, the Hon. Member for Montreal-Mercier (Mrs. Jacques). I think it is rather unusual that two seatmates moved and seconded the Speech from the Throne. I also believe that they have the same name because, according to my limited French, I believe the names "Jacques" and "James" are the same.

The Speech from the Throne commencing the Thirty-third Parliament was certainly impressive. Much to the disappointment of the Opposition, it did not go into great detail. However, the Speech from the Throne certainly charted a course. The statements and remarks of the Minister of Finance of last Thursday evening clarified a good deal of what the Canadian people want and are expecting. Canada now has, shall we say, returned to the land of the free.

• (1250)

Some Hon. Members: Hear, hear!

Mr. Darling: This Government is going to free Canadians from a mushrooming deficit. If any statement or message was given to the people of Canada by this new Government, it was that something had to be done to reduce the deficit, to put Canadians back to work and to give Canada's private industry and its entrepreneurs a chance to see what they can do. Past government mismanagement and mishandling of programs and its entry into the private field proved most unsuccessful.

As we are all aware, we are now faced with 1,400,000, give or take, unemployed. Band-aid approaches give some short-term assistance but the idea is to get Canadians, young and old, back to work in long-term, challenging and, let us say, permanent jobs.

The Prime Minister (Mr. Mulroney) at this very moment is meeting with the Premiers of the provinces to discuss plans for the future of Canada, to set up goals and various projects for a First Ministers' conference some time early in the new year. We wish them well in this endeavour. Future conferences will be of a different type. First Ministers will sit down and discuss on an friendly basis, and I can emphasize "friendly", rather than on a confrontational basis, the way it was in the past.

Some Hon. Members: Hear, hear!

Mr. Darling: Possibly a year down the road at the conference we will see another Conservative Government representing the Province of Manitoba joining in to discuss the future of Canada.

Mr. Manly: Not likely.

Mr. Darling: I notice that last remark of mine did not register too well in the NDP section of this House.

Some Hon. Members: Oh, oh!

Mr. Darling: I listened with a great deal of interest when the Right Hon. Leader of the Opposition (Mr. Turner) criticized the Throne Speech for references made concerning consultation with the private sector. That attitude is the chief reason his Party went down to a crushing defeat on September 4. When I think back to that great statement of Mackenzie King, it reminds me that the present 40 Members are in the valley of humiliation from which it will take a great many years to recover.

Canadians should take great comfort in knowing they now have a government that will listen. I want to emphasize that,

Mr. Speaker. I know that we as members of the government will be bringing our messages to the Cabinet and to the Prime Minister. Certainly there will have to be some distasteful medicine taken; there is no question about that. I think the statement "short-term pain for long-term gain" is a truism. It reminds me that everyone wants to go to heaven but nobody wants to die.

Some Hon. Members: Oh, oh!

Mr. Darling: Some hard measures will have to be taken in order for us to get the country back on the right road. The doors in Ottawa have been closed so long and the keyholes plugged for so many years that Canadians must get used to true representation in Parliament.

If consultation and co-operation is such a dastardly goal, perhaps Opposition members could explain why private sector spokesmen are so elated with the Throne Speech and the economic statement of the Minister of Finance. Immediately following the address of the Finance Minister, I had the good fortune to meet in my office with John Bulloch, president of the influential Canadian Federation of Independent Business. Mr. Bulloch's federation is one of nine private sector groups participating in the consultation process, the same group so profusely maligned by the Opposition. Let me quote what Mr. Bulloch said:

> The signals to the investment community are positive because there is a message of honesty. It is a message that Canada will rely more on the private sector than the Government. We're going to roll back regulations and rely on market forces. For small business specifically, they re-introduced the tax simplification measures from last April. These were non-partisan measures developed after three years of effort between the private sector and the tax fraternity. They represent $50 million in savings in accounting fees alone.

Mr. Bulloch described the Finance Minister's announcement as a "cold shower", and said it was the only cold shower he has ever enjoyed taking. That shower, of course, describes the rude awakening Canadians are enduring in the face of a deficit more severe than previously disclosed. Canadians should not be fooled by Opposition prattlings about lack of concern over unemployment. The creation of meaningful, long-term employment is contingent on a strong national economic base. The Opposition is doing what it is paid to do. Unfortunately, members of the Opposition do not seem to care about misinforming the people of Canada and making the pain and suffering of the unemployed even greater.

Getting Canada back to work is of paramount importance to this Government. We defy anyone to provide concrete proof that that is not the case. It will always be our intention to deal fairly and compassionately with the people of Canada. That, in itself, is one of the changes Canadians have been seeking. Unemployment will not take a back seat to problems relating to the deficit, but even grade school mathematicians can see why the deficit must be addressed concurrently.

Consider, if you will, what Mr. Bulloch had to say on behalf of the Canadian Federation of Independent Business:

> We've had some shocking news when it comes to the size of the Government's deficit and their fiscal problems, but the Government has shown a lot of honesty and straight shooting on how they're going to deal with it.
>
> To have over $4 billion in cuts so early in the game is a major achievement. We, as an organization, are making suggestions to the Deputy Prime Minister where even further cuts can be made over the next six months. The signals to business are very, very powerful. The signals to small business are especially good. We have a whole set of new rules between the tax collector and small business.
>
> They're going to remove the restrictions that are inhibiting small business growth, for example, the unemployment insurance system and the problems of equity capital. The sleeper is the review of the unemployment insurance system because most people don't realize today that unemployment insurance is creating unemployment.
>
> The United States now has 7 per cent unemployment while we have 11. The reason: people in the United States are taking real wage cuts. People in the United States are moving more frequently to take jobs. The people in the United States are taking more training and the rigidity in our labour market is the major inhibitor to job creation in Canada. The sleeper here is the serious initiatives to review unemployment insurance.

Mr. Deputy Speaker: Order, please. I am sorry but I have to interrupt the Hon. Member since it is one o'clock. I shall now leave the chair until two o'clock. Since the Hon. Member for Parry Sound-Muskoka (Mr. Darling) has some time left, he may continue after the daily routine of business.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

PUBLIC SERVICE

CONSEQUENCES OF STAFFING FREEZE

Mr. George Baker (Gander-Twillingate): Mr. Speaker, the full impact of restraint measures announced by the new Conservative Government has not yet been felt in the poorer regions of Canada. I am referring to the freeze on person-years announced by the new Government for the federal Public Service, and the cutting and streamlining of administration in various federal Departments.

It is clear what happens when orders are given to cut, to streamline, and to freeze the federal Public Service. It is the job in the field, the job at the end of the line, and the job in the region which are cut. Tory policy today in this area is even more cruel than it was in 1979. To set out intentionally, as the Government has done, to reduce the size of the federal Public Service, with no regard whatsoever to where these cuts are made, is a cruel and stupid policy. This policy reaches into every community in rural Canada, and into Crown corporations such as Canada Post.

This week orders are being issued throughout Atlantic Canada to reduce the hours of small post offices from 40 hours to 30 hours. In Newfoundland, about 160 post offices are

affected by the decision. The decision was made for all of Atlantic Canada last week, and I understand rural Quebec will get the same boot this week. It is now clear that the Government is not interested in the poorer regions of the country, much less in poor people.

* * *

SPORT

NATIONAL SYMBOLISM OF GREY CUP ANNUAL FOOTBALL MATCH

Mr. George Minaker (Winnipeg-St. James): Mr. Speaker, I rise today to make a statement on an annual national event known as the Grey Cup game. I must apologize if I seem somewhat more jubilant today as a Winnipeger than you, Mr. Speaker, as a Torontonian. On last Sunday afternoon our Winnipeg Blue Bombers became the number one football team in western Canada, and the Western Conference champions. The Blue Bombers are a community-owned team with its home located in the centre of the riding of Winnipeg-St. James.

I should like to take this opportunity to congratulate formally the players—

Mr. Speaker: Order, please. I am afraid that gives me an opportunity I must take. I wish only to say to new Members, and others, that according to the rules of the House Standing Order 21 may not be used for statements of congratulations. I rise only to make that point.

Mr. Minaker: The Grey Cup is a real symbol of national pride and unity. It brings the East and West together in a weekend full of festivities and good will.

I might add that my deskmate, the Hon. Member for Lincoln (Mrs. Martin), which is in Hamilton, and I, have a friendly wager that the loser will buy a dinner in the Parliamentary Restaurant regardless of whether or not the price has risen. I hope, without breaking any laws, that my colleagues from western Canada will join in similar wagers with our eastern colleagues so that we can get back some of the loot we in western Canada lost last year to the East.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

* * *

MULTICULTURALISM

SEPARATE DEPARTMENT ADVOCATED

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I rise today to draw the attention of the House to a commitment made by the Conservative Party during the last election campaign, a commitment which is now by no means certain to be honoured.

Ethnic leaders throughout Canada have been asking the federal Government for many years to strengthen its commitment to Canada's multicultural heritage. Since the first statement by then Prime Minister Trudeau in 1971 referring to Canada's multicultural diversity, there has been growing recognition of the multicultural fact.

During the election campaign the Hon. Member for Edmonton North (Mr. Paproski) confirmed that his Party would, if it formed the Government, create a separate Department of Multiculturalism with an "ethnic minister". When asked if his Leader, now the Prime Minister (Mr. Mulroney), would support such a move, the Hon. member and former Minister of State for Multiculturalism during the previous minority Conservative Government, was quoted as saying:

> I think that I can say that without any problem.

It appears now that there is some problem. The Speech from the Throne which opened this new Parliament made only one fleeting and thin reference to the Government's commitment:

> To reach a national consensus which will reflect the reality of Canada's cultural diversity.

There is no mention of the campaign promise of a full-fledged Department of Multiculturalism.

The Minister of State for Multiculturalism (Mr. Murta) is reportedly engaged in consultations with ethnic groups to consider the direction of Canada's multicultural policy. I hope these consultations create a better result than the previous Government's multiculturalism Bill of last June. Let the Government show its good will by honouring at least one campaign promise, one that holds an enormous symbolic importance for thousands of Canadians.

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

* * *

THE ECONOMY

SUPPORT FOR GOVERNMENT'S AIMS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, as the Minister of Finance (Mr. Wilson) said in his statement last Thursday, the Canadian people did indeed make a clear and confident judgment on September 4 about the future of this great country of ours. I strongly endorse and applaud the objectives and strategies of the program. The process of consultation with Canadians is especially vital if we are to achieve the desired consensus, followed by committed action.

I wish to stress that the creation of jobs remains the top priority in Canada. However, we must take the required long-term steps to create a climate of confidence so that sustained economic growth and job creation will take place. In creating such a climate it is essential to tackle the causes of the problems rather than wrestling with the symptoms. That is why Canadians agree that we must reverse the massive build-up in public debt as a step toward fiscal responsibility.

Lastly, Canadians realize that we must be prepared to forge and fashion our role in the world market-place if the blueprint of economic renewal is to become a reality. That is why the Canadian community is so supportive of the aims and objectives outlined in the statement of the Minister of Finance last Thursday in this House.

* * *

[*Translation*]

ADMINISTRATION OF JUSTICE

ALLEGED INEFFECTIVENESS OF CERTAIN LEGISLATION

Mrs. Lucie Pépin (Outremont): Last Thursday, in commenting on the acquittal of Dr. Morgentaler, the Minister of Justice (Mr. Crosbie) indicated that he did not intend to support an amendment to the legislation on abortion.

The 1969 legislation on termination of pregnancy is outdated. In fact, in most parts of Canada, recognized hospitals have refused to set up therapeutic abortion committees as provided by law.

The resulting inequities are obvious. Furthermore, the fourth acquittal of Dr. Morgentaler clearly illustrates the shortcomings of the existing legislation, which should be reviewed as soon as possible in order to change either the way it is implemented or its substance.

My purpose here is not to challenge the validity of our judicial system but to stress the ineffectiveness of certain areas of our legislation which penalizes individuals, in this case women, who require a service that, according to the legislation, should be available, but in practice is not.

* * *

[*English*]

THE LEADER OF THE OPPOSITION

Mr. Gordon Taylor (Bow River): Mr. Speaker, during the election campaign the Right Hon. Leader of the Opposition (Mr. Turner) promised to reduce the deficit. Now, when the Progressive Conservative Government is actually making a reduction, he groans in dismay, "cut, cut, cut". This is understandable when his record as Minister of Finance shows that he increased federal Government spending by 99.8 per cent. Then his Liberal friends continued to increase spending, with borrowed money of course, until the public debt is now about $190 billion. He would reduce the deficit by add, add, add.

Everyone, except the Liberals, knows a debt cannot be reduced by adding to it, but the Liberals have been trying to lift themselves by their own bootstraps for a long time. The Liberal Leader fights the reduction of the public debt against the wishes of the people.

Here are a few excerpts from editorials: *The Globe and Mail*, "Business across the country applauded the economic statement"; *Le Devoir*: "Only a lunatic would claim that the financial situation of the federal Government is not disastrous and does not require drastic measures of austerity"; and even the Vancouver *Province*: "—this tough, ambitious and fair program should stop the drift to higher payments just to cover the interest on our exploding debt". However, one of my Indian friends put it more succinctly. He said: "That Liberal Leader talks with a forked tongue".

The economic statement of the Minister of Finance (Mr. Wilson) reflects the thinking of the vast majority of the Canadian people. We will keep our promise to Canadians despite the moans and groans of members of the Liberal Party and of the NDP and we we will build a new Canada—

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

* * *

• (1410)

UNEMPLOYMENT INSURANCE

EFFECT OF ANNOUNCED CHANGES

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, neither the Minister of Finance (Mr. Wilson) nor the Minister of Employment and Immigration (Miss MacDonald) have tabled the impact studies which should show the effects of the announced cutbacks on unemployment insurance claimants, particularly those in the various regions of Canada where unemployment rates are far in excess of the national average. It is obvious that the Government views the unemployed as mere statistics. Therefore, in order to appear tough to the large and powerful business interests in Canada, and to create a climate of confidence for the private sector, the Government is prepared to crush those with the least economic power.

See how tough this Government is! See how the Government is slashing at the public sector! See how the Government creates confidence in the private sector! See how tough it is while it is crushing students, chopping research and development, and savaging public servants! See how it mollycoddles the rich and powerful—world prices for oil, no challenge to corporate concentration in Canada, no changes in the Income Tax Act to make the wealthy pay their fair share of taxes! It seems to me the Government has adapted a theme song from the Three-Penny Opera: "Mac the Knife is back in town".

The least the Government can do is table the impact studies relating to the announced changes in the Unemployment Insurance Act. I call on the Minister of Employment and Immigration to do so now.

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THE ADMINISTRATION

SUPPORT FOR GOVERNMENT DECISIONS

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, the results of the election of September 4 indicated that

Canadians are willing to work together to solve the problems that we face in our country. They took the first step in reversing the negative trend that has plagued our country by electing a new Government committed to bringing about real change.

Voters entrusted our Government with a mandate to lead the way in a process of economic renewal and national reconciliation. We have begun to fulfil that mandate, Mr. Speaker. Last week, in the Speech from the Throne and in the economic statement made by the Minister of Finance (Mr. Wilson), our Government laid the cornerstones for a national reconstruction effort.

In facing up to Canada's serious economic problems, we are all going to have to work hard and we are going to have to make some crucial decisions. The people of the riding of Mission-Port Moody are prepared for these decisions. Already they are responding with enthusiasm to the leadership shown by the Prime Minister (Mr. Mulroney) and the Minister of Finance.

Our agenda for change and renewal is based upon consultation and discussion. The Prime Minister began that process today by meeting with the provincial First Ministers. What these people in opposition do not understand, Mr. Speaker, is: "You ain't seen nothing yet".

* * *

POLITICAL PARTIES

ABSTINENCE OF NEW DEMOCRATIC MEMBERS FROM NON-CONFIDENCE VOTE

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, such was the universal accord and happiness with which the Speech from the Throne and the economic statement were received that the whole country has united in its approval of the policies of the new Government. Even the NDP are in favour of the new policies. Apparently NDP members are not even interested in voting on their own subamendment. On Friday afternoon only three out of the required five NDP members rose when the opportunity presented itself to cause a recorded vote. Therefore, there will be no vote of non-confidence this afternoon.

From that we can only conclude either, first, that 27 out of the 30 NDP members fully support the new Government; second, that the NDP has abandoned its role of opposition by vacating the field to its friends in the Liberal Party; or third, that NDP members would be well advised to reconsider their choice of House Leader and Party Whip.

Some Hon. Members: Hear, hear!

ACCESS TO INFORMATION

CONDEMNATION OF GOVERNMENT PRACTICES

Mr. John V. Nunziata (York South-Weston): Mr. Speaker, during the election campaign Conservative candidates promised a more open and accessible Government. The Tories castigated the Liberal Government for secrecy. In their national election propaganda they said:

> The Liberals deny Canadians legitimate access to Government. They refuse to release government information. Government must be accountable to the people of Canada. It must be accessible, honest and respectful of different needs and opinions.

What a farce, Mr. Speaker. That is hypocrisy in its highest and purest form. Two months of the Tory version of open and accessible Government have given Canadians a real understanding of the words "duplicity" and "deceit". If its present practices continue, the Conservative Government will clearly be the most secretive and paranoiac Government Canadians have ever witnessed.

The most recent example of this approach came last week with the Finance Minister's refusal to release a study done on the impact his cuts will have on unemployment rates. The public, the press, and the Opposition have a right to this information. We have a right to know how many jobs will be lost. We have a right to know which regions and which sectors of the economy will be most seriously affected.

Why is the Government afraid to release this information? What does it have to hide? Canadians are asking themselves what happened to the promise of more open government.

Mr. Speaker: I must inform the Hon. Member that his time has expired.

ORAL QUESTION PERIOD

[*Translation*]

EXTERNAL AID

GOVERNMENT'S CREDIBILITY

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I should like to ask a question to the Secretary of State for External Affairs and, to my mind, it has to do with the credibility of the Government.

In light of the statement made last week by the Minister of Finance concerning the $180 million cut in foreign aid which Canada was committed to give to developing countries, how can the Right Hon. Minister explain that, 48 hours earlier, he had authorized his ambassador to the UN to deliver a passionate speech to tell the whole world that Canada would give more foreign aid than any other country and that, 48 hours later, his Government ruthlessly slashed foreign aid programs, when Africa is experiencing the worst famine in many years

and other countries are wondering whether they ought to expect less assistance?

[*English*]

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Government of Canada, under the government of different Parties, has a proud record of contributing to overseas development assistance. It is the intention of this Government to maintain that record.

When my colleague, the Minister of Finance, made his statement in this House on Thursday night, he made very clear the commitment of this country to continuing our steady progress toward .07 per cent of GNP for overseas development assistance. Because of the severe economic situation which the Government has inherited, we have been forced to stretch out that commitment to a longer time frame. However, we are meeting the obligations of Canada, and we will retain a position of respect and leadership for Canada by contributing to development and by contributing to relief of disaster where it occurs.

AMOUNT OF FUNDING

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, how can the Right Hon. Secretary of State for External Affairs stand today and make that statement when, on September 25, at the United Nations, speaking on behalf of the Government and all of the people of Canada, he made the solemn promise that we would keep our goal of .07 per cent of GNP for overseas development assistance by 1990 a few weeks later it was postponed to 1995, and two weeks later the programs of aid for the developing nations were cut by almost $200 million? Do you not think, Mr. Speaker, that the credibility of the Canadian Government has been determined by this inability of the new Government to say the same thing inside Canada as it does outside Canada?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, one of the reasons this Government enjoys much more credibility than the Government with which the Hon. Member was associated is precisely that we do say the same thing outside Canada as we do inside Canada.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Clark (Yellowhead): And it is our intention . . . And we have shown that we always say the same thing in French and in English.

[*English*]

What I said at the United Nations was that the Government intends to achieve its level of support by 1990. That was our intention at that time when we had that state of knowledge of the finances of the country. We did not know then just how serious was the fiscal problem in which the former Government had placed this country. For that reason we used guarded language then, and we repeated in the statement of my colleague, the Hon. Minister of Finance, a clear commitment to maintain Canada's steady progress. I would remind the House that Canadian overseas development aid is going up, not down.

• (1420)

AID FOR CENTRAL AMERICA

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, the Right Hon. Member says that he knows what he is talking about. He made a commitment to the UN on behalf of the Government on September 25. Three weeks later he backed away from that commitment because he has no clout in his Government. If the Government is about to cut $200 million in aid, I would like to know if it is the intention of the Government to continue to cut aid. The Minister indicated last week that the Government would increase aid to Africa because of the famine. Is it the intention of the Government to cut aid to Latin America at a time when a major crisis is developing in Nicaragua? Is it not the view of the Minister that he would have been well advised to follow more closely—

Mr. Speaker: Order, please. With great respect to the Hon. Member, I heard his supplementary question and I do not think that it is fair for two questions to be included in a third supplementary.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I would make the point that the Overseas Development Assistance budget has not been cut; it has been increased. It will be more this year than last year.

With respect to Nicaragua, this morning I had the opportunity of meeting with the Hon. Member for Spadina who has recently returned from that country. We discussed an aid program for Nicaragua, which the Government is examining. Two or three weeks ago I had the honour of signing a $7.5 million Canadian aid program which will help to ensure potable water supplies in Nicaragua. We are meeting Canada's obligations around the world, and we intend to continue to do so.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

RESEARCH

ANNOUNCED BUDGETARY CUTS—QUEBEC REGION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the President of the Treasury Board.

Cities in central Quebec are probably those most severely affected by the budget cuts announced by the Minister of Finance, and I am thinking of research laboratories in Victoriaville, Trois-Rivières and Shawinigan. Could the Minister inform the House what will happen to the Institut de recherche Maurice-Lamontagne in the Lower St. Lawrence area and

the Centre de recherche optique planned for the Quebec City area?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I would like to answer my hon. colleague but first of all, I wish to thank him for the cordial words he directed to our government and my colleague, the Minister of Finance, last Thursday evening following our policy statement. It was much appreciated. I can inform the Hon. Member that the Centre Maurice-Lamontagne will proceed as planned. As Hon. Members must have noticed upon reading the documentation tabled last Thursday, there is no indication of any cuts in that area, and the same applies to the Centre de recherche optique at Quebec City.

INQUIRY CONCERNING POSSIBLE LOSS OF HIGH TECHNOLOGY JOBS

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I have a supplementary concerning the research centres planned for the area represented by the President of the Treasury Board. Could the Minister inform the House how many jobs related to those research centres will be lost as a result of these projects being abandoned or postponed?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, in the case of all research centres that were financed by the Laprade Fund, with which Hon. Members are familiar, certain projects which we felt did not have the same high priority as others have been either abandoned altogether or postponed.

Mr. Garneau: At a loss of how many jobs?

Mr. de Cotret: Mr. Speaker, I may inform my hon. friend that despite the fact that the Government represented by his Party during the last session spent more than $130 million, central Quebec is not better off than other regions.

The promise that the Laprade Fund would create permanent jobs, Mr. Speaker, is a promise which, quite frankly, was not kept.

* * *

[*English*]

THE ECONOMY

GOVERNMENT'S ECONOMIC STATEMENT—EFFECT ON EMPLOYMENT—REPORTER'S INTERVIEW WITH DEPARTMENTAL OFFICIAL

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Finance. On Friday last, after the Government announced its disastrous economic policy which it is going to—

Some Hon. Members: Oh, oh!

Mr. Broadbent: It is typical for Conservatives to laugh about increasing unemployment, a situation which we on this side of the House take seriously.

After the Minister announced his economic policy on Thursday night, he failed to indicate the precise effect that such a policy would have, according to analyses which were done by officials of his Department, on employment in the coming fiscal year. The Minister acknowledged last Friday that there was such a study, but refused to give that study to Members of the House and, more important, to the people of Canada.

My question concerns a news story which appeared the following day in *The Citizen* of Ottawa. In that story the reporter referred to an official from the Minister's Department, with the clear implication that the official gave to the reporter the information that the Minister denied to Members of the House of Commons. I would ask the Minister did any official from his Department give the information to the reporter which we requested, and will he tell us if that was done on the weekend?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am not aware of the official who gave out the information. The Hon. Member can read the papers as well as I can. Clearly, someone spoke to a reporter and gave some information. However, I would like to underline the fact that the information that was in *The Citizen* report is not significant information when taken into the over-all context of the broad impact of the economic statement, which is clearly positive. The chief spokesman for small business, John Bulloch, has said that—

Mr. Speaker: Order, please. With great respect to the Minister, we are now in the second week of this Parliament and the questions are getting longer, and the answers are getting longer. Therefore, I will assert my authority to bring Question Period back to where I believe it should be.

Some Hon. Members: Hear, hear!

DEPARTMENT'S ASSESSMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I will keep my supplementary question short. The Minister has said that in his view the assessment which was done by his Department would not produce significant results. Would he now allow the people of Canada to decide whether the document which he wants to keep secret is, or is not, significant? The Minister preached open government when he was on this side. Why does he not practise it when he has responsibility?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we are very open to these things.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): We have just embarked upon the largest consultative process that any Government has embarked on in Canadian history.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): I would like to give one piece of information to the Hon. Member in response to his question. I said that the information which was in the memorandum to me was statistically insignificant.

Mr. Broadbent: Let us decide.

Mr. Wilson (Etobicoke Centre): I will let you decide. In year one, in 1985, there is a marginal positive increase in employment; in 1986 it is a marginal negative impact on unemployment—both statistically insignificant and not worth worrying about.

REQUEST FOR PRODUCTION OF DOCUMENT

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister has told us that the situation will get worse in two years. Some of us hope that two years from now things would be better. Considering that the Minister continues to refer to that information in the House, does he not think that he has an obligation to produce that document, and does he not think that as a Member of Parliament I should not have to resort, as I will after Question Period, to the Access to Information Act, and go right over the Minister's head to obtain from the Government information which he should have provided a long time ago?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the information was provided to me as part of a broad memorandum outlining various policy alternatives. Those policy alternatives should be available to me, and only me, as the Minister of Finance.

Some Hon. Members: Oh, oh!

Mr. Wilson (Etobicoke Centre): I want to underline the fact that the information is statistically insignificant. It is more than outweighed by the positive impact of what has generally been regarded as a good economic statement.

Some Hon. Members: Hear, hear!

* * *

ENERGY

WORLD OIL PRICES

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. When the Minister was the opposition critic for that portfolio, she left no doubt, either before the election campaign or during the election campaign, as to what her policies would be if she were Energy Minister, or what the policies of her Government would be if they were elected. Now that the election is over, it would seem that these ideas have evaporated. I would like to say that—

Mr. Speaker: Order, please. I must advise the Hon. Member that the purpose of Question Period is not to make speeches or statements, but to ask questions.

Some Hon. Members: Hear, hear!

• (1430)

Mr. MacLellan: Mr. Speaker, in view of the fact that the Minister has said that she will not be making any major changes in energy policy until world oil prices have stabilized, what does she feel is "stability" in world energy oil prices? How does she define "stability", particularly concerning the difficult political situation in the Middle East?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, as the Hon. Member would know, the whole subject of oil pricing is currently under negotiation with the western producing provinces. It is a series of negotiations which are going very well. I am not in a position to talk about the outcome of those negotiations months before they are completed.

Mr. Speaker: A supplementary question preferably short.

IMPACT ON JOBS OF GOVERNMENT POLICIES

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, the Minister herself has said that she wants to use energy policies as an "engine for growth". When is this growth going to take place? When are these jobs going to be created? Just because the Minister is frozen at the switch, does she mean, Mr. Speaker, that these jobs are not going to come forward until 1995 or later?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the Hon. Member clearly was not present recently when I was able to sign amended gas export contracts which will maintain or create 15,000 new jobs by following a more sensible gas pricing policy.

Some Hon. Members: Hear, hear!

Miss Carney: We propose to bring forward similar measures in the next few weeks.

* * *

[*Translation*]

RESEARCH AND DEVELOPMENT

INQUIRY CONCERNING POSSIBLE JOB LOSSES FOLLOWING CUTS IN FUNDING

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

When the Progressive Conservative Party sat in the opposition, they often asked for more federal funds to be spent on research and development in Canada. However, in his economic statement last week, the Minister of Finance announced a

$60 million cut in our research and development expenditures. My question is therefore as follows: Can the Minister tell the House how many jobs will be lost because of this drastic action taken by the Canadian Government?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, with regard to the cut in expenditures announced last week in our research and development programs, I would like to assure my hon. friend that the Progressive Conservative party will meet its commitment to stimulate research and development during the next few years and that, everything being considered, no jobs will be lost in this sector, which is very important for the economic development of Canada.

* * *

[*English*]

THE ECONOMY

INDUSTRIAL INCENTIVE PROGRAM—EXPENDITURE REDUCTION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the Minister of Finance just confirmed a few moments ago that there will be a loss of jobs in two years. How does the Minister of Finance square that with what was just said by the President of the Treasury Board?

In the economic statement the Government has cut some $200 million from the Industrial Incentive Program. This means that areas of the country which do not have private industry will be even further neglected by this Government. Will the Minister tell the House how many more jobs will be lost by that cut in expenditure of $200 million? How many more jobs will be lost to the poor areas of the country?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me try to explain to the Hon. Member. We are convinced that the impact of the economic statement is going to increase confidence and that will lead to job creation.

I recently received a letter from a man who is 94 years old. He said that because of the new Government and the confidence which we are engendering in him, he has gone out and bought a company which was going bankrupt, saved 145 jobs, and is going to create another 25 jobs over the next three months. That is confidence!

Some Hon. Members: Hear, hear!

Some Hon. Members: Table it!

Mr. Speaker: Order, please. The Hon. Member for Sudbury has the floor. Order, please.

NATIONAL RESEARCH COUNCIL

CALIBRATION OF CANCER MONITORING EQUIPMENT—EFFECT OF ECONOMIC STATEMENT

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. In its economic statement on Thursday the Government announced a number of job cuts in government scientific centres, including the laboratory of the National Research Council which serves as the national standard for radiation. In addition, it is responsible for fine tuning cancer therapy equipment across the country. These cuts will throw into question the amount of radiation which is administered, and make cancer treatments less effective. Will the Minister tell us why the Government has seen fit in the name of restraint, and in a very mindless way, to eliminate very highly skilled technical positions, and at the same time risk the quality and safety of cancer treatment in Canadian hospitals?

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, in answer to the hon. gentleman's question, I will say that the Government indeed has not jeopardized in any way the calibration of cancer monitoring equipment. In fact that was but a very, very small complement of the 30 person years associated with the X-ray and molecular research laboratory which was largely viewed to be expendable by senior officials of the National Research Council.

Mr. Frith: Mr. Speaker, I must add that that is not the view of a number of directors of hospitals across this country who have expressed surprise and dismay at the cut in that area.

POSITION OF MINISTER OF NATIONAL HEALTH AND WELFARE

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my supplementary question is directed to the Minister of National Health and Welfare. I would like to congratulate him on his appointment to head that very important Department. Would the Minister tell the House why he went along with a cut which he knows will mean over the long term a loss of skilled jobs to an area in the scientific community of this country in which jobs are hard to come by?

Hon. Jake Epp (Minister of National Health and Welfare): First of all, Mr. Speaker, I would like to thank the Hon. Member for his kind words and also to give him my best wishes in fulfilling his responsibilities.

I want to tell the Hon. Member that I believe, knowing of some of his comments in the past, that he will share our view that getting our economic house in order is the best way to create long-term jobs.

The second point I would like to make, and about which I have obviously made inquiries, is that it is my view, as well as the view within the Department, that the concern the Hon. Member has expressed is not valid. Every step will be taken to protect cancer patients in terms of radiation and to ensure that the veracity of the tests will be maintained. This has not been

jeopardized, and I agree with the comments made by my cabinet colleague.

FUNDING CUT-BACKS—EFFECT ON EMPLOYEES

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is also directed to the Minister of State for Science and Technology, but first I would like to congratulate him on his appointment. In view of the statement just made by the President of the Treasury Board that there will be no loss of jobs in research and development, could the Minister explain why, in fact, cuts of between $36 million and $70 million are being imposed on the National Research Council, and why lay-off notices have gone to dozens of scientists of great experience at the NRC? Could the Minister also explain explicitly how it is that the Government of Canada is abandoning its capacity to recognize dioxin and other hazardous substances through the disbandment of the environmental secretariat?

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, the answer to the Hon. Member is that, indeed, no lay-off notices have been issued to any employees of the National Research Council. We are taking every measure to ensure a stimulation of private sector research and development—

Mr. Deans: Oh, yes, Sir!

Mr. Siddon: —consistent with the commitment of this Government. If that, in fact, means that people who were formerly employed in some of these laboratories are going to be able to seek out new private sector initiatives with the benefit of programs which this Government will be announcing, then it will give them a permanent, rewarding, exciting, and challenging alternative to stagnating in laboratories—

Mr. Deans: And have it done in the States, or perhaps Europe?

Mr. Siddon: —which have outlived their usefulness in some cases.

CONSULTATION INQUIRY

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, in view of the fact that employees in several of the laboratories concerned were told on Friday that lay-offs were coming, and were told how many lay-offs would come, but were not told who would be layed off, how can the Minister make that kind of statement? Why did the Government go forward with the cuts in the NRC without the kind of consultation which was so amply promised in the document called *An Agenda for Economic Renewal*, which we received only last week?

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, I repeat there have been no lay-offs, and the decisions which were announced by my colleague, the Minister of Finance, on Thursday night, were discussed fully with the senior officials at the National Research Council. It is unfortunate that one does not discuss such contemplated measures with every employee. However, indeed and in fact, those positions were seen to be the least essential of all of the activities of the National Research Council and, therefore, this Government took an essential decision, with which the Hon. Member obviously disagrees.

* * *

• (1440)

WHALING

IMPORTANCE TO INUIT OF BAFFIN ISLAND AND EASTERN ARCTIC

Mr. Thomas Suluk (Nunatsiaq): Mr. Speaker, the seal industry in 50 per cent of my riding has been destroyed by conservationists such as Greenpeace. Due to the lack of industry and business opportunities in Nunatsiaq, over 50 per cent of the residents still carry on a form of renewable resource harvesting to supplement their meagre income. In the absence of a substantial amount of financial assistance to the Eastern Arctic, a ban on Narwhal hunting would aggravate the situation and the consequences would be devastating.

My question to the Right Hon. Secretary of State for External Affairs consequently is: In view of the importance of renewable resource harvesting of Narwhals and Beluga whales to Inuit of Baffin Island and the Eastern Arctic, could the Minister assure northerners that the Government will protect their interests and that appropriate representation will be forwarded to the convention on international trade in endangered species to be held next year?

Right Hon. Joe Clark (Secretary of State for External Affairs): May I first congratulate the Hon. Member on his election and for his first question in the House of Commons.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): The Government is aware of proposals made by the Federal Republic of Germany to list Narwhals and Beluga whales in a way which would jeopardize the economy of northern Canada. We have already begun attempts to persuade the Government of West Germany not to proceed in that way and consequently to be in a position to help us protect the industry and people's livelihood in northern Canada. We are also in close contact with other countries which share our view, to enlist their help in trying to protect the economy and the livelihood of northern Canadians.

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UNEMPLOYMENT INSURANCE

PLIGHT OF NEWFOUNDLAND FISHERMEN NOT ELIGIBLE FOR BENEFITS

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, my question is for the Minister of Employ-

ment and Immigration. Last Thursday we heard that unemployment insurance premiums will be raised, people cut from the rolls and possibly benefits reduced. I remind the Minister that in Newfoundland and other parts of the Atlantic there are hundreds of fishermen who, through no fault of their own, will not even qualify for any benefits this year because of a disaster in the inshore fishery. Will the Minister now announce a special fund for those fishermen, as has been done twice in the past, so that they will be able to qualify for unemployment insurance this winter and will not have to suffer the humiliation of welfare?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, we have been monitoring this situation very closely. It is my understanding that in the last few weeks there have been sufficient fishing opportunities so as to permit fisher people to qualify for the ten weeks that would allow them to collect unemployment insurance benefits. I also want to say to the Hon. Member that if he knows of any individual cases which do not fit this particular qualification, I would appreciate it if he would bring them to my attention.

LEVEL OF ASSISTANCE FOR AFFECTED CONSTITUENCIES

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, I appreciate the sympathetic ear of the Minister. In her letter to us of October 9 the Minister said: "Should the situation turn out to be even worse in 1984, I am prepared to consider raising allocation in fishing constituencies as far up to the $3 million maximum as may be necessary to provide required assistance". If this is necessary, would the Minister follow through so that we can begin to create the jobs that are needed so badly in those constituencies?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I certainly intend to do that as soon as we know that the season is complete and that all the figures and returns are in.

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CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

LONG DISTANCE TELEPHONE HEARINGS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I would like to direct a question to the Minister of Communications. He will know that the CRTC is holding hearings at the request of CN/CP Telecommunications to permit them to enter the long distance telephone business. He will also know that estimates have been made that half a million telephone users will have to give up their phone service, and that rates will go up 30 per cent to 100 per cent in the next few years, if competition takes place. Before the election the Prime Minister said very clearly that he thought no policies should be changed until there was a policy directive. Would the Minister consider suggesting to the CRTC that it should not issue any statement until they policy has been set by the Government?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, hearings of the CRTC are held in accordance with the law. The hearings were announced publicly and the parties involved will be heard. The CRTC will make its decision and the Government will take appropriate action.

[*English*]

TELECOMMUNICATIONS POLICY—REQUEST FOR COMMITTEE REVIEW

Mr. David Orlikow (Winnipeg North): Mr. Speaker, would the Minister mandate the House Standing Committee on Communications and Culture to undertake a national review of telecommunications policy prior to any decision by the CRTC?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, that is not the intention of the Government.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

NEWFOUNDLAND FISHERMEN—REQUEST FOR ASSISTANCE

Mr. George Baker (Gander-Twillingate): Mr. Speaker, my question arises out of a previous question to the Minister of Employment and Immigration. The Minister's Department has been informed by the federal Department of Fisheries and the fishermen's union in Newfoundland that there are at least 1,600 families affected by what the previous questioner was talking about, not enough stamps for unemployment insurance, and that the ridings so affected are already up to the $3 million limit in Canada Works funds. Given this new information, will the Minister agree that a special program should be instituted like the Liberals did last year, or is she telling the people to go to the welfare office?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, what I said in answer to the previous question, and say again, is that we are waiting until the season is completed everywhere in the fishing communities and we will then make that decision. We have made a commitment that we are prepared to go to the limit of $3 million for all constituencies so affected.

Mr. Baker: They are already up to $3 million.

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TRANSPORT

AUTOMOBILE EMISSIONS—REQUEST FOR REDUCTION TO UNITED STATES LEVEL

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, my question is for the Minister of Transport. He is well aware

of the serious situation facing this continent regarding acid rain. Have he and his officials been contemplating any legislation which would reduce automobile emissions in Canada to a level in line with those in effect in the United States at the present time?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the answer to that question is no, we are not contemplating legislation at the present time. However, we are organizing public hearings to be held here in Ottawa on the third, fourth, and fifth of December, to study the relationship between motor vehicle exhaust emissions and their impact on acid rain. Following those public hearings we hope to ascertain information as to whether or not appropriate changes should be made to the Motor Vehicle Safety Act.

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[*Translation*]

EMPLOYMENT

REQUEST FOR DETAILS CONCERNING POSSIBLE JOB LOSSES IN RESEARCH AND IN CONSTRUCTION INDUSTRY

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the President of the Treasury Board.

With reference to the answers, or should I say non-answers, he gave my hon. friend from Laval-des-Rapides to a very specific question, namely, how many jobs would be lost in the ridings of Trois-Rivières and Lotbinière, as a result of certain projects not materializing or being abandoned, jobs that may be lost not only at the research level but also in construction, could the Minister inform the House why he did not give the answer if he has the figures? Second, were the members for Trois-Rivières and Lotbinière consulted on the matter and finally, did they agree with the decision?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I may inform my hon. friend that the Members in question were consulted.

As far as the lost jobs are concerned, I think that through redeployment of the funds that were earmarked for the region concerned, many more permanent jobs will be created than was the case when such funds were spent in the past.

INQUIRY ABOUT POSSIBLE JOB LOSSES IN VICTORIAVILLE AND TROIS-RIVIÈRES, P.Q.

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, what I am asking the President of the Treasury Board is quite simple. He has been president of a bank—I am asking him to keep his figures simple. Could he inform the House whether any calculations were made with respect to the two projects that were supposed to create jobs in Victoriaville and Trois-Rivières. How many jobs have now been lost in construction? How many jobs will not be created? The answer should not be too difficult.

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, since the funds are going to be re-directed to the Laprade Fund, it is not a matter of funds or jobs being lost. On the contrary, additional jobs will be created.

* * *

• (1450)

[*English*]

EXTERNAL AFFAIRS

CENTRAL AMERICA—PROPOSED DRAFT PEACE TREATY

Mr. Dan Heap (Spadina): Mr. Speaker, I would like to extend my congratulations to you on your elevation to key responsibility in the House.

My question is for the Secretary of State for External Affairs. In September the Contadora nations, led by Mexico and Columbia, proposed a draft treaty aimed at bringing peace to Central America, including an end to the U.S. backed invasion of Nicaragua. In view of Nicaragua's offer to sign the treaty, the offer of France and other nations to sign the protocol of support, and the U.S. State Department's boast that they have blocked the Contadora treaty, will the Minister now publicly indicate that Canada will also sign the protocol of support to the Contadora treaty, and urge the United States to do the same?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we continue to have some very serious reservations about the effectiveness of the verification procedures in the Contadora agreement as it now stands. We hope that that can be improved. We support wholeheartedly the Contadora process. On the 26th of this month I am meeting with the ambassadors of the Contadora countries here in Ottawa. I understand that the ambassador for Nicaragua has announced today at a press conference that he is seeking a meeting with officials of my Government. We will be delighted to meet with him. We very much want to have his assessment of the situation in Nicaragua. We will continue to exercise our influence in a way which will not only advance the Contadora process but give us a result which will help bring stability to that area.

VERIFICATION PROCESS

Mr. Dan Heap (Spadina): Mr. Speaker, I very much appreciate the news that the Minister will be meeting with these other Ministers on this urgent matter within a few days.

If the Minister has, as he says, reservations about the verification process in the Contadora treaty, will he be offering Canada's well known expertise in the matter of verification for the assistance of the Contadora Ministers in working out a treaty that Canada will then sign?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that has been done before, but I will certainly renew the offer. If there is anything we can do to improve that agreement, Canada wants to do it.

* * *

AGRICULTURE

FLOOD DAMAGE COMPENSATION FOR FARMERS IN NORTHEASTERN SASKATCHEWAN

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Agriculture. Last summer the Prime Minister announced that compensation would be given to farmers in five rural municipalities in northeastern Saskatchewan in the amount of $16 million, due to flood damage in 1983 and 1984. Many of the 1,700 farmers involved face terrible hardships due to crop loss this year. The Treasury Board approved this funding in August of this year. Can the Minister explain why these funds are being held up rather than being paid to these hard pressed producers?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, in response to the Hon. Member's question, I am not sure whether his information is complete and accurate. It is my understanding that indeed the $16 million was not approved by the Treasury Board. However, I have been in western Canada and have spoken with my provincial counterparts, as well as with my colleagues in Cabinet and many members of my caucus. We have completed the submission, and it is before the Treasury Board at the moment.

REQUEST FOR IMMEDIATE PAYMENT

Mr. Maurice Foster (Algoma): Mr. Speaker, it is my information that this funding was approved in August. The Premier of Saskatchewan is in Ottawa today. Why does the Minister not take the opportunity to make this payment immediately and announce it right now?

* * *

PORNOGRAPHY

REQUEST THAT CRIMINAL CODE BE AMENDED

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my question is for the Minister of Justice. The action of the Minister of National Revenue who stopped the entry into Canada of the December issue of *Penthouse* magazine, which expressly depicts bondage scenes of the most degrading and dangerous sort, an outrage to women, men, and, in this case, the Japanese culture, was only a very late reaction. These magazines should never have crossed the border.

Will the Minister reiterate before the House the electoral promise made by the Prime Minister to propose an amendment that would include gender in Section 287 of the Criminal Code on hate literature? Will he assure the women and men of Canada that the customs tariff and the provisions of the Canada Post Corporation Act concerning obscene, violent and degrading material will be enforced by his Government with all the rigour and vigilance required?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the administration of the customs tariff is in the hands of the Minister of National Revenue who is already attending to that particular feature of the Hon. Member's question.

With respect to the other question which the Hon. Member asked, the Prime Minister's commitment will certainly be carried out. Further, we hope that even more effective steps will be taken to improve provisions of the Code that relate to hate propaganda and pornography.

As the Hon. Member knows, there was a commission appointed by the last Government, under the chairmanship of Mr. Fraser, to study the subject of pornography and prostitution. That commission should be reporting in the next month or two. We do not want to move without having the benefit of that report first. You may be assured that after Christmas measures will be laid before the House.

* * *

THE ECONOMY

ECONOMIC STATEMENT—IMPACT ON PROPOSED MANUFACTURING TECHNOLOGY INSTITUTE

Mr. Cyril Keeper (Winnipeg-North Centre): Mr. Speaker, my question is for the Minister of Finance, if I could have his attention. His Government promised jobs, consultation, and effective representation for the West in Cabinet, yet in the economic statement the Government cut out the Manufacturing Technology Institute, something which is going to have a negative impact on jobs in Manitoba. That was done without consultation, and the cabinet Ministers from the West were ineffective in stopping this savage blow at the Manitoba economy.

When the Minister goes to Winnipeg in a very short period of time, will he be willing to meet with a representative committee of Manitobans, representing government, labour, and business, in order to give a thorough review of this matter of the funding of the Manufacturing Technology Institute?

Hon. Michael Wilson (Minister of Finance): Yes I would, Mr. Speaker.

BACKGROUND DOCUMENTATION

Mr. Cyril Keeper (Winnipeg-North Centre): Mr. Speaker, I appreciate the commitment from the Minister to meet with a representative group of—

Mr. Speaker: No, no. The Member asked a long question and got a short answer. Could we have a short supplementary question, please?

Mr. Keeper: Yes, a supplementary question, Mr. Speaker. In preparation for this meeting in Winnipeg, would the Minister share with Manitobans the documentation and background papers upon which the decision was made to cut out the Manufacturing Technology Institute in Manitoba?

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, there were no analyses on which to predicate the spin-off that was alleged to arise from this Manufacturing Technology Centre. The real issue here is one of political philosophy. It is a question of whether our Liberal and Socialist friends across the way believe that we can continue to throw government dollars at the creation of jobs, or stimulate the private sector to do so. In the case of the Centre for Manufacturing Technology, that facility will be turned to the use of the economy of the Province of Manitoba and to the creation of thousands of new jobs in that province.

* * *

PARLIAMENT HILL

REQUEST THAT PEACE CAMP BE REMOVED

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is for the Minister of Public Works. The Peace Camp has been sitting on Parliament Hill for nearly two years. Is the Minister of Public Works going to remove the Peace Camp, or is he going to make rules and regulations to allow other people who may wish to protest to Parliament to set up permanent booths and camps and so on, on parliamentary facilities?

[*Translation*]

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, I have the impression that my colleague is asking me to do in a few weeks something which the previous Government failed to do in 18 months. Still, I might say that since temperatures are usually somewhat colder in winter time, I dare hope that we will not have to pass legislation on that issue, but that those people will look upon the coming winter months as an opportunity to find shelter in warmer surroundings and that there will be no need to urge them to leave Parliament grounds.

* * *

● (1500)

[*English*]

PETITIONS

TABLING OF REPORTS BY CLERK OF PETITIONS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of one, presented by Hon. Members on Friday, November 9, 1984, meet the requirements of the Standing Orders as to form.

Point of Order—Mr. Deans

ECONOMIC STATEMENT OF MINISTER OF FINANCE

Mr. Speaker: I regret to inform the House that the petition presented by the Hon. Member for Hamilton East (Ms. Copps) does not meet the requirements of the Standing Orders as to form.

* * *

POINT OF ORDER

ALLEGED CITATION OF REPORT BY MR. WILSON

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I rise on a point of order which relates directly to an exchange that took place between the Hon. Member for Oshawa (Mr. Broadbent), the Leader of the New Democratic Party, and the Minister of Finance (Mr. Wilson). You will recall that during the Question Period the Member for Oshawa requested the Minister of Finance to place on the record before the public of Canada and the House of Commons the information pertaining to the number of jobs that would be affected by the recently tabled economic statement of the Minister.

The Minister referred to two matters. In his reply he acknowledged the existence of a report which showed the number of jobs which would be affected by the Government's economic measures that were announced last Thursday. The second point I want to make is that the Minister, in acknowledging the existence of the report, made precise reference to the content of the report indicating the effect of the economic statement on the number of jobs gained or lost in Canada as analyzed by the Finance Ministry and reported to the Minister. The Minister used that particular citation in an effort to influence the debate which is presently taking place in the House of Commons and also to influence the public of Canada in believing that the reference to which he referred was of little consequence.

I am sure it is not necessary but I draw your attention to Beauchesne's Fifth Edition, page 115. Under the heading "Documents Cited", Citation 327(1) reads:

> A Minister of the Crown is not at liberty to read or quote from a despatch or other state paper not before the House, unless he be prepared to lay it upon the Table.

It goes on at some length but that is the relevant sentence. Citation 327(4) reads as follows:

> Only the document cited need be tabled by a Minister. A complete file need not be tabled because one document in it has been cited.

Paragraph 5 is the relevant part:

> To be cited, a document must be quoted or specifically used to influence debate.

Last Thursday the Minister rose in the House of Commons and delivered a speech. That speech resulted in a response from both Opposition Parties and was the catalyst for the exchange which took place today. It was as a result of the speech of the Minister that questions were asked today. Therefore the questions today are very much a part of the ongoing

debate in public terms over the relevance and import of the economic statement of the Minister of Finance.

We know that it has been the practice in the House of Commons for Ministers to be requested to table documents that they have used and cited as relevant and pertinent information for the purpose of influencing decisions or, for that matter, the views of Members of the House and the public. I can recall at least two occasions during the last Parliament when Ministers were asked to table letters which they had indicated were in existence and from which they had drawn certain paragraphs in order to shore up arguments they were attempting to make during the Question Period.

Therefore I would ask you, Mr. Speaker, to review what the Minister has done and consider whether it is appropriate for him to use a document provided to him by Ministry officials, which speaks directly to a question being asked of him by Members of the Opposition, in such a way as to influence the debate, without tabling the appropriate document.

In my judgment and I believe that of many Members, I suggest it would be appropriate and correct that the Minister be required to place upon the table the reports that were given to him by the Ministry officials, such reports as were cited by him during his exchange with the Leader of the New Democratic Party, which would answer conclusively the question we have been asking during the last two to three days about the effect of the economic statement on the number of jobs that will be lost in Canada.

The Minister says that he has documents which show that the effect will be minimal, which are almost his exact terms. He said that those are documents provided to him by Ministry officials. He has refused to make those documents and that information available to Members of the House of Commons and therefore to the public of Canada. He is attempting to influence the public view of the appropriateness of the actions being put forward by the Government without being prepared to back it up statistically or with the evidence that is available to him. I simply ask that he be required to table the documents.

Hon. Herb Gray (Windsor West): Mr. Speaker, during the course of Question Period the Minister of Finance (Mr. Wilson) did not simply refer to the existence of a document in general terms; he appeared to be citing from it and using words which would appear to any reasonable person to be drawn directly from the document in question. The Minister or the Government House Leader (Mr. Hnatyshyn) may argue that technically Question Period is not a debate in the House, but I submit that this Question Period took place in the middle of one of the most important debates that can take place in any parliamentary session. It is the debate on the Address in Reply to the Speech from the Throne.

In addition, I think you are entitled to take judicial notice that there is a debate in the country arising out of the statement given by the Minister of Finance last week. Therefore I submit that what the Minister of Finance did during this Question Period falls squarely within the ambit of the precedents in this regard, that he should be obliged by you to table the document which he cited so specifically before the House so the House of Commons and, more important, the people of Canada will know the truth about exactly how much damage will be done to them as a result of the measures announced in the statement given by the Minister of Finance last week.

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, may I say at the outset that this is the first procedural argument that has been brought forward by the Opposition. Let me say that I know all of their tricks. I spent much time in that position trying to bring up points of order which were not legitimate and I congratulate the Hon. Member for Hamilton Mountain (Mr. Deans) on his attempt, which is clearly defective in terms of being a point of order from a number of points of view.

First, the allegation was made that a specific despatch or state document was quoted from. Indeed, Your Honour will recall that in the course of the debates and indeed in Question Period there have been suggestions or allegations made by the Opposition that econometric models have been used. When the response of the Minister of Finance has been that any advice he received indicated that these models were in fact not germane or relevant to the debate, we now have the Opposition House Leaders coming forward to say that indeed there are documents which were quoted from and specifically cited by the Minister. That is the opposite to the truth.

• (1510)

The Minister, if you recall the debate, Mr. Speaker, responded to a question by the Leader of the New Democratic Party who brought forward not a state document or a despatch but an article from *The Ottawa Citizen* as some sort of authority for his question. The Minister said he did not accept the proposition put forward in the article. The point of order fails on all counts, Mr. Speaker.

I suggest that Beauchesne is quite specific. First, you have to have the Minister quoting or citing from a despatch or state paper. There has never been any reference by the Minister with respect to any document in a direct or quotable way. The Minister said that he had received advice and used political judgment on behalf of the Government with respect to the whole matter. His responses have been consistent. He said on the basis of advice received by him, as Minister, without quoting or citing in any respect, that any information he has received from any document with respect to projections concerning job gains or job losses has not been relevant to his decision.

Mr. Deans: He specifically mentioned 1985 and 1986.

Mr. Hnatyshyn: He made reference to information he has received, advice that he has received, in a general way, but he has not quoted from these documents.

Mr. Deans: He referred specifically.

Mr. Hnatyshyn: He has only made specific reference, Mr. Speaker, to the content of *The Ottawa Citizen* which was raised by the Leader of the New Democratic Party.

I have one word in my final submission to you, Your Honour. In the case of precedents where there have been documents quoted from by way of letters or other state papers and there has been by way of agreement the tabling by Ministers of certain documents, that has occurred where specific quotations have been used in support of arguments made by Ministers.

Mr. Deans: That is what he did.

Mr. Hnatyshyn: In this particular instance that was not the case, I suggest, Mr. Speaker. I think on the basis of the submission made, the Opposition is attempting only to get information which may or may not be in existence and which it is unable to obtain in other ways through the Question Period.

Mr. Deans: If I may, I have one final point, Mr. Speaker.

Mr. Speaker: The Hon. Member for Hamilton Mountain.

Mr. Deans: Mr. Speaker, I raise only one final point. The Government House Leader was clearly not listening. The Minister made specific reference to a memorandum he had received from his Ministry officials. He went further and quoted what the memorandum contained by way of a projection for the years 1985 and 1986 specifically.

I would ask you, Sir, if you are in a position to render a judgment—and, of course, you ought to—and if it is to be based on the suggestion of the Hon. Government House Leader that somehow the Minister made no such reference, that you await receiving the record of *Hansard* to determine whether or not, at least on the basis of that part of the argument, there is any validity to the suggestion made by the House Leader for the Government that we do not have the basis for a point of order.

Mr. Speaker: I must advise Hon. Members that I intend not to make a judgment today. I think it would be fair to the House that my first ruling should be reserved, even if I did know the answer.

I want to say to the Hon. Member for Hamilton Mountain that I listened extremely carefully, as he would expect, to the Minister of Finance (Mr. Wilson) the moment the Minister of Finance began to refer to some conclusions, as I remember. However, I want to check the blues. I say this to the Hon. Member because there are two points here. Beauchesne is absolutely clear in Citation 327(4) that the document must be quoted. The consequential problem is that this House has always dealt separately with the use of documents and points of order relating to documents with regard to Question Period. It has always done that according to my reading of the Jerome precedents and before that. Before I could evaluate that, I would have to determine, I think, whether a document had been quoted or whether in fact, as I thought I heard—which is why I want to check the blues before I say anything finally—the Minister referred to the general conclusions of a document as opposed to specifically quoting a document.

If that is true, then I suggest a point of order on the second part of the concern does not follow because a document has not for the purposes of the House been specifically quoted.

Mr. Deans: It does not have to be.

Mr. Speaker: With respect to the Hon. Member and with respect to all our newness to this question, I intend to reserve on the matter and to check the blues. I shall be back to the House in this regard.

Mr. Gray (Windsor West): Mr. Speaker, could I ask you to consider one further aspect in reviewing the blues and also in reviewing the precedents. I note in looking at Citation 327 on pages 115 and 116 of Beauchesne that there seems to be a distinction made in the precedents between citing and quoting. I refer, for example, to paragraph 3 on page 116 of Citation 327 which reads:

> A public document referred to but not cited or quoted by a Minister need not be tabled.

I respectfully ask you to consider, Sir, whether the Minister of Finance might still be obliged to table the document even though technically he may not have quoted it, but instead if he in fact did something which falls within the ambit of the precedent; that is to say, if he in fact cited a document.

Mr. Speaker: I take the advice of the Hon. Member and I will consider all the arguments.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

PEACE AND SECURITY POLICIES

Right Hon. Joe Clark (Yellowhead): Mr. Speaker, pursuant to Standing Order 71, I rise to bring to the attention of Parliament a petition signed by many of my constituents and, in total, by some 450,000 Canadians, calling for certain changes in current Canadian international peace and security policies, particularly concerning nuclear arms. I understand that representatives of the other Parties will be joining me in putting this petition to the House.

Hon. Herb Gray (Windsor West): Mr. Speaker, a few weeks ago I joined with the Secretary of State for External Affairs (Mr. Clark) and a representative of the New Democratic Party to receive petitions gathered by the Peace Petition Caravan from some 436,000 Canadians, the largest coalition of groups yet established under the disarmament issue. I am, therefore, pleased to present some of these petitions to this House for its consideration. The issues raised in them, connect-

ed as they are with the survival of human kind and this planet, are important to this House and to all of Canada. Pursuant to the Standing Order, I wish formally to present these petitions.

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, in connection with the same subject I should like to read the petition. To the Hon. House of Commons of Canada in Parliament assembled the petition of the undersigned residents of Canada, who now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that your honourable House will therefore provide a remedy, humbly sheweth whereas the petitioners, all signatories of the Peace Petition Caravan campaign, refuse the testing of the Cruise missile in Canada and reject research, production, testing and transport of any nuclear weapons, their delivery systems or components in Canada—

Mr. Speaker: Order, please.

Ms. Jewett: May I continue, Mr. Speaker?

Mr. Speaker: No. I think the Hon. Member knows that she is putting me in some difficulty by attempting to read the petition into the record. I ask her please to follow the normal traditions and to give a summary so that we may deal with this matter, as I think we all want to deal with it today.

Ms. Jewett: I am sorry, Mr. Speaker, I consulted the petitions people and they informed me that it was quite in order to explain what the nature of the petition was.

Mr. Speaker: Yes, I absolutely agree that it is in order to explain the nature of the petition. But the Hon. Member is verging on simply reading the petition into the record. Could I therefore ask the Member to summarize the petition, please?

Ms. Jewett: The petitioners also ask, Mr. Speaker, that Canada be declared a nuclear-weapons-free zone and that wasteful spending on the arms race be diverted to fund human needs as to ensure prosperity through peace. And as in duty bound, your petitioners will ever pray.

CPR LEVEL CROSSING IN OSHAWA, ONT.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I rise to present a petition under the provisions permitting Members to bring to the House petitions signed by our constituents.

I have the honour to present a petition signed by over 6,000 citizens of Oshawa who are deeply concerned about the continuing hazard that results from a certain CPR level crossing in that community.

• (1520)

Mr. Speaker: I understand there is an understanding with regard to the petitions of the Right Hon. Member for Yellowhead (Mr. Clark), the Hon. Member for Windsor West (Mr. Gray) and the Hon. Member for New Westminster-Coquitlam (Ms. Jewett). I think the record should show for those concerned that the House will wants to treat all the other matters, which I believe were sent to *Journals*, as deemed to have been filed with the Clerk at the Table. Is that understood?

Some Hon. Members: Agreed.

* * *

CRIMINAL CODE

AMENDMENT RESPECTING CAPITAL PUNISHMENT FOR CERTAIN OFFENCES

Mr. Bill Domm (Peterborough) moved for leave to introduce Bill C-202, an Act to amend the Criminal Code (capital punishment).

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Domm: Mr. Speaker, the purpose of this Bill is to amend the Criminal Code, thereby permitting capital punishment for everyone who commits high treason and everyone who commits first degree murder.

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

* * *

[*Translation*]

OFFICIAL LANGUAGES

MEASURE TO AMEND

Mr. Jean-Robert Gauthier (Ottawa-Vanier) moved for leave to introduce Bill C-203, an Act to amend the Official Languages Act (supremacy of the Act) and to amend other Acts in consequence thereof.

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Gauthier: Mr. Speaker, the purpose of this Bill is to affirm the supremacy of the Official Languages Act over all other legislation and regulations of Parliament. It provides amendments to the Bank Act, the Railway Act and the Winding-up Act with a view to stressing its characteristic as the basic Canadian legislation.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

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

Mr. Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

[*English*]

CRIMINAL CODE

AMENDMENT TO REINSTATE CAPITAL PUNISHMENT

Mr. Gerry St. Germain (Mission-Port Moody) moved for leave to introduce Bill C-204, an Act to amend the Criminal Code (capital punishment).

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. St. Germain: Mr. Speaker, the purpose of this Bill is to amend the Criminal Code to reinstate capital punishment for premeditated murder. This is not an emotional plea. This is the consensus of Canadians across the country. It is time to act now.

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

* * *

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mr. Ken James for an Address to Her Excellency the Governor General in reply to her Speech at the opening session; and the amendment thereto of Mr. Turner (Vancouver Quadra) (p. 38).

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, when I was speaking before the luncheon recess I quoted a prominent member of the Canadian Federation of Independent Business. I should like to emphasize that it is not a coincidence that the Throne Speech and the economic statement have garnered positive reaction from the private sector. The new Government has been lauded for stopping the bleeding in Canada's economic circles. The private sector is encouraged by the same consultation and co-operation so outwardly despised by the Opposition. The Government has been widely criticized for not creating enough jobs.

As was made perfectly clear during the election campaign, we have no intention of using band-aid treatment for a problem which requires major surgery. It would be very simple to create thousands of new job openings on a part-time or jerry-builder basis. That is not and never was the intention of the Government. We will create long-term, meaningful employment through careful planning and assessment of Canadian markets. Providing widespread, sporadic, unskilled employment serves only to keep workers at jobs with which they are not too happy and which of course will not last too long. We want Canadians working again. At the same time we want them working at jobs of which they are proud. The Government wants to have Canadians contributing to the welfare of the state as well as to themselves. We want Canadians to take home some self-esteem along with their pay cheques.

Economic security cannot be achieved overnight. It is unreasonable to expect an immediately perfect future when we are stricken with such an imperfect history. The fiscal mess facing us now will be addressed with courage and tenacity by the Government in tandem with the people it represents.

We have been quoted in the past as saying that the cupboard is bare. If the present trend was allowed to continue, we would have to go out and sell the cupboard as well. Presently this is not the case and it will not be the case so long as the people of Canada have confidence in their Government's policies and initiatives. From the outset the Progresssive Conservative Party pledged to stop the bleeding. With this done we are preparing for the transfusion.

Indeed cuts have been made, but let us remember that cuts were required. Also let us remember that the cuts were made in fairness to all. Every proposal made by the Government in the Speech from the Throne and in the economic statement was submitted with the people of Canada at the forefront. We believe government must be made more understandable, more accessible and more sensitive to the people.

To illustrate this, the Government is reworking the taxation system to make it simpler and fairer. The rights of taxpayers, which have been thrown to the wind for many years, will now be protected. We will table legislation to ensure that no taxpayer will pay taxes in dispute prior to the conclusion of an impartial hearing. We will remove the taxation biases against small businesses to enable them to grow and prosper with less government interference.

We believe small business is the route to solving the unemployment problem in Canada. Small businesses should be allowed enough breathing room to become medium-sized businesses, thereby tapping into the ranks of the unemployed for workers. That snowball effect is yet another reason the United States has a lower rate of unemployment than our own.

Canadian women will be pleased in that no previous Throne Speech dealt so specifically with their concerns. The Government is fully cognizant of the need for economic equality for women. We intend to increase our own efforts toward hiring more women within the federal Government. We will also form a parliamentary task force to help the Government seek consensus on the future of child care in Canada.

Special attention will also be afforded to ensure that spousal allowances for widows and widowers are increased from the ages of 60 to 64, where they no longer qualify now. Also mentioned in the Throne Speech was more financial assistance to our war veterans. We certainly know they deserve this. Improvements on many social programs are planned for the future. I submit those proposals are the fruits of a government which genuinely cares about its people.

At the same time as the Government has its finger on the pulse at home, it is showing greater concern for international affairs. Canada is not an island geographically or economically. Over recent years international confidence in Canada has eroded. We seem to forget that trade with other countries is not a sideline but rather a necessity for economic well-being. The Government has already made new inroads with the Government of the United States and others, both in terms of good will and future trading prospects.

• (1530)

The vast similarities between Canada and the United States mean two things: first, we are in direct competition for various markets; and, second, there are untold possibilities for good co-operation between Canada and the United States. While this Government has no intention whatsoever of offering Canada as the fifty-first state in the union, we believe the effect of the U.S. economy on Canada should be realistically accommodated.

Frequent communication and harmony with the U.S. can help Canada through increased trade and commerce passing over the border. At the same time, we are determined to refurbish our internationalism in the world. Our main objectives are very clear: to defend freedom and preserve peace, to prevent nuclear confrontation, to improve trading relations, and to build a healthier world economy.

This Government intends to honour its commitment to NATO so we may earn the right to full consultation and participation in policies relating to that alliance. As has been the case in the past, we want to maintain our reputation as a global peacemaker by working toward the cessation of nuclear weapons development and use.

With regard to our own defence, we are convinced that the Canadian Armed Forces need a new definition of their role that is pertinent to present day conditions. The mandate of the Canadian Armed Forces has not been examined since the early 1970s. We all agree that we are now living in a different world with changed priorities and varied attitudes. When the mandate has been clearly defined and modernized, we intend to give our forces the resources they need to get the job done. That simple phrase lies behind the operating philosophy of this new Government. We are setting our sights on getting the job done.

Past governments have liberally dished out rhetorical pap to the people of Canada, but we understand the message of the people of Canada: they will have no more of it. Canadians want solid direction and commitment to effect change in their homeland. The runaway train needs dedicated brakemen to keep this country on track and out of the woods.

I believe the Speech from the Throne followed by the Government's economic statement has shown our intent to produce legislation with teeth. We are not bending to Opposition derision about consultation and co-operation to help form policy and decision. We are proud to invite the provinces, the private sector, labour and educators into the circle. The day of autonomous Government with little or no accountability is gone. Canada has a new team at the helm and there are many talented hands on the tiller. The public cry for action from Parliament has not, for the first time in many years, fallen on deaf ears.

I am sure my colleagues and a good many others will see that there is real and meaningful change. The new confidence is now in effect across the country and is in effect even in my own riding, a rural area. As I mentioned earlier, some of us are certainly going to be hurt by some of the cuts. In my own riding, there are not too many federal jobs available and there are not too many federal agencies. If I were to have my way, these cuts would be put in force and put in force strongly everywhere but in the riding of Parry Sound-Muskoka. We are all going to be looking hard at our own ridings and, I suppose, telling the powers that be in the Government that particular positions and agencies are important to the riding.

Mr. Manly: Mr. Speaker, in the document tabled Thursday night by the Minister of Finance (Mr. Wilson), we saw that some $200 million will be cut from unemployment insurance payments. This will be done through a series of what are called intensified interviews with unemployment insurance recipients. This means that workers who are unemployed through no fault of their own will be hassled and will face even more technicalities, red tape and requirements. That will force them off unemployment insurance and on to welfare. We believe that this is only the beginning of the Government's actions.

The Hon. Member who spoke before lunch referred to and quoted with approval a statement to the effect that unemployment insurance creates unemployment. A great many people across Canada fear this attitude of the Conservative Government. Is it the view of the Hon. Member only or is it the view of the Tory Party that unemployment insurance causes unemployment?

Mr. Darling: Mr. Speaker, if the Hon. Member had been paying attention, he would have realized that I was quoting the words of John Bulloch, the President of the Canadian Federation of Independent Business. There is no question about it. All of us know this after hearing the many people who come to our offices. The great majority of unemployment insurance claims are legitimate claims. However, there is a certain percentage of people who seem to continue to live on unemployment insurance. This is something the new Government will look into. It will see if it can do away with some of these unfavourable occurrences, which are probably leading to continued unemployment.

Mr. Manly: Mr. Speaker, I was fully aware of the fact that the Hon. Member was quoting the words of John Bulloch. However, I pointed out that he appeared to be quoting those words with approval. I would like to know whether the Hon. Member approves of that statement or disapproves of it. Is it in fact his point of view that unemployment insurance causes or contributes to unemployment?

Mr. Darling: Mr. Speaker, I quoted those words because it seems to be the suggestion and feeling of a great many people who are in small and big business across the country—

Mr. Manly: What is your opinion?

Mr. Darling: Just a minute. As far as I am concerned, I live in a rural area in which there is seasonal unemployment and has been for years. A difficult time is coming up now and will continue through until next year. I am hoping that unemployment insurance will continue on. However, it is more important that unemployment insurance be tightened up.

It is much better to have meaningful jobs than to have band-aid jobs. In my own riding, I must admit that there have been jobs that have been created for 10 or 12 weeks simply to get the individual over the hump for unemployment insurance purposes for another year. It would be much more satisfactory if the economy could be turned around and jobs created that are not just band-aid jobs like cutting brush, and digging holes and filling them back in as has been done in the past. I am not saying that this has been done recently. However, these are the things that we are hoping to overcome.

[*Translation*]

Mr. Deputy Speaker: Questions and comments. The Hon. Member for Montreal-Sainte-Marie.

Mr. Malépart: I have a question, Mr. Speaker.

I think my hon. friend knows perfectly well that the number one problem for Canadian is unemployment. They want action on job creation. On the other hand, the number one problem for heads of businesses and multinational corporations is the deficit. Could my hon. friend inform the House why his Government has listened only to the demands of the Conseil du patronat and similar bodies, namely to reduce the deficit and increase the unemployment rate?

• (1540)

[*English*]

Mr. Darling: Mr. Speaker, we have stated definitely that the deficit is all-important. However, the Prime Minister (Mr. Mulroney) and the Government are not making jobs secondary to the deficit. Both jobs and the deficit will have to be looked at in a hard way. Certainly certain jobs are going to be phased out. As has already been stated, certain jobs in the Public Service will be done away with. Some 1,200 or more of those jobs are not in evidence yet but were to be filled later. The filling of those positions will not be acted upon. I am well aware that jobs are all-important, as the Prime Minister (Mr. Mulroney) and this Government have stated. We inherited the 1.4 million unemployed from the past Government. I am quite sure that this Government will have a better record a year from now. The latest statistics indicate that, for the month of September, unemployment has decreased.

[*Translation*]

Mr. Malépart: Mr. Speaker, could my hon. friend opposite show me this mini-budget in the Throne Speech and tell me what kind of encouragement it contains for my constituents—I suppose the Hon. Member also has constituents who go to see him and who are looking for jobs—what kind of encouragement can I draw from this for my constituents and where can I say: Look, the Conservative Government has done something, here is a solution to your problem, you will have a permanent job? Where can I find that in this document?

[*English*]

Mr. Darling: Mr. Speaker, as far as the document is concerned, the people of Canada have every confidence, and certainly gave this Government the mandate to turn around the economy, to turn away from having the Government helping out by creating jobs such as painting a church. Those were purely band-aid jobs with no permanency whatsoever. That is what I said in my speech and that is what the Prime Minister is going to do. The people of Canada seem to agree with that.

Yes, we are aware that there is serious unemployment and we are aware that it will continue. The figures are not very rosy. The projections indicate 10 per cent unemployment for the next four or five years. If we can get the economy going, businesses, both small and large, will start hiring. Businesses are delighted with the statement made by the Minister of Finance (Mr. Wilson). Those statements created confidence. Businesses will start enlarging their premises. Businesses did not trust the previous Government. They would not spend a nickel because they did not know what the Government was going to do next. We are looking toward better times.

[*Translation*]

Mr. Rossi: Mr. Speaker, I would like to ask the Hon. Member, when he refers to band-aid jobs, whether he means jobs created for students during the summer through our Summer Canada Works Program for Students, and since the Minister of Labour (Mr. McKnight) has cut Summer Canada Works for Students completely from his budget, will those students have a program so they will be able to work throughout the summer, as was done under the previous government?

[*English*]

Mr. Darling: Mr. Speaker, when I was speaking of band-aid jobs, I certainly was not referring to the student program. Let us hope that the economy will be much better next summer so that a lot of those students can be hired by private entrepreneurs and businesses. When I was speaking about band-aid jobs I was thinking back to the jobs which were created by the winter work projects, where townships would submit an application to have their roads brushed. Those jobs would have been done anyway. Those were the jobs about which I was speaking, the jobs which do not lead to anything meaningful. I will give the present Government full marks for moving from the winter work projects to providing wages and assistance to private individuals and entrepreneurs to enlarge or improve

their premises. The money went to wages and I agreed with that, it was a good idea. A great many Members on both sides of the House would say that some of those projects added nothing to the economy of the country.

Mr. Deputy Speaker: We shall now continue with debate, the period for questions and comments having expired. The Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie).

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I am very pleased to have the opportunity this afternoon, as the environment critic for the New Democratic Party, to make a few comments about that whole area of concern. Many Members in the House will know that I was previously the health critic for my Party. I view my new responsibilities as environment critic as being in continuity with the work that I did over the last four and a half years as health critic. Perhaps the best way to illustrate this continuity would be to remind the House that when the Canada Health Act was in committee I moved an amendment to the preamble of the Act, which was accepted, and which acknowledged the amendment that improvements in the well-being of Canadians would not be forthcoming until the social, environmental and occupational causes of disease were addressed. Although nothing happened overnight, I hope that by adding that to the preamble of the Canada Health Act we achieved some kind of conceptual victory where, by virtue of that legislation and by virtue of many other things which are being said in that direction, we will come to realize, when talking about the well-being of Canadians, that we must take into account the environmental dimension of every problem.

I am also happy to be taking on this new area of concern because it is closer to the reasons for which I entered politics. I was among those in the late sixties and early seventies who began to think about the question of limits—limits to the kind of growth that was being experienced, and the environmental dimension of our problems. I can think of several books which were influential at that time, most of which continue to be good reading even though some of the statistics are out of date. One of those books was *Limits to Growth*, published by the Club of Rome. Other books which had quite an impact on me were the *The Making of a Counter-Culture* by Theodore Roszak, the *Technological Society* by Jacques Ellul, up to and including, more recently, the further works of Theodore Roszak, and the works of Hazel Henderson, Richard Barnet, Lester Brown, Barbara Ward, Barry Commoner, and the list goes on. My intention is not to give a bibliography but to attempt to situate myself intellectually and politically as it pertains to the question of the environment.

Finally, I would be amiss if I did not mention a document which was very instructive for me and which came out a short time before I decided to run for office. That document was the Berger report, the Mackenzie Valley pipeline report. I believe that that report is still one of the most fundamental documents in the politics of the environment, the concerns of native people and the economy. I believe that Justice Berger wove together a number of concerns in a way which has not been superseded. It is too bad that people do not more often refer to that document and that we do not more often see directions based on the kind of philosophy and insight which was so abundant in that particular report.

I see myself as belonging to that school of thought which views our social and economic problems as problems which run deeper than the kind of debate in which we generally engage in the House of Commons. I am referring to longstanding debates between the monetarists, the Keynesians, the neo-Conservatives, the neo-Liberals, the supply-siders, and the demand-siders, all these. It is not as clear to me as I would like, nor to many others, but nevertheless I believe there is some truth in saying that all of these arguments exist within a passing economic paradigm. All of these arguments fail to take into account, in my view, the whole environmental dimension of our economic problems. That is what I would like to spend some time on today.

• (1550)

When we talk about the environmental dimension of our economic problems, we are saying that the environment is not just a kind of middle-class, trendy concern that is a kind of aside to the more central economic debate. We are saying that if we want to be realistic we must come to terms with this dimension of our economic problems as well. That is where we enter the fray with the Government and with its particular economic world view. I have listened to a lot of speeches made by my Progressive Conservative colleagues in the last five and a half years and they seem to be saying that they want Canadians to be more realistic and to face up to tough economic questions. I believe that Canadians have responded to that conceptually, even if they may not like the concrete dimension of the proposals put forward by the Government. That is because Canadians have a sense that something is wrong out there, that there is something tough and real which they must face up to.

However, what I want to debate this afternoon is whether or not what is offered by the Government in its economic statement is in fact realistic and contains the realism at which we must finally arrive if we are going to have a truly human future. The intention is to find out who is the idealist here, Mr. Speaker. Is it the socialists who are often accused of idealism, or is it those who continue to believe that we can continue as we have.

The Conservatives would say that they do not believe we can go on as we have. That is why they believe they must take tough measures with respect to the deficit and get tough in the way indicated by the Minister of Finance (Mr. Wilson). But I contend, Mr. Speaker, that this is still a form of the belief that we can go on as we have.

What the Tories are really saying is that we have been off on a sidetrack because of fiscal irresponsibility on the part of the Liberals, and that what we must have is some fiscal responsibility to get back to where we were before there was this aberration called "excessive Government spending", so we can have again the kind of economic growth we experienced

after World War II. I am contending that in this we have not something new but, rather, an attempt to get back something which could not have continued in any case. The Tories want to breathe new life into an old economic paradigm.

The Government does not have, in my view, an adequate view of the crisis of profitability and productivity about which it spends so much time talking. The Tory hunch is that it all hinges on attitudinal change, that if the Minister of Finance sends out the right signals by indicating he is willing to cut the deficit, investor confidence will increase, the private sector will invest money in Canada, and jobs will be created. There is no concern, I might add, for what kind of jobs are created or whether investment is made in appropriately strategic areas. The government thinks that if it creates the right attitude, money will flow. I cannot prove this, Mr. Speaker, but I feel that the private sector will let its friends down, not because of any maliciousness on its part but because the problems run deeper than that. The answer is not simply to throw the door open to the private sector. The answer is not uncritical public sector spending, either. But I do not want to get into that argument. I am trying to transcend that argument.

The problem is international. The solution will also be international because, when it comes to environmental problems in particular, we will have to face up to them together. If one country tries to face up to the environmental dimensions of its economic problems alone, it will put itself in an uncompetitive position with respect to other countries. We will then hear arguments in the Canadian context, for example, of how we must stay competitive with other countries. Therefore, we must face up to this crisis of profitability and productivity in an international way so that countries are not played off against each other, or workers in one country played off against workers in another.

What is the crisis of productivity, Mr. Speaker? The crisis has to do with us having overestimated productivity for years. We have taken certain things for granted. We have taken for granted clean air, clean water, top soil; and the strong social and moral capital, which was bequeathed to us by 19th century piety, by the work ethics, and in North America by the pioneer experience. We have taken all these things for granted, Mr. Speaker, and they are slipping away from us, while we try to understand what is happening within the limits of an economic model which has no room for understanding these kinds of factors.

Over time, our economic system has destroyed what one might call these "free goods", goods which never had to be figured into the costs of production. We now know that mining is a lot more expensive than it seemed in the beginning when we start to take into account the cost of health care for occupational disease or the environmental costs of cleaning up acid rain. We now know that industrial technologies have been far more expensive than envisaged, after looking at the Love Canal and the quality of water in the Great Lakes. We now know that our farming methods have not been as productive as we believed they would be when we read the Senate report on soil erosion which just came out a couple of months ago. Our agricultural methods have tended toward a long-term decrease in productivity as opposed to an increase in productivity. We know that the whole dynamic of our economy, Mr. Speaker, tends to a disintegration of formerly valuable human relationships. I do not mean, Mr. Speaker, just spiritually or morally valuable but economically valuable economic relationships.

We are just beginning, Mr. Speaker, to comprehend the full social costs of our economic model. I am now talking about the social costs of the breakdown and increasing disappearance of the family farm, of the breakdown of the extended family and community and the breakdown of even the nuclear family. Even the nuclear family cannot survive the economic model of which we have been so fond. We have tried to meet the externalized social cost through the welfare state, but we have now another externalized cost coming due, and that is the environmental cost. This externalized environmental cost is working on us in two ways; for one thing, it is reducing productivity and profitability. We must go out a farther and farther into the forests for trees because we did not bother to replant when we first harvested that resource. We allowed the wasteful destruction of hundreds of thousands of acres to meet false needs. We allowed a system in which those needs were created through advertising. We are all guilty of this. It is not a question of pointing a finger. We are all guilty in our own individual way of being a part of this orgy of consumption, on which people will look back hundreds of years from now and ask: How could they have used up an accumulation of millions of years of resources in such a short time and without any regard for the future?

• (1600)

I am glad that the media is finally paying some attention to the forestry crisis. We have been raising it in this House ever since I got here, as I am sure people did before me. Hopefully it will catch on and some attention will be paid to the problem.

Another good example of how productivity is decreased through our own wastefulness is the incredible amount of hundreds of millions of dollars which has been spent in the last decade in places like the Beaufort Sea and other places where we have had to poke holes all across the Arctic looking for that last barrel of oil. Would it not have been wonderful if we had managed our non-renewable energy resources so well in the first place that we did not have to enter into that kind of risk-taking in the Arctic with respect to the well-being of native peoples and the very sensitive eco-system up there? Fishery is another example of how we are up against the limits of our economic model.

In any case, the problem is that this environmental limit reduces profitability. We have to go farther and farther and deeper and deeper. But if the companies involved are asked to clean up their act, then that reduces profitability. They say that that is too expensive and they may invest elsewhere. Or they may pass on the cost to the consumer in the form of higher prices, which will then either reduce demand or make them less competitive. So we see here that the concern about environment is not just a side issue; it is embedded right at the

heart of all the economic questions we deal with in this House. I do not think we deal with those questions adequately enough because we do not take the environmental dimension into account often enough.

I talked earlier about the international dimension, Mr. Speaker. What we need to be working for at every opportunity is a new, just and sustainable international economic order. We need international co-operation rather than competition. That is why my heart breaks whenever I hear government rhetoric, whether it be that of the Liberals or of the present Government, to the effect that we are not going to try to build co-operation, that we are going to yield to the competitive spirit and say, by God, other countries may go under but Canada is going to make sure that it is near the top. Of course, we will not be as near the top as we would like because we will not be able to muster the international meanness and power that the United States will be able to muster, and they will make sure they are at the top.

I think the difference between us and the Government is that the Government sees the way toward economic renewal as being one of complying with the world view and the demands of the international investment community. The Government has said that pretty clearly and honestly, and I appreciate that because we can then have an honest debate. However, we think that is the wrong way to go. In the final analysis it will not work because it will not face up to pressing international questions of co-operation and development, and because at home it means neglecting the environmental dimension of our economic problems. Instead, we should be providing leadership where we have a political culture which, I hope, is able to stand up to the demands of the multinational corporations and others who would have us put aside these environmental questions in order to allow them to do what they want.

We know that environmental sensitivity is seen as a barrier to investment. What has the Government done in keeping with the world view I have attributed to it? It sent out the right signal. It cancelled the Environmental Secretariat. The Hon. Member for Ottawa Centre (Mr. Cassidy) spoke about that today. The Government sent out the right signal to the investment community with respect to the environmental dimensions of our problem: Don't worry about us; we are willing to forgo that, if need be, in order to please you. The Government sent out the right signals when it cancelled the Toxicology Research Centre in Guelph. I cannot think of anything more pound foolish and penny wise, more short-sighted, than for the Canadian Government, at a time when we are sitting on an environmental time bomb, to be cancelling a project whereby Canada was finally to have some kind of independent capacity to test and to arrive at a scientific judgment in the area of toxicology. If I had to think of one thing as an example of the kind of shortsightedness we are getting from this Government, that would be it.

Mr. Deputy Speaker: I ask the Hon. Member to conclude his speech briefly, please.

Mr. Blaikie: Mr. Speaker, I had a few other things I would like to say but perhaps I can just wind up my comments by saying this. What we have here on the part of the Government is an attempt to go back to an economic ethic previous to the welfare state when the real solution to the problems of the Liberal welfare state is not to go back but to go ahead and do some new economic thinking, take into account what is really going on in our fields, forests and oceans, and arrive at new economic solutions which take all this into account and give up the phoney bookkeeping which leaves the environmental dimension on the side.

Mr. Deputy Speaker: Questions and comments?

Mr. Fulton: Mr. Speaker, as always the speech by the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) was excellent, but the point he was making toward the end of his speech is something I think well worth pursuing in light of the difficult negotiations between Canada and the U.S. regarding the Love Canal, the S-Dump, Hyde Park and others which are leaching particularly toxic chemicals, dioxins in particular, into the Great Lakes system. They are as well endangering the lives of millions of Canadians and Americans. I know one of the few requirements in Canada is to really get a handle on what is happening in the Great Lakes. We know about the Mirex contamination of eels that we previously exported to Germany. We know about the possibility of the movement of certain dioxins into the Toronto water supply and so on.

Can the Hon. Member outline in somewhat greater detail the difficulties from an environmental perspective where the Government takes away that kind of funding from the only institute in Canada which could really do that kind of thorough ongoing work? What will it ultimately mean, not only in terms of potential danger to Canadian public health, but also to the environment where these hazardous wastes will build up and become a far greater and more unmanageable problem down the road? Could he expand on that particular point?

Mr. Blaikie: Mr. Speaker, I thank the Hon. Member for Skeena (Mr. Fulton) for his question. What we have by way of government action as a result of the cut-backs announced by the Minister of Finance (Mr. Wilson) is, as I said, a very shortsighted strategy. The Minister for Science and Technology (Mr. Siddon) was on his feet today referring to the cut of the manufacturing and technology centre in Winnipeg. He said that he looked forward to the day when all this would somehow be taken up by the private sector. Well, Mr. Speaker, one of the reasons why we wanted to have these kinds of publicly funded research institutes is that for so long we have been dependent on the private sector research activity in the United States, which has proven, time and time and time and time again, to be inadequate, false in many cases and all the time suspect, to the degree that private sector research is funded by the very people who would benefit from research and who declare their products to be safe and marketable.

• (1610)

Mr. Speaker, I cannot say enough about how much I regret this direction by the new Government toward private sector research. We have a strong tradition of Crown corporations and public service in this country. I do not see any reason why we could not have created, within the public sector, the capacity to do that kind of research. Presumably we could trust that research for two reasons. The first reason is that it would be done with the Canadian context in mind, and the second is that it would be done by people whose next paycheque was not dependent upon a grant from the very multinationals whose products were being tested.

Instead, from the Conservative Government we get a continuation, with all due respect to my Liberal colleagues, of a direction, which was already being established by the former Liberal Government, of wanting to have more of this done in the private sector and winding down the public end of that. It is a black day for the environment in Canada as a result of the cut-backs made by the Minister of Finance.

Mr. Nickerson: Mr. Speaker, I have some comments with respect to the presentation just made. We heard a repetition of the old NDP ideas that Judge Berger's report on the Mackenzie Valley was the best thing since sliced bread, that we should not produce oil in the Arctic but rather leave it in the ground, and that development in the North should not take place.

I would like to remind the Hon. Member that this view was repudiated, not only in southern Canada at the time of the last election, but right across the north. The three northern ridings, Yukon, Western Arctic and Nunatsiaq, all returned PC Members to the House of Commons. People have had the opposite idea, namely, that we should develop the resources in that part of the country, that those areas should not be turned into some kind of reserve but should play their full role within Confederation, and that we should pay our way, so to speak. That can best be done by developing the resources there. That is my comment with respect to the worn out suggestions made by the Hon. Member.

Mr. Blaikie: Mr. Speaker, I would like to make a short reply. I would like to make it clear to the Hon. Member for Western Arctic that no one, not myself, not Members of the New Democratic Party, nor Judge Berger in his report, ever suggested that there ought to be no development in the North. In fact, a great deal of attention was devoted to the type of development which would be beneficial economically to the whole of Canada and also respectful of the traditional renewable resource economy of the North. I heard the Hon. Member for Nunatsiaq (Mr. Suluk) speak on that very topic today in Question Period.

I am always surprised at the Hon. Member for Western Arctic (Mr. Nickerson). Coming from where he does, he gets up and pours abuse on the Berger report. It is very interesting that he would do that because he knows, if he knows anything at all, that this is one of the most widely read Canadian royal commissions. It is respected by many people in the North. For him to get up and call the Berger report some sort of old NDP idea is very curious rhetoric indeed. I am sure that many people in the North would want to apprise themselves of the kind of things that the Hon. Member for Western Arctic says when he gets up in the House of Commons. I wonder if he goes around the North dumping all over the Berger report. It would be interesting to know whether he does that.

Mr. Taylor: Mr. Speaker, I always enjoy the comments of the Hon. Member for Birds Eye, is it, Birds Hill, or something to do with a bird. However, I cannot agree with him. I would like to go back in history a little to illustrate how wrong this idea of having government do everything is.

We would not have oil and gas from Alberta in Canada today if we had followed the recommendations of the old CCF which preceded the NDP. There were only two members of that Party left there, but they advocated using public money rather than allowing money to come into the country to develop our oil and gas. If we had not permitted American money to come in and develop our resources there, we would not have a heritage fund in Alberta today. Rather, we would be a few more billion dollars in debt. However, since we permitted money to come in to develop our resources, give jobs to our people and put taxes in our Government's coffers, we have an oil and gas industry today of which we can be proud.

The idea of allowing government to do everything just does not hold water. That is why we have a reduction of people in the Opposition. They wanted government to do everything. I say, let private enterprise do it. Give it a chance. Take the shackles off. Unbuckle its hands. The Liberals put handcuffs on free enterprise with the help of the NDP. As a result, we have 1.5 million unemployed and a debt of $190 billion. Let us unshackle free enterprise as we are trying to do. Then we will see things move. There will be jobs, resources and tax money. That is the kind of country we are building.

Mr. Deputy Speaker: I would remind the Hon. Member not to comment on the name of the riding of the Member for Winnipeg-Birds Hill. Does the Hon. Member wish to answer the question?

Mr. Blaikie: Mr. Speaker, on a point of order, I was first going to say, with all due respect to the people of the town of Birds Hill, Manitoba, that I wish Hon. Members opposite would desist from making fun of the name of my riding. I say this not for my own sake, because I can take any kind of abuse these people over here can throw at me. I have a sense of humour like everyone else, but I think there is a certain amount of decorum involved. I do not go around twisting the names of other people's ridings. The fact that the words "Birds Hill" lend themselves to this is unfortunate. I just wanted to thank you, Mr. Speaker, for that intervention on behalf of the people of Birds Hill.

With your permission, I will now make a comment on what the Hon. Member for Bow River (Mr. Taylor) had to say. The Hon. Member for Bow River is known for his enthusiastic defence of the free enterprise system. He is as good at turning up the volume as anyone here. However, I noticed that he did

not answer my analysis of how the free enterprise system used up the forests and left us in the situation which everyone acknowledges we are now in. He did not answer the question of how the free enterprise system put the fishery in the state it is now in. We have not been under some kind of a socialist regime.

Mr. Taylor: Oh yes we have.

Mr. Blaikie: This is not an intellectually respectable claim. How can you answer this kind of garbage, Mr. Speaker? If that is the case, why did all of the five major banks in the country donate as much to the Liberal Party as they did to the Conservative Party? Was it because they thought the Liberals were socialists? Is that the same reason that the seven sisters oil companies donated money to the Liberals in the same way that they did to the Conservatives? Was it because they thought they were socialists? Really, Mr. Speaker, sometimes the claims that are made by Progressive Conservative backbenchers push the imagination and credibility. I only hope that the next five years in Government for them will have some kind of educational effect on them, then maybe we will not hear the same kind of intellectual garbage we get from them from time to time.

Mr. Deputy Speaker: The question period on the last speech is now over.

Mr. Taylor: Mr. Speaker, I rise on a point of order. I had no intention of making fun of the Hon. Member's riding. It is Birds Hill and I will remember that from now on.

Mr. Blaikie: Winnipeg-Birds Hill.

Mr. Taylor: I wish I had time to answer the other questions he raised.

Mr. Blaikie: You can have all the time you like, but you won't have the talent.

* * *

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Cape Breton-East Richmond (Mr. Dingwall)—Regional Development—Glace Bay Coal Project. (b) Plight of older miners; the Hon. Member for Algoma (Mr. Foster)—National Revenue—Discontinuance of advance tax rulings in case of limited partnerships. (b) Effect on Algoma Steel.

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mr. Ken James for an Address to Her Excellency the Governor General in reply to her Speech at the opening of the session; and the amendment thereto of Mr. Turner (Vancouver-Quadra) (p. 38).

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, it is my pleasure to congratulate you and the Hon. Mr. Bosly on your appointments. I also congratulate the mover and seconder of this debate as well as the preceding speaker, the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie), on his re-election and his contribution to this debate.

● (1620)

Mr. Speaker, since this is my maiden speech in the House of Commons I would first like to thank the people of southwestern Saskatchewan for sending me to Ottawa to represent them. I will try to the best of my ability to justify the confidence that they have placed in me.

I am grateful to my colleagues in the House who have been quick and generous with their counsel and advice.

I pay tribute to my predecessors, Frank Hamilton and Jack McIntosh. It was Mr. McIntosh who first aroused my interest in the Party. I thank them for sharing their wisdom and experience with me.

The riding of Swift Current-Maple Creek is located in the southwestern corner of Saskatchewan, bordered on the south by the State of Montana, on the north by the South Saskatchewan River, on the west by the Province of Alberta, and running approximately 150 miles east into Saskatchewan to include such villages and towns as Ernfold, Hodgeville, Meyronne and McCord. The population in 1981 was some 53,000 people. The area comprises some 18,700 square miles from Leader in the northwest to Mankota in the southeast, from Consul in the southwest to Morse in the northeast.

Southwestern Saskatchewan is almost totally agricultural and comprises a vast farming and ranching area. It was pioneered largely in the early 1900s by hardy settlers from the northern United States, Ontario and Europe. They were men and women who carved out the oft-times inhospitable Palliser Triangle, a heritage for succeeding generations.

The main centre of population is the City of Swift Current, also known as "Speedy Creek". Some attribute this name to our winds because I am told that Swift Current has the second highest mean wind velocity in Canada. The remainder of the population is divided evenly between some 69 towns and villages, the largest of which are Maple Creek and Shaunavon, and the farm community.

While Swift Current owes its beginnings to the railway which arrived in the winter of 1882-83, it owes its continuing prosperity as a centre of supply to the surrounding farmers and ranchers. Agriculture is far and away the predominant economic force. Approximately 80 per cent of those in agriculture

are grain farmers; 15 per cent are cattle ranchers and 5 per cent of the operations are mixed. The average farm investment is approximately $600,000.

The second main industry is the oil field servicing sector, maintaining fields lying to the west of Swift Current and running north and south of Gull Lake. The Dominion Agricultural Research Station in Swift Current is famous throughout the West for its research and development of varieties such as Leader Wheat, Wascana and Wakooma Durum and Rambler alfalfa.

The area is a hunter's paradise with literally thousands of hunters converging in the fall to hunt geese, chicken, pheasant, antelope and deer. Liberals are off-limits, having been declared an endangered species.

The riding contains a number of interesting sights such as the Great Sandhills, south of Sceptre the Prairie Wildlife Centre near Webb, the Grasslands National Park, which is an area east of Val Marie for which land is presently being assembled, the Frontier Days Rodeo in Swift Current, and Fort Walsh National Historic Park, which was home of the Royal Northwestern Mounted Police in the 1870s. Finally, there is Cypress Hills Provincial Park which rises out of the prairie south of Maple Creek to a pine covered bench land, which, at 4,560 feet, is the highest point in Saskatchewan. In fact, it is the highest point of land between the Rockies in Alberta and the Laurentians in Quebec. From this vantage point, I am pleased to note, there are no Liberals to be seen for 600 miles in either direction.

According to Statistics Canada, English is the mother tongue of 79 per cent of my constituents, German of 13 per cent and French of 3 per cent. Some 93 per cent of families are headed by two parents, and 78 per cent live in owner-occupied private homes. Swift Current-Maple Creek is a very stable and, if I may say, conservative area. The population turnover is quite low, and we have many three generation farmers and ranchers. The values are traditional. The people believe in God, home and the family. They are church-going people who love Canada.

They have been appalled for years by the state of affairs in this country. They despaired at the economic chaos and felt the disunity. They were saddened at the sight of region tearing at region and Canadian confronting Canadian. They felt sickened at government intervention in the market-place, oppressed at an unreasonable taxation system, and disappointed at the lack of regard for individual enterprise and initiative. They were astonished at incredible man-made disasters such as the national energy policy and the 1981 Budget. They welcome the new spirit of consultation and co-operation.

The spectre of capital gains tax hangs like a sword over the farm community. The farmer struggles for years to pay off his land, which is a non-depreciable asset but which is paid for out of after-tax dollars. The farmer's retirement is in his land. It is truly locked in the ground. Therefore, we have the sad plight of a man who works diligently for a lifetime, only to find that he cannot transfer title to his children for a reasonable sum without facing substantial income tax on the capital gain, which is nothing more than a tax on inflation.

The farm community is heartened to note that some interim relief is in sight. The first $120,000 of taxable capital gains can be rolled into a Registered Retirement Savings Plan, effective January 1, 1984. I say that it is interim relief because we hope that in due course the parliamentary committee will see fit to recommend the elimination of capital gains altogether on agricultural land dispositions. The farmer is first entitled to this special consideration for he is a price taker who is subject to the vagaries of the world market at one end and yet unable to control many of his cost inputs at the other.

In many ways the small businessman is in similar circumstances. His retirement is tied up in inventory or company shares. He also feels threatened by capital gains and by the unnecessary complexity of the tax system. Facing a deluge of forms, questionnaires and surveys, even the smallest business must have extra staff to keep up with the paper work.

Small business will welcome the initiatives in simplifying the tax system and particularly in eliminating the cumulative deduction account. It is my further hope that some means may soon be found to eliminate or at least soften the impact of capital gains on the small business sector.

Earlier this year Canadians watched with interest the work of the PC tax task force, and they applaud the new Minister of National Revenue (Mr. Beatty) for listening and acting. All Canadians will welcome the introduction of legislation ensuring that no taxpayer need pay taxes in dispute before his case has been finalized.

As a new Member of Parliament who, according to the media, is far removed from the Cabinet and the decision-making process, I am pleased to say that I have had easy personal access to the Ministers and their staff and that the serious problems of my constituency receive a fair hearing. For example, I cite the legitimate concerns of the producers in the Hallonquist and McMahon areas over the possible loss of the Shamrock rail line. It is the same line which was to form part of the basic rail network as a result of the CTC decision of 1980 and thus be guaranteed to the year 2000. These are the same producers who were assured by the previous Minister of Transport that the necessary Order in Council would be passed to enshrine the CTC decision.

I am delighted to report that the new Minister of Transport (Mr. Mazankowski) moved quickly and responsibly on the request for the adjournment of the CTC abandonment hearing to allow fair notice and time to prepare and, most important, time for the Minister to study fully the whole question of rail line abandonment and rehabilitation, with particular reference to finding the most cost efficient transportation alternative.

During the past number of years, western Canadian grain producers have managed to cope with the cost-price squeeze through high sales volumes. The drought and consequent short crop have resulted in a desperate situation for many farmers and ranchers who are faced with ever higher input costs such as fuel, chemical, fertilizer, feed and carrying charges.

I would like to list a number of responses already made by the Minister of Agriculture (Mr. Wise) and the Minister of State for the Canadian Wheat Board (Mr. Mayer). First, there is the final payment of $123 million under the Western Grain Stabilization Plan, coupled with the important commitment to make pay-outs more flexible and time-responsive relative to the seasonal needs of the producer. It is the intention of the Government to attempt to initiate a substantial interim payment for 1984-85 in time to assist in the cost of spring seeding.

Second, in response to the drastic position of a significant percentage of the agricultural community, the Minister has imposed a freeze on Farm Credit Corporation foreclosure activity until January, 1985, pending a thorough review in an attempt to seek innovative ways to deal with the problem.

Third, there will be immediate capital gains relief, which will assist older farmers to retire in dignity and at the same time enable younger farmers to begin with less debt load.

Four, there will be improvements to farm rollover provisions, expanding the definition of child and enlarging the definition of land qualifying for the rollover, all of which will relieve substantial impediments to farm estate planning and intergenerational transfers.

• (1630)

Five, a number of agricultural taxation issues, including the question of part time, Section 31 of the Income Tax Act relating to farmers, the question of agri-bonds and the taxation of capital gains on farm land, will be referred to a parliamentary committee for expeditious study and report.

Six, there will be substantial fuel cost relief, as promised, in the form of a three-cent a litre sales tax rebate on farm fuels and an exemption from the 1.8 cent per litre increase in the petroleum compensation charge, giving a total benefit of almost 22 cents a gallon.

The foregoing are but some of the initiatives already put forward in the few short weeks of this Government. They represent a caring and practical response to some very real problems.

It is the hope of many of my constituents that an increase will be made in the domestic wheat price. At present, the return to the bread wheat producer is the equivalent of something less than two slices out of a standard loaf of bread. A 50 per cent increase in the domestic wheat price would cost the Canadian consumer approximately 5 cents per loaf. Surely, Canadians would find this a small price to pay to assist in the survival of Canadian agriculture.

Many constituents in Swift-Current-Maple Creek remain most resentful of metric and the arbitrary and high-handed way it has been imposed. Metric measurement has caused considerable hardship, unnecessary expense and occasional catastrophe to the agricultural community, particularly in the application of chemicals and fertilizer. They welcome the undertaking to allow Imperial measurement on these containers.

The oil and gas sector in my constituency and Saskatchewan in general has, through sensible provincial royalty provisions, experienced a real boom. It is hoped that a similar common sense federal approach will foster unprecedented oil and gas development. We applaud the recent natural gas export licence amendments enabling Canadian companies to export gas to the United States, thus benefiting the industry, producing provinces and Canada as a whole. This will earn more export revenue, which will in turn strengthen our dollar and lessen pressure on interest rates.

The problem of unemployment, particularly among the young, is grave. This is the bitter fruit of years of economic stagnation and of government mismanagement. It will not be easily overcome. A string of massive deficits and consequent high interest rates, coupled with retrograde policies which discourage risk taking, have caused unprecedented economic malaise. Short-term solutions will not work. We need a fundamental change of direction in this country, a change which is well documented in the Throne Speech and the economic statement, change which through consultation and consensus will restore fiscal responsibility, remove obstacles to growth and encourage new investment.

I will touch briefly on some of the pressing concerns of my constituents. Many of them have quite properly raised concerns over problems in the collection of child maintenance payments. I can think of no legitimate reason for a father to dodge payments for child support, thus throwing the burden on the rest of society. This problem of long standing is under examination and, in a new spirit of co-operation and dialogue with the provinces, I am optimistic that real progress will be made.

The people of Swift Current-Maple Creek express consternation over abuses in the parole system. Many also favour a return to capital punishment. I personally share these concerns and intend to work for both a thorough overhaul of the parole system and a return to the death penalty in situations of first degree murder.

I have received many queries regarding the situation in Ethiopia, and while Canada has already made a generous contribution, it is our intention, as expressed through the Right Hon. Secretary of State for External Affairs (Mr. Clark), to mobilize a national campaign of relief. Information will be forthcoming from all Members of Parliament to groups in their constituencies as to how best assistance can be marshalled and funnelled into these grief-stricken areas.

Further, in the international arena, Mr. Speaker, peace must be our most cherished goal. No group, and certainly no political Party, has a monopoly on the desire for world peace and nuclear disarmament. We can collectively leave for our children no greater legacy than a world free of the nuclear threat. I congratulate the Prime Minister (Mr. Mulroney) and the Secretary of State for External Affairs for their initiative in the appointment of Mr. Roche as the ambassador for disarmament.

At the same time, Canada, if it is to be taken seriously in the world, must act on its own as a sovereign nation and live

up to its obligations. I am pleased to note that Canada will again fully participate in NATO, and thus earn its place at the table of responsible nations.

As the Member for Swift Current-Maple Creek riding, which shares 150 miles of border with the State of Montana, part of the longest undefended border in the world, I recognize the United States of America as our neighbour, our largest trading partner and our best friend. I have been ashamed of the attitude of the past Government toward the United States for we, Canadians and Americans, share the fruits of freedom. We must likewise share the responsibilities. My constituents and I congratulate the Prime Minister in his efforts to renew our bonds of friendship with the United States. We applaud this very sensible and historically desirable initiative.

The thrust of the Throne Speech is reassuring to Canadians. At a time when this nation is reeling under the weight of record unemployment and staggering debt, most people understand what has to be done. They understand we cannot long continue to mortgage tomorrow to pay for today. They know tough decisions have to be made. They know we cannot forever print money to throw at the symptoms of the disease. We must deal directly with the cause. We must recognize our excess. We must renew confidence in Canada. We must rebuild our reputation. The way will be long and arduous, but if we are to survive as a strong and free nation, we have absolutely no choice.

I ask Canadians to take heart because this Government, under the leadership of the Right Hon. Prime Minister, stands united, united in its determination to rebuild over the ashes of years of Liberal neglect, united in its determination to get this country moving again, and united in its determination to secure a fair shake for all Canadians.

In conclusion, Mr. Speaker, I am proud to be part of a Government that will breathe new life into this country, a Government that will listen to and work with the people, a Government that will seek a new spirit of co-operation and consensus for the Canada we love and cherish.

It has been an honour for me to participate in this Throne Speech debate.

Mr. Deputy Speaker: Are there any questions or comments? There being none, we will continue with debate. The Hon. Member for Sudbury (Mr. Frith).

[*Translation*]

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, before starting my comments on the Speech from the Throne, I wish to offer you my congratulations on your appointment as Deputy Speaker of the House and with you your colleague, the Member for Don Valley West (Mr. Bosley) on being chosen as the Speaker of the House of Commons. I also wish to put on the record that I feel very honoured to have been re-elected to serve the people of Sudbury during this Thirty-third Parliament.

[*English*]

Before beginning the actual text of my speech, I want to spend some time to thank the people of Sudbury for re-electing me in what I call the Tory onslaught across the country. I think my sentiments speak for any one of my 39 colleagues in the Liberal Party who, with me, survived the onslaught. We know it means even more that the people of our particular ridings place a lot of confidence in our abilities to represent their viewpoints here in Parliament. I just want to assure the people of Sudbury that the confidence they placed in me on September 4 will not be misplaced and I shall continue to serve them in the years ahead with the same degree of enthusiasm that I served them in the Thirty-second Parliament.

In addition, I would like to congratulate the various new Members of Parliament on all sides of the House. I suppose that in this case, with 211 Conservative Members of Parliament, there are a lot more new Conservative Members of Parliament than members of any other political Party. I wish them a four-year successful term. That is all I offer them in this particular instance! I want them to know that I still share the same degree of enthusiasm today that I did four years ago when I first came to Ottawa. Each day as I arrive on the Hill and look at the Peace Tower, I have the same sense of fulfilment of having been selected by my own constituents to serve their needs. That is a sentiment felt by all Members of Parliament regardless of their political stripe.

• (1640)

I want to mention briefly some of the premises which will be inherent in my discussion today. The more experienced Members of Parliament know that Throne Speeches can be made once or twice in the life of a Parliament and sometimes more. A Speech from the Throne can list a number of specific items which the government of the day wishes to accomplish during the life of a Parliament, or it can choose, on the other hand, to use a general theme which will give the people of the country a sense of the direction in which the Government wants the country to go. Evidently the Speech from the Throne which was given approximately a week ago adopted the second route in order to establish a theme which the Prime Minister (Mr. Mulroney) wished to present to the people of Canada on behalf of his Government.

That theme has raised a degree of concern among members of the Opposition. As Mr. Speaker knows, my speech will be very brief; I have some 18 minutes remaining. My purpose is to establish that there are items other than the Speech from the Throne and an economic statement which are important to Parliament.

At the beginning of its mandate it is important to Parliament for the Government to outline in clear, concise terms the direction in which it wants the country to go. I would suggest that the Speech from the Throne was lacking in that direction. If anything, it outlined 10 particular task forces, if I am not mistaken, with which the Government wishes to study in ensuing months. It did not mention any commitments to the people living in Atlantic Canada. There was very little mention

of fisheries or the direction the Government wanted to take with respect to agricultural development. Government Members campaigned this summer on a particular issue, mainly job creation. Most of us on this side of the House sadly recognize that there was very little mention in the Throne Speech about job creation. In fact, when I deal with the specifics of the economic statement of the Minister of Finance (Mr. Wilson) made some four days ago, if anything I will indicate that they have reneged on some of their promises in the election campaign of 1984 concerning job creation.

I should like to return to the first week of July, 1984 when the Government of the day, led by the Right Hon. Leader of the Opposition (Mr. Turner), elected to call a summer election. In his statement at that time, he said that he did not wish to get into a bidding war with Canadians or particularly with candidates of the other political Parties, recognizing the size of the federal deficit. There are responsible people on all sides of the House who recognize that the size of the federal deficit should be and is of concern to the economic well-being of the country. However, having said that, the then Prime Minister outlined that if he were to do such a thing, one of three things could result. If he were elected, he would have to cut spending, renege on the promises which he made during the election campaign, or raise taxes. Yet, the Leader of the Conservative Party chose, despite the fact that he felt at that time that the size of the federal deficit—and this is a direct quote—was "$37 billion", to embark upon a summer campaign in which he promised a great deal to the Canadian public. That is the point I want to make. Throne Speeches and economic statements come and go. What is left is an impression by the government of the day on the people of Canada. The impression left in this case is one of broken promises by the Conservative Party, broken promises to the various constituencies in Canada. That legacy really disturbs me.

At times all of us, regardless of political stripe, worry about the degree of cynicism which exists in the minds of the Canadian public toward politicians. At times, I suppose, various government actions can point to various points made by government to justify its cynicism. It is a sad day when politicians decide that they can campaign and, regardless of their campaign promises, can renege on them within a short period of time after being elected.

I would like to refer to some 338 commitments of the Tory Government during the election campaign this summer. It campaigned on regional development to give DREE a specific legislative mandate to promote the least developed regions of Canada. Yet, in last week's economic statement, the Minister of Finance cut $200 million from available DREE grants. I do not recall the Conservative candidate who campaigned against me campaigning on the basis that there would be cuts in DREE. Earlier in the day I saw the Hon. Member for Timmins-Chapleau (Mr. Gervais) in the House; he is not here now. I do not recall him campaigning in his constituency and telling the people of that riding that if they elected a Conservative Government there would be cuts in DREE grants.

Cuts in DREE grants mean losses of jobs largely in the hinterland areas in Atlantic Canada, in northern Ontario and in northern Quebec. Cuts in DREE do not affect people living in Toronto, Montreal or large urban centres. However, they affect the people living in the less privileged areas of the country.

I should like to refer to another one of their promises. In the area of senior citizens they campaigned on the basis of reinstating complete indexation of old age pensions to the actual cost of living as of January 1, 1985. Much has been said about a statement of the Prime Minister during the election campaign. He said that universality was a sacred trust not to be tampered with. Yet, within two weeks of the opening of Parliament, he is reneging on the basic commitment of universality as a sacred trust not to be tampered with. During his Friday news conference he questioned whether or not bank presidents earning between $500,000 and $600,000 per year deserved to collect universal benefits, be it family allowance or Old Age Security. He left the distinct impression that the terms of reference for the review of universality by the Conservative Government would be related only to about 50 bank presidents. Because we will be returning to this over a long period of time, I want to read into the record the terms of reference of the committee or the parliamentary task force which will review universality, so that Canadians, regardless of their income level, will at least begin to understand the new direction for Canada as outlined by the Conservative Government. My constituency in Sudbury and those everywhere in Canada should at least get in touch with their Members of Parliament to find out how the government of the day will consult with various constituencies to ensure that the interests of average Canadians are looked after. Questions are raised on page 72 of *A New Direction for Canada*. One such question is:

"Is it fair that families with an annual income in the $20,000 to $30,000 range have larger benefits than families with income below $10,000?"

That is not a bank president earning $500,000 or $600,000 per year. That is the average International Nickel Company worker or the average worker in Sault Ste. Marie who will be affected if the direction of the Conservative Government affects their universal family allowance benefits.

Referring to the second question, I remember a Liberal colleague of mine who raised this issue and quickly had to forget it. She raised the issue as the Hon. Member for Nickel Belt at the time. That question is also raised in *A New Direction for Canada* and reads:

Should the child tax exemption be retained, since it is of no assistance to low-income families?

If they are to question that, it does not affect the bank president and his wife. It affects the average worker earning between $20,000 and $30,000. If they leave the impression that universality will be questioned by Members of the House in terms of people in upper income levels, I want to read into the record some of the questions which will be asked, because the questions in this paper determine the terms of reference for this Conservative mandate. One question reads:

For example, one possibility would be to reduce the amount of Old Age Security available to high-income pensioners, by making benefits taxable at higher than normal rates or subject to some other tax recovery scheme.

That one affects upper income families. However, it goes on to say:

Another possibility could be to increase the progressive nature of the system by phasing out the two tax deductions over several years.

● (1650)

So that the people of Sudbury and others across the country who are watching today understand, they are here speaking of the special aid exemption and the exemption whereby the first $1,000 of pension income are tax deductible. That refers to everyone with an income of from $15,000 a year up. That is part of the terms of reference of this new Conservative mandate in the country.

Another alternative involved reducing or eliminating the indexation of Old Age Security while compensating pensioners in need. I do not know how that fits in. How can Tory Members campaign with the promise that they will re-introduce full indexation, a reference to the cut that occurred when our Government brought in the six and five program? At that time, the howls of outrage on this side of the House were incredible. Government Members campaigned on the promise of re-introducing what was lost in the six and five program, yet A New Direction for Canada questions whether or not they should be eliminating the indexation of OAS.

I think there should be a word of caution spoken to the people of Canada. They had better listen carefully to what the Government says because, quite frankly, I have the impression that one cannot trust this Government. The sacred trust that the Prime Minister said he would not tamper with has already been tampered with within two weeks of Parliament's resumption. The Prime Minister this summer, after having made many campaign promises, was suddenly confronted by a bare cupboard. If the cupboard was bare when the Opposition felt we had a $37 billion deficit, why is it even more bare when the deficit is only $34 billion?

I am not suggesting that the only role of Opposition is to be critical. There are some good things contained within the economic statement. However, I am making the point that there is an obligation on the Government of the day to come clean with the Canadian public and not imply that everything will be done above board. There is a hidden agenda. The Leader of the Official Opposition was correct when he suggested that the Tories do have a hidden agenda. That hidden agenda is outlined in that book called "A New Direction for Canada". I suggest that Conservative Members of Parliament read that book. They should explain to their constituents just exactly what the terms of reference will be, not only for the committee that will study the universality of benefits but for the committee that will study the cuts in the unemployment insurance program and the committee that will study the pension reform. I am simply suggesting that Hon. Members should be honest with their constituents and should not leave the impression that these cuts will only affect Canadians in the upper income levels.

I mentioned previously that I do agree that there are a number of other areas in which some much needed reform has been brought to the system. That is why I suggested at the beginning that I would have to define certain things. When a Government is given a mandate of 211 seats, it is incumbent upon the opposition to come to grips with the definition of that mandate. In other words, if government action lies outside the mandate that the Opposition feels the Canadian public has given to the Government, then we have an obligation to oppose it. On the other hand, if the Government determines certain legislative actions and if we as an Opposition feel that the mandate given by the Canadian public is commensurate with the legislation that is being brought forward, then I think our only obligation is to enhance or better that legislation but not to impede it. In other words, it is our obligation to allow it swift passage.

As an example of this, I welcomed the proposals contained within the Speech from the Throne and the economic statement indicating that the spousal allowance will be extended to people who are between the ages of 60 and 64. I do not think one member of the Liberal Party would oppose the inclusion and expansion of that particular social program. If anything, I might perhaps put the case to the Government that it should not only go to widows and widowers between the ages of 60 and 64 but that single persons between the ages of 60 and 64 who are in that same economic position as well as divorced Canadians who are in that same boat should be eligible for it. If the Government of the day were to bring that piece of legislation forward on the legislative calendar, it could expect quick passage.

In addition to speaking of some of the much needed reforms to the pension system, I wanted to welcome some of the references to pension reform in the Speech from the Throne. The committee that studied that report last year had the concurrence of its three Conservative Members of Parliament and the other three Liberal Members of Parliament. There was only one dissenting opinion on that report, and it was an opinion of a member of the New Democratic Party. However, we all agreed that the need for reform was great.

My disappointment in the reference to pension reform in the Speech from the Throne is that the Government has chosen to study it and to have further consultations with the provinces. I would suggest that there is already enough agreement in this House on the need for pension reform. Rather than enter into some lengthy negotiations with the provinces, the Government should table legislation which would show the federal Government leading by example on pension reform. I believe that there is agreement on our side of the House that if the Government were to table legislation that would alter the federal benefits standards Act covering all employees of Crown corporations, the federal civil service and employees of the banking institutions and transportation companies that operate interprovincially, then the Government could expect swift passage of it. If the Government would introduce that legislation, it would be a catalyst that would speed up pension reform under provincial jurisdictions. I would hope that the

Government would take my advice and introduce this legislation, rather than relying on its consultative process with the provinces concerned.

Finally, I would like to touch upon another promise made during the election campaign. This is a promise to which the Opposition will return time and time again. That comment will not go away and will not cease to reflect upon the Conservative Party and its Leader. The Prime Minister campaigned by saying that once he was elected, Canadians would see tens upon tens of thousands of jobs created just as quickly as a new Government could be sworn in. That was the commitment that was made to the Canadian public.

We find in the economic statement that, rather than having job creation as a priority of this Government, there is a warning that unemployment benefits may be cut back just when they are needed the most. Notice is given that the Summer Canada Works Program for students will be eliminated. Spending cut-backs are to be made in the name of deficit reduction. I do not remember Hon. Members campaigning on the promise of reducing the deficit. However, all this will result in a net loss of 45,000 jobs a year. That is 150,000 jobs over three years. That is not job creation, Mr. Speaker. That is cuts in employment.

I would like to suggest that members of the Conservative Government and the Prime Minister should remind themselves that the trust given to them by the Canadian public on September 4 involved the belief that the Conservative Government would live up to its campaign promises of the summer of 1984 rather than embark on a hidden Tory agenda that will destroy the social fabric of our country.

Mr. Taylor: Mr. Speaker, I was a little surprised to hear the Hon. Member for Sudbury (Mr. Frith) speak of broken promises. I really wondered how he had the gall to do it. Does he recall that in 1979, the Liberal Party campaigned on the promise that it would not charge taxes on gas of more than 18 cents a gallon? After the Liberal Party got into power, it increased those taxes several times that amount. Is that the kind of promise to which the Hon. Member is referring? If so, his Party is expert at that.

Second, the Hon. Member indicated that we had not mentioned some items. Did Liberal Members mention to the people of Canada that the Government would change the Constitution? Did they tell the people of Canada they would not put property rights in the Constitution? Did they tell the people of Canada they would bring in the National Energy Program, a program that would practically destroy the industry of western Canada? No, they did not tell the Canadian people about any of these things. Perhaps the Hon. Member should take a look inward before he starts to tell us how to do things.

Mr. Frith: Mr. Speaker, I referred very early on in my speech to the degree of cynicism felt and the contempt in which a great many politicians are held by the Canadian public today. I said that I think that a great deal of that cynicism is generated by the fact that governments get elected on a given set of promises and then do not deliver those promises to the Canadian people. That is where the cynicism is generated. I will not deal with the specifics of the questions of the Hon. Member for Bow River (Mr. Taylor), but I will say that in some cases he is quite correct. Promises were made in the 1979-80 election which were not kept by the Liberal Party. As a word of warning, I would tell the Hon. Member that we paid the price in 1984 for failing to keep those promises, and I am therefore suggesting that he should keep his side honest, because I will remind him of the 338 promises that that Government has made. As I have outlined in my speech this afternoon, if the Government breaks its promises, I wish it the same election results in 1988 as we received this year.

• (1700)

Mr. Nicholson (Niagara Falls): Mr. Speaker, I would like to comment on the speech made by the Hon. Member for Sudbury (Mr. Frith). He mentioned hidden agendas, lack of trust and cynicism. I am somewhat perplexed by his comments inasmuch as the Progressive Conservative Party has been saying, not only during the past election campaign, but for many, many years, that the rising national debt is of the utmost importance and must be solved. The Conservative Party has said that in order to get the economy back on the rails, the problem must be addressed. I have said it in my riding, the Hon. Member for Welland (Mr. Pietz) echoed that, and the Prime Minister (Mr. Mulroney) was in our areas several times to tell the people that it would be the first priority of a Conservative government. I am very pleased that the Minister of Finance (Mr. Wilson) and the Right Hon. Prime Minister have chosen to keep the promises that they made, and the promises that we as private Members made, to make this number one on the agenda.

Mr. Frith: Mr. Speaker, I would like to correct that comment. As a Party, the Government made a promise to the electorate this past summer. Following the leaders' debate, I took part in a discussion on *The Journal*. On that program I represented the Liberal Party. The Hon. Member for Vancouver East (Mrs. Mitchell) represented the NDP and the Hon. Member for Provencher (Mr. Epp) represented the Conservative Party. During that discussion, the Conservatives promised that universality was a sacred trust not to be tampered with. Canadians were promised that additional dollars would be put into the medicare system and that the concept of universality would not be tampered with. That was the trust that was given to the Government on September 4. When an agenda for action was introduced, with the parameters which I have outlined in my speech, that will affect Canadians down to the level of those families whose income is $20,000 a year, I suggest that the Government did not have that mandate given to it on September 4. That will be where we will draw our line as an Opposition—the definition of the mandate. There are 211 Conservative Members of Parliament. They were given a mandate to do certain things. I will remind them every time they break and tamper with the trust which was given to them on September 4. We in the Liberal Party will be questioning

them, because they will be destroying the trust which should be inherent between the Government and its people.

Mr. Boyer: Mr. Speaker, I followed with considerable interest the speech of the Hon. Member for Sudbury (Mr. Frith). I felt that the initial part of the speech was very balanced, and I too have that same sense when walking to Parliament Hill early in the morning.

The Hon. Member then got into the difficult terrain of trying to reconcile campaign statements with subsequent action or a change of course. Two Members of this House have already brought home to the Member the record of his own Party, such as the questions of double-tracking in the West, 18 cents a gallon, wrestling inflation to the ground and price and wage controls. The list is long, and I do not have to remind Members of this House that his Party, as he has acknowledged, said one thing in the course of an election campaign and found fit, for whatever reasons, to do something quite different at a later time. In fact, I surmise that it may have been his own experience, in having tried to reconcile the different course that his Government took when in office from what it said during the course of the campaign, that has made him sensitive to the particular challenge which the present Government faces.

The fact remains that the Government has made a strong commitment, which was reiterated in the Throne Speech, to social justice, as reflected through social programs which have been built up over a number of years. We also recognize the need to ask certain questions about those programs through the parliamentary committee, and the Hon. Member has read into the record of the House a number of the questions which that committee will be addressing.

I would ask the Hon. Member how questions that are contained in a public document can constitute a hidden agenda. Moreover, I would ask the Hon. Member whether he believes that his questions should not be asked at this time by a parliamentary committee in order to come to an understanding effectively and thoroughly of whether the House is fulfilling its duty to the Canadian people in providing effective social programs. If he does not feel that this is the time to ask those questions, I would ask him when they should be asked.

Mr. Frith: Mr. Speaker, I raised those questions to put them on the record because they are legitimate questions. They were raised on the middle of the summer election campaign. The Liberal Party chose to say it was not going to try to outbid the other Party and bring in social programs which would cost more dollars and increase the size of the deficit. The Conservative Party chose to campaign on that basis. It campaigned on the basis that it acknowledged that the deficit was $37 billion, yet it still chose to make promises and commitments to the Canadian public. All I am suggesting is that that is very dishonest. We all know that there are 200 weeks before the next federal election, Throne Speeches will happen once or twice in this Parliament, and there will probably be five or six budgets, but I wanted to ensure that the initial stage was set by reading into the record the promises that were made by the Conservative Government. I can only hope that those promises are carried through.

Mr. Stackhouse: Mr. Speaker, I am rising because the Hon. Member for Sudbury (Mr. Frith), has appointed himself as aide-mémoire to the Government. However, I would say that he should not be too forgetful of his own Party's record. I will not repeat what some of my colleagues have said, but I would not want him to forget some promises which his Party made when they were campaigning—sometimes successfully—such as reducing the deficit. The only things which he found favour with in the Speech from the Throne and the economic statement were those which would add to spending. Spending seems to be in favour on that side, not cutting the deficit, although that was one of the Liberal Party's promises in 1980.

I would like to draw to his attention a promise which was made by the former Liberal Prime Minister and his Party to the people of metropolitan Toronto. They promised a heavily-subsidized program of urban transport, but not a dollar was ever received. That is only one of a long list of broken promises.

In the program which the Government has announced thus far, there have been certain positive aids to cut unemployment and to increase job opportunities in this country. It must be emphasized that we have no future economically and no future for a social justice program unless we cut the deficit and stimulate the economy. That is the objective of the economic statement.

Mr. Frith: Mr. Speaker, I would remind the Hon. Member for Scarborough West (Mr. Stackhouse) that, with respect to unemployment, in Question Period today the Minister of Finance has agreed and knows that the econometric model that he used in the mini-budget shows that the unemployment rate will be marginally higher two years hence than it is today. I know that the Hon. Member comes from an urban riding, but I come from a riding in northern Ontario which has experienced the highest level of unemployment, statistically, for the last three years. As a Member from that area, I would suggest that all those make-work projects and Section 38 were instrumental in keeping my community afloat. I hope that private Members on the Government side who are experiencing high levels of unemployment in their areas will keep their Government honest by pushing for those programs for which the NDP and the Liberal Party have fought for decades.

• (1710)

The Acting Speaker (Mr. Paproski): As questions and answers have now been terminated, I would like to recognize the Hon. Member for Edmonton South (Mr. Edwards).

Mr. Jim Edwards (Edmonton South): Mr. Speaker, I consider it propitious that the Hon. Member for Edmonton North (Mr. Paproski) is occupying the chair at this moment. I congratulate him as the senior member of the Edmonton caucus on his nomination. I congratulate as well the Hon. Mr. Speaker and the Hon. Mr. Deputy Speaker.

I am mindful, Mr. Speaker, of the great privilege, wrung from history and paid for by the sacrifices of our ancestors, which permits me to rise today to reflect the views of Edmonton South to this great and free House. In doing so I acknowledge those who were instrumental in bringing me here; the 34,000 voters from Edmonton South who cast ballots in my favour; those thousands and more who gave up their time, their treasure and their shoe leather in supporting me in the campaign; my wonderful family who grew beyond their own expectations in the long and enervating battle for nomination and election; and, finally, the magnificent national team effort of my Party, spurred on and encouraged by the team of two. No one worked harder than our Right Hon. Prime Minister (Mr. Mulroney) and that gracious lady who captivated all of us. It was my pleasant duty in the month of July to introduce Mrs. Mulroney table-by-table to a gathering of some 3,000 people from Edmonton and its surrounding area. That, in its way, was a whole lot more fun than even being elected two months later.

If I may, Mr. Speaker, I would like to speak to some of the issues addressed by Her Excellency the Governor General in the Speech from the Throne. I would like to examine how those issues are viewed by the people of Edmonton South. Before doing so, I wish to congratulate the Hon. Member for Sarnia-Lambton (Mr. James) and the Hon. Member for Montreal-Mercier (Ms. Jacques) for the high tone they have set for this debate.

Edmonton South was at its physical best during the long hot summer of 1984. More than half of its residents owned their own single-family dwellings, and the flower gardens and immaculate lawns reflected the pride of property which is an indispensable Alberta characteristic. Here and there, though, there was the intrusion of a sour note, such as where a house had been abandoned because of inability to meet the payments, and where four able sons of one family, each with his own trade, could not find work, and this happened for the first time in five generations of this family in this country. Entrepreneurs, successful over the past two decades, have one foot into the United States, looking for opportunity.

Edmonton South is not a large riding. It is a totally urban riding of 67 square kilometers. The estimated population of 109,000 people is a microcosm of urban western Canada. Almost half of the population are between the ages of 18 and 44 years. Fully 36 per cent of those employed work as professionals or semi-professionals. In Edmonton South lives much of Edmonton's academic, political, financial, cultural, and business leadership. Also in Edmonton South live pensioners, war veterans and our share of the unemployed and the systemic poor.

The major distinguishing characteristic of the riding of Edmonton South is the presence of Canada's second largest university, the University of Alberta, with an undergraduate enrollment of over 24,000 this year. The University of Alberta, with 19 faculties and close to 90 departments, is internationally known for its education faculty which is the largest in Canada. Other academic strengths include engineering, agriculture and computer sciences. Distinguished graduates include three members of the current Cabinet and two of our provincial Premiers. Founded in 1908 and dedicated to the pursuit of "whatsoever things are true", the University of Alberta has left its mark in Edmonton and in the Province of Alberta. Nowhere in the West, perhaps nowhere in a city of its size in Canada, do the arts flourish more surely than in Edmonton.

On September 4, Mr. Speaker, the people of Canada called for a new will to succeed, a fresh start for this nation. In so doing, they imposed upon all of us in this House a formidable burden of expectation. During the next six months the way will be shown toward the rebuilding of our lives and the recovery of our sense of national mission.

During the recent electoral campaign, I was saddened and shocked by the number of well educated, well-meaning citizens who had lost faith with the political process. This has been partly in reaction to a generation of misrule and partly as a result of a genuine aversion to how the system was going. They said, "It does not matter if I vote, you are all the same", or "You may be a good man now, but you will be corrupted, co-opted or commanded once you get there". What should the response be, Mr. Speaker? We have been given part of the answer: a parliamentary task force in reform of this House. I applaud that decision and congratulate the Hon. Member for St. John's East (Mr. McGrath) on his appointment to head that task force.

Speaking as a westerner, I hope that the second phase of the answer is not too far away; the beginning of the long and arduous process toward an elected, effective Senate, equal in representation province to province.

Her Excellency informed us that her Government has, as a key objective, to make government more understandable, more accessible and more sensitive. Partisan considerations aside, such a move can only be welcomed by all Hon. Members, if only because Ottawa has become the personification of the misunderstood, the inaccessible and the insensitive, even the alien and the threatening.

One legacy of the past with which we will have to contend on an urgent basis is the tendency toward policy making on the part of Crown agencies and quasi-judicial bodies. An example is in the field of radio and television broadcasting, an industry in which I have spent 29 years of my life. Here we have the spectacle of the very tribunal which licensed broadcasting stations to serve certain territories now proposing to admit to those territories many other stations—so-called super stations—by way of local cable systems. It is as if one had paid for a mining claim, scrabbled for years to make it pay and deliver some kind of a profit, and in the process deliver a much needed commodity, only to be told that that mining claim would have to be shared with Noranda, Denison and, perhaps, Inco. This move is in process of being made now by bureaucratic fist. It will change forever the nature of information delivery in this country.

We are informed, Mr. Speaker, that the Ministry will breathe a new spirit into federalism. I have had the benefit

three times in the past week of participating in the process of federal-provincial consultation. I know that all provinces welcome this fresh and somewhat novel approach. I am sure that all Hon. Members have confidence in the outcome of today's First Ministers' meeting. Few of my constituents, Mr. Speaker, oppose the federal commitment to the quality of the two official languages. Many, though, resent the insensitivity of previous administrations in the pursuit of that goal.

[*Translation*]

Today, in the House, we have an abundance of talent from all parts of Canada. We are seeing a remarkable phenomenon which would have been inconceivable as recently as ten years ago: two Anglophones from Ontario speaking French in the House, and we have a number of new Francophone members who are taking advantage of this opportunity to learn English. If language is the key to culture and if culture is in the heart and the soul, let us open our hearts and souls and reason will follow.

[*English*]

The Speech from the Throne referred to the necessity for co-operation between the two levels of Government in fostering multiculturalism. Perhaps nowhere is multiculturalism better fostered as something far beyond song and dance than in Alberta where there is no majority. In Edmonton South the Edmonton Heritage Festival is held annually. It is held in a park named, appropriately, after our first mayor of Ukrainian descent, William Hawrelak. This year, over 400,000 people visited the 44 pavilions. A new ethnic group provided a pavilion for the first time, namely, the English.

The Hon. Horst Schmid, Alberta's Minister of International Trade and the godfather of multiculturalism in my province, said that the Albertan is a man whose father, descendant of French, Cree and Scottish fur traders, married an Italian Polish girl from Hamilton. Our Albertan and his German Mennonite wife leave his Jewish-owned wholesale business in their Korean-made car, drive past the mosque to see a play by an Irish author featuring English and black American actors. That is followed by Chinese sweet and sour spareribs at a Ukrainian restaurant where they are joined by their daughter who is majoring in Greek classics at university and her Uganda born East Indian engineer fiancé. Mr. Speaker, the mosaic is fast becoming an alloy in the kindly crucible of understanding.

● (1720)

The people of Edmonton South welcome the economic initiatives which the Minister of Finance (Mr. Wilson) announced on Thursday. For us, government does not, cannot, create real jobs. Government can create a climate in which business can plan, act, expand, and buy and sell. The first excruciating steps have been taken on the perilous path to growth and, dare we say it, solvency. It is right and reassuring that in undertaking this journey we commit ourselves to preserving social justice so that the costs of change do not fall on those least able to bear them. Even though we attain the Minister's goal of reducing the projected level of annual expenditures by 1990 to something like $10 billion or $15 billion below what they are today, we may still be stuck with a structural deficit. Therein lies the challenge for true change and reform, to provide incentive rather than penalty, and to tackle truly the fundamental reform of our tax system.

During the course of this past summer I encountered hundreds of mature men and women who had been laid off or forced into early retirement because of the recession, compounded by the disastrous effects of the National Energy Program. As well, there were hundreds of well educated young men and women looking for their first real job. Now, we all know that true job creation is going to come in the field of small business. Let us therefore encourage what I call a generational partnership wherein the senior experienced former business people join with the energetic, well trained young people, form a business with funding from conventional institutions, backed by federal government insurance or guarantees. In four or five years the senior partners could extract an equity share as a retirement nest egg earlier denied them, leaving the now seasoned junior partners to further expand and develop new employment.

Albertans, Mr. Speaker, were encouraged by the energy initiatives taken by the Minister of Finance last Thursday. Since 1980, western Canadians have been angered and frustrated by the unilaterally imposed oil and gas pricing schedules, by the new excise and income taxes on gas and oil, and by the centralizing aspects of the NEP such as the changing of the incentive system to target exploration on federally controlled lands. My constituents viewed those policies as a federal grab for revenue and power in an area of provincial jurisdiction. Second, investors had lost confidence in the oil and gas industry. The NEP's huge volume of complex regulations contributed to the uncertainty of the business community. Perhaps $17 billion of direct capital investment, which could have created 500,000 jobs, left the country. Third, the NEP caused a drop in exploration activity and development efforts. Following cancellation of the Cold Lake and Alsands projects, the private sector followed by withdrawing drilling rigs and exploration crews. Many companies announced cut-backs in exploration plans. The Economic Council of Canada maintains that the NEP exacerbated the heavy debt of many important oil companies, rendering new exploration activities even less likely.

The NEP crippled more than the West, Mr. Speaker. The Ontario Minister of Energy, Mr. Andrewes, says the NEP was almost as costly to Ontario as to the West. He says that from 1979 to 1983 the NEP cost Ontario 90,000 jobs and was responsible for price hikes amounting to 33 per cent of all inflation experienced by his province. Ontario's wholesale costs of crude oil and natural gas almost doubled from $4.7 billion in 1979 to $9 billion in 1983.

The announcements made by the Minister of Finance last Thursday are a big step forward. Market pricing for oil with safeguards to protect consumers from price surges, changes in the PGRT which will apply to integrated oil sands projects and

which will double the threshold level of the small producers' credit, are major steps in the right direction. As the Minister of Energy, Mines and Resources (Miss Carney) has said, a healthy, thriving energy industry creates permanent productive jobs. When the oil patch works, it means business for the supply and service companies, the restaurants, hotels and hardware stores. It means thriving communities and healthy family life.

Finally, Mr. Speaker, we are to have a renewal of a healthy, responsible Canadian internationalism. All Canadians, especially we Albertans who have the closest family, business and cultural ties with the United States, welcome the hand, and not the single digit, across the border extended by our Prime Minister. Those who fled tyranny in Eastern and Central Europe salute the new commitment to our North Atlantic allies. I am pleased to report that I have had calls during the past day from constituents concerning hunger relief. In one instance, the Kiwanis Club of Edmonton is recommending to its board of directors an expenditure of $10,000 for Ethiopian and African relief. I had a call on Friday from a doctor at the Cross Cancer Institute in Edmonton, who himself comes from the Third World, who volunteered his six weeks' vacation time starting February 11 to go to Ethiopia at his own expense to be of assistance there. That is in the true spirit of Canadian internationalism.

Yet, overriding all these concerns, both economic and defence, is the ultimate *sine qua non*: the quest for peace. I am honoured to represent the riding adjacent to that of our distinguished Right Hon. Secretary of State for External Affairs (Mr. Clark) and to represent the people who sent to Parliament for so many years Mr. Douglas Roche, our new ambassador for disarmament. They must have our support and that of all Canadians. No goal is more elusive, but its dedicated and unrelenting pursuit is demanded by posterity.

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

Mr. Fulton: Mr. Speaker, I would like to congratulate the Hon. Member for Edmonton South (Mr. Edwards) on his first speech. I will leave it to you to rule; he is my mother's brother's wife's brother's son. I would like to congratulate him and welcome him to the House. I hope that my having revealed this unusual relationship will not keep him from becoming a frontbencher very quickly.

Mr. Edwards: Mr. Speaker, if I could respond to that rather convoluted description, I think it is also fitting that there is something that makes political campaigns go, that is, financial support. I am very pleased, and I hope this is a harbinger for Canada's political future, that the common bond in this familial relationship is a long-time Liberal from Edmonton who contributed to the campaign of the Hon. Member for Skeena (Mr. Fulton) and to my campaign as a Conservative.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Malépart: Mr. Speaker, the Hon. Member mentioned an increase of two cents per litre in the price of oil and an increase in the price of home heating oil. Perhaps he could inform the House how this will protect the consumer and how single-parent families, most of whom are headed by women, how the aged living below the poverty line and the thousands of workers earning the minimum wage and on modest incomes, depending on the provinces—and I think in yours the situation is pretty rough—how is a two-cent increase for the consumer going to help him?

• (1730)

[*English*]

Mr. Edwards: Mr. Speaker, there are going to be difficulties. However, I think it is fundamental that the Hon. Minister of Finance (Mr. Wilson) stated in his remarks last Thursday night that the whole objective of the Government's policy is to protect the consumer from sudden fluctuations in cost. I can promise the Hon. Member that that will be taken into full consideration.

Mr. Orlikow: Mr. Speaker, I would like to direct two questions to the Hon. Member. He suggested that moving toward world prices in oil would help the workers in Ontario. I invite the Hon. Member to explain how an increase in oil prices, which will have to be absorbed by the manufacturers in every province, will mean an increase in their price of production and will make them less competitive with other sources, can lead to anything but lay-offs?

The Hon. Member gave the usual and very understandable position of the Conservative Party with regard to the role of the private sector in the free entreprise system and downgraded government intervention. He then proceeded to complain that the free entreprise system should not be permitted to operate in a free way when it comes to broadcasting. He is opposed to the super stations. He wants CRTC to stop them. If he believes in the free enterprise system, surely there is no reason why the super stations should not be permitted to move ahead.

Mr. Edwards: Mr. Speaker, I appreciate having those two questions put to me by such a distinguished and senior Member of the House. I would like to respond to the first question with regard to the effect upon workers in Ontario of world price for oil. The world price for oil, Mr. Speaker, is part of the whole regime of energy policy which is designed to be a major engine for growth in the country. If in fact the NEP caused 90,000 jobs to be lost in the Province of Ontario, those are 90,000 Ontario workers who today would be employed.

In response to the question about free enterprise, my quarrel is not with the free enterprise system. My quarrel is with the fact that a bureaucratic quasi-judicial tribunal is ostensibly making governmental policy in the country. It is time that that policy was returned to the hands of the elected representives of the people.

Mr. Sid Fraleigh (Lambton-Middlesex): Mr. Speaker, I am pleased to have this opportunity to participate in the Throne Speech debate of the Thirty-third Parliament of Canada. I would first like to congratulate Mr. Speaker Bosley on his appointment to the Chair, and you as well, Sir, on your appointment.

I would also like to congratulate my colleagues, the Hon. Member for Sarnia-Lambton (Mr. James), who happens to be my neighbour, and the Hon. Member for Montreal-Mercier (Mrs. Jacques), for an excellent job in moving and seconding the Address to the Throne Speech.

Lambton-Middlesex has the dubious distinction of being the largest geographic riding in southern Ontario. It stretches from the edge of the City of Sarnia to the edge of the City of London and encompasses most of the counties of Lambton and Middlesex. It encompasses 6,500 square miles in total. As an added distinction, Lambton-Middlesex has three beautiful waterways which form the boundaries on three sides of the riding. Lake Huron is on one side, the St. Clair River is on the other, and the beautiful Thames on the third. This completes this unique aspect of our constituency.

As you may well have guessed from its geographic size, the agricultural industry dominates Lambton-Middlesex, and this industry is widely diversified. The Thedford Marsh located in the northwest corner of Lambton produces large volumes of vegetables such as potatoes, carrots, celery, beets, head lettuce and onions. Sweeping south from the Marsh is a large gravel ridge which supports orchards producing apples, cherries, peaches, pears and apricots as well as a multitude of tender fruits. On the opposite side of the riding there is another sandy gravel area running from the village of Mount Brydges to the village of Komoka which also produces tree fruits and tobacco.

Lambton-Middlesex is the largest soya bean producing area in the country, with corn running a close second. With the abundance of feed corn available, livestock is perhaps the most important aspect of our economy. The riding is home to a heavy concentration of beef feed lots and pork farms, with a significant number of dairy and poultry farms. Two of the larger turkey operations in the country are located in my riding, with Cuddy Farms, located in the Strathroy area, being the largest integrated operation in Canada and perhaps in North America.

This large and diverse agricultural sector is serviced by a multitude of small towns and villages which supply the infrastructure for the agricultural community. The town of Strathroy, with a population of 9,100, is the largest urban centre that I have in my riding.

As in most parts of southern Ontario, the native people were our first settlers. They were followed in the 1800s by a mixture of English, Irish and Scottish, who were followed by Slovaks in the 1930s, the Dutch in the 1950s and the Portuguese, who are the latest addition to the mosaic which makes up our riding.

In referring once again to the agricultural industry, Mr. Speaker, I would be remiss if I did not point out what I perceive to be an impending crisis in that industry. On a personal note, I feel fortunate that I entered the agricultural field prior to the onset of the era of inflation and high interest rates. However, the young farmers of today are facing a financial crisis, and my concern is for them. I believe this crisis was caused by a variety of circumstances; mainly rapidly escalating production costs, falling commodity prices, and, most important of all, high interest rates. This, coupled with questionable financial advice from some government agencies and financial institutions, has placed agriculture in a position where this country stands to lose a whole generation of young farmers owing to bankruptcy.

I do not profess to have any simple answers to a very complex problem. However, we as Members should be extremely concerned about what has become not only a severe financial problem, but what could turn into a severe social problem.

At the meeting of Agriculture Ministers last week, this problem had high priority, and I urge Members to support this initiative with constructive input. I would also urge the Minister of Agriculture (Mr. Wise) to seek input from the private sector as well as from individual Members so that we can attack the problem with all the expertise available.

I would now like to move to another significant part of the economy of the riding of Lambton-Middlesex. Because of our proximity to the cities of London and Sarnia, a growing part of the population lives in small towns, villages and built-up areas along the beautiful waterways and commute to work. In the area closer to London these people are composed of professionals and tradespeople who work in a wide variety of industries. However, on the other side of the riding, the commuters work almost exclusively in the chemical valley in the Sarnia area. It has been estimated that as many as 10,000 people in Lambton county derive their living, either directly or indirectly, from the health of the valley.

It is for this reason that I fully support the pleas of the Hon. Member for Sarnia-Lambton that we as the Government act quickly to remove the obstacles which now obstruct the petrochemical industry from becoming internationally competitive again.

● (1740)

I will not attempt to duplicate the description of the valley given by the Hon. Member for Sarnia-Lambton except to say that those industries are now extending into the riding of Lambton-Middlesex. CIL has the most modern nitrogen fertilizer plant in North America and it is located in Sombra Township in the riding of Lambton-Middlesex.

The provisions of the National Energy Program have crippled this industry. The refusal of the previous Government to address these problems has caused an industry with a proven track record for creating jobs to come to a standstill. The recommendations of the task force that was set up by the former Government would be a sound business proposition for Canada. In all probability, that is the reason why it did not act on those recommendations. Hopefully, we will not be that shortsighted.

The shoreline of Lake Huron is blessed with large expanses of sandy beaches. This asset has created a tourist industry that is vital to the towns and villages in close proximity to this area.

Not only are there large areas of privately owned cottages, there are also public beaches and two of the finest provincial parks in Ontario. One of these parks, the Pinery Provincial Park, has enormous sand dunes gracing its shoreline which are unique to this area. Several excellent harbours attract large numbers of boaters to the area, including many Americans.

In addition to these excellent recreational facilities, the riding of Lambton-Middlesex has several significant historical attractions which attract a large number of visitors. Rock Glen, which is adjacent to the village of Arkona, has yielded a treasure of fossils. That municipality has moved to preserve this unique heritage with an excellent museum in that area containing thousands of items from the region.

Furthermore, the first oil discovery in North America was in Lambton County at the Village of Oil Springs. This oil bubbled to the surface and did not require any drilling. A museum on the site contains all the equipment that was used in those early days.

Just six miles away, adjacent to the Town of Petrolia, is the site of the first drilled oil wells in Canada. While their operation became uneconomical a good many years ago, recently the town restored the site to its original state. It is now producing again and is a unique tourist attraction.

These varied tourist attractions attract thousands of visitors to the riding of Lambton-Middlesex and are an important part of our economy.

I would be remiss if I did not make reference before closing, to the gas storage fields which lie beneath the fields in the Townships of Dawn and Moore. These are huge natural subterranean cavities into which natural gas from western Canada is pumped via pipeline in the summer months at a time when demand is low. These natural cavities hold billions of cubic feet of natural gas.

Not only does this allow the country to make more efficient use of our pipeline facilities, it supplies an important buffer if there are any major breakdowns in the cross-country pipeline system.

I was most pleased that I had the opportunity to return to my riding after the delivery of the Throne Speech and the financial statement by the Minister of Finance (Mr. Wilson). It allowed me to get an impression of how ordinary Canadians viewed these two most important documents.

Let me say for the benefit of Hon. Members opposite that the people of Lambton-Middlesex could not be any further removed from Bay Street. However, their response to the direction in which the Government is going was one of wholehearted support. I would suggest that the members of the two Opposition Parties go out into the streets of their ridings to find out what the people are saying. I am sure they will be surprised to discover that the people are in full agreement with the Government program which is designed to stimulate economic growth and create permanent jobs in a framework of fiscal responsibility.

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

[*Translation*]

Mr. Malépart: Mr. Speaker, I would like to ask a question. When the Hon. Member is talking about the tax system, justice and social programs, instead of his Government starting discussions to try and modify what is referred to as the universality of pension plans and programs that affect Canadians on very low incomes, would it not have been preferable to review the indexing table for personal income tax? If I am not mistaken, the net result of this particular measure is to increase benefits to the rich and give less to the poor. Let me give an example I found in the documents tabled by your Minister of Finance (Mr. Wilson): a single individual with an income of $7,500 gets only $54, while someone with an income of $100,000 saves $460. Do you not think that to reduce the deficit, your Government and your Minister of Finance should have tinkered with that program instead of with the universality of pensions and unemployment insurance?

[*English*]

Mr. Fraleigh: Mr. Speaker, I did not realize that I had raised the question that was posed by the Hon. Member opposite. However, since he has raised the question, I would be pleased to inform him that there are no easy answers. There will be hardships, and it has been the Government's position that everyone share in those hardships in a fair and equitable manner. I believe that, as a result of his financial statement, the Minister of Finance has done an excellent job in having the economy and various sectors of the country share those hardships.

If the Hon. Member had spent the weekend on the streets in his riding as I did in mine, he would have found that most people would agree with that assessment.

[*Translation*]

Mr. Malépart: I may point out to the Hon. Member that I go down the streets of my constituency on week days as well as on weekends, and that I am a good defender of my constituents' interests, since I was re-elected on my own merits.

Mr. Speaker, I can inform the Hon. Member that the measure I just mentioned is one his Government has introduced, a measure that provides very substantial assistance to the rich. This is not some time in the future, it is here and now. Just read the supplementary information. Instead of shouting, the Hon. Member who did so should stand up and defend his constituents. Mr. Speaker, I would like to know whether the Hon. Member agrees with what the Minister of Finance has just done.

[*English*]

Mr. Fraleigh: Wholeheartedly, Mr. Speaker.

Mr. Manly: Mr. Speaker, I would like to congratulate the Hon. Member for Lambton-Middlesex (Mr. Fraleigh) on his opening speech. During his speech he referred to the native people as the first inhabitants in his riding. Of course, that is true for all our ridings.

Has the Hon. Member had an opportunity to give particular thought to the problems and alternatives facing native people in Canada today? I am not aware of the situation in his riding and perhaps he could enlighten us about that in his response.

I believe it is generally recognized among those who have studied the situation that the present system is not working. It is not working for the Indian people of Canada and it is not working for the Canadian taxpayer.

In the last Parliament, there was a special committee of the House which studied the whole question. It brought forward the report on Indian self-government with some major recommendations, urging that Canada recognize First Nations governments and that we make the resources available to them to act as governments. In fact, the right to govern themselves has always existed. Has the Member had a chance to consider some of the needs of the Indian people in light of Indian self-government and would he be in favour of that proposal, willing to support it and work for it?

• (1750)

Mr. Fraleigh: Mr. Speaker, I have four reservations in my riding and I am quite conversant with native problems. I happen to have served here for a short time during 1979-1980 and I served on the Standing Committee for Indian Affairs and Northern Development in order to make myself more conversant with those problems. I happen to support wholeheartedly the initiative of more self-government for the native people when they are ready. I think a great number of native people themselves will admit that there are large sectors of the native population which are not at this point in our history ready to assume full self-government.

I come from an area where the native people are more advanced than in many other areas. We have reasonably high employment on our reservations compared to that in other parts of the country. These people are good citizens. My understanding of the problem nation-wide is that there are a great many areas in Canada where the band councils and the people who are governing reservations are not by their own admission ready to take over full self-government.

Mr. Manly: Mr. Speaker, I have a supplementary question. I would like to thank the Hon. Member for his answer. But I think the crux of his answer was the question of readiness on the part of Indian people to govern themselves. The testimony we as a committee heard time and time again was that the native people have never given up the right to govern themselves. The presence of a colonial type of administration in the Department of Indian Affairs has impeded the right and ability of the Indian people to govern themselves. What they want is for us to get off their backs so that they can do that.

Does the Hon. Member not believe that the best people to decide when they are ready to govern would be the Indian people themselves? They are the ones who can best determine their fitness for self-government.

Mr. Fraleigh: Mr. Speaker, I thought that I had addressed the question. I said that the areas in my region were ready. By the native peoples' own admission there are a great many areas where they themselves do not feel they have the infrastructure and the knowledge to take on full self-government. I could not agree with you more that the present system is not working. It has never worked. We have tried a multitude of band-aid solutions. None of them have worked. I do not profess to have the answers. This is a major problem. I would suggest to you, Sir, that for us, as a government, simply to walk away from the native people and say, "There you go. You look after yourselves. Govern yourselves and do all the things that we have been doing for you," would create chaos in the native community.

Mr. Nystrom: I have a question and a short comment, Mr. Speaker. First, I want to welcome the Hon. Member back to the House. He said he was here between 1979 and 1980. He mentioned that we should be out there on the streets listening to what people are saying so that we understand. I think I know what people are saying. I think they want a lot of changes. They listened to the Prime Minister (Mr. Mulroney) who made a lot of promises and who made a lot of commitments. Their expectations are very high.

I was here in 1968 when another Prime Minister also caught the imagination of the Canadian people. He made a lot of changes. He made a lot of commitments. He promised participatory democracy and he promised a new vision of a new society. It will be very dangerous if this Prime Minister follows the lead of the former one and does not fulfil those expectations.

We have now heard a Speech from the Throne and we have had an economic statement. A lot of commitments were made. I am not sure whether the Leader of the Opposition (Mr. Turner) was right when he said there were 330-odd promises. There might be that many but I am not sure. A lot of commitments that were made have not been delivered in the Speech from the Throne, nor have they been delivered in the economic statement. Why has this not happened? Is this not a dangerous thing in terms of people getting very cynical about the process? I will give you one example, Mr. Speaker, and then I will sit down. In my own province, commitments were made to fund farmers in northeast Saskatchewan, to freeze freight rates and to improve farm stabilization programs. All kinds of other commitments were made to farmers. So far there has been no delivery except for a study on the capital gains tax. I find that kind of thing very dangerous. I would like to know what the Hon. Member's feelings are.

Mr. Fraleigh: Mr. Speaker, I could not disagree more that the present Prime Minister (Mr. Mulroney) will follow the example set by the previous one. There is nothing more sure than that.

Some Hon. Members: Hear, hear!

Mr. Fraleigh: As to the expectations of the people, I would have to agree with the Hon. Member. They are great. We happen to have been in power for two months and I, Sir, do not know what the Hon. Member expects in that short period of time. We made some promises, a fair number of them.

Ms. Jewett: A couple of hundred.

Mr. Fraleigh: They were all made on the assumption that they would be done in a good financial framework—

Mr. Speaker: Order, please. I regret to interrupt the Hon. Member but I am afraid the ten-minute period allotted for questions and comments has expired.

The Hon. Member for New Westminster-Coquitlam (Ms. Jewett).

Ms. Jewett: Mr. Speaker, in view of the hour, may I call it six o'clock?

Mr. Speaker: The House has no problem calling it six o'clock, I presume?

Mr. Hnatyshyn: Mr. Speaker, perhaps the Hon. Member could start her remarks. There are still three minutes remaining.

Mr. Speaker: I think I understand the dilemma of the Government House Leader and I think I understand the dilemma of the Hon. Member for New Westminster-Coquitlam. (Ms. Jewett). Perhaps the Hon. Member for Lambton-Middlesex (Mr. Fraleigh) would like to finish his comments by unanimous consent. Does that solve the problem?

Some Hon. Members: Agreed.

Mr. Speaker: I will recognize the Hon. Member for Lambton-Middlesex (Mr. Fraleigh) for one or two more minutes.

Mr. Fraleigh: Mr. Speaker, I would like to return to my remarks and to point out that when we as a Party and our leader made some commitments to the people of Canada, they were done on the basis that they would be done within a good, sound fiscal framework. That is what we intend to do. The people of Canada do not expect us in two months to turn the economy around. I want to assure Hon. Members of that.

Some Members of the New Democratic Party say they were on the street this weekend. From what I heard on the streets in my riding I find what they said hard to believe. I did not have one negative response or negative remark about the economic statement of the Minister of Finance. That is the truth. I spent a fair amount of time this past weekend in my riding. If people to whom I was talking did not offer comments to me, I would ask them questions.

My riding is made up of small businessmen and farmers. They are hurting as much as anyone else in this country. They realize that everybody is going to have to bite the bullet. It is something that Hon. Members in the Opposition have not yet realized. To renew prosperity in this country we must have economic growth.

Ms. Jewett: Like in B.C.

Mr. Fraleigh: To get economic growth, we have to restore investor confidence. The only way we can restore economic confidence is to run the government in a business-like manner.

Ms. Jewett: Like B.C.

Mr. Fraleigh: I am getting a fair number of comments, and if I have done my duty—

Mr. Speaker: Order, please. The Hon. Member has done his duty.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

REGIONAL DEVELOPMENT—GLACE BAY COAL PROJECT. (B) PLIGHT OF OLDER MINERS

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, on November 8, I posed a question to the Minister of Regional Industrial Expansion (Mr. Stevens) concerning coal development in the constituency I represent in this Parliament. I specifically asked the Minister for certain undertakings, but unfortunately he was not either prepared or willing to give me an undertaking in that regard. For the benefit of the Minister's Parliamentary Secretary, I should like to give a brief chronology of events.

As the House may or may not know, a fire destroyed Number 26 colliery in Glace Bay, taking the life of one individual and placing 1,200 workers on the unemployment roll. Subsequent to that my government announced coal developments in excess of $300 million. In that announcement on May 25, 1984, specific comments were directed toward a new validation report for the new Number 26 colliery.

Since that time United Mine Workers of America placed a proposal before the Cape Breton Development Corporation. That proposal is known as the 1B colliery. They are seeking large sums of money from the Government of Canada to open the 1B colliery. I asked the Minister responsible if he could provide some details, because shortly before the provincial election the regional minister, the member from Central Nova, announced that there would be some moneys toward the 1B colliery. We heard from the Minister in this House that it would be 100 jobs for 10 weeks. That is not sufficient. In fact, it was alleged in the news media that it would be 200 perma-

nent jobs. Now we find out after my questioning in the House that it will be 100 jobs for 10 weeks. The details of the press release did not indicate in any way how much the Government of Canada was prepared to allot to the 1B colliery. It did not make any mention of the number of jobs or the duration of those jobs.

I say this to the Parliamentary Secretary so that he will understand that economic conditions in that part of Canada are pretty devastating. It has one of the highest rates of unemployment in the country. Now that the main industry in that community has been put on the back burner, with 1,200 men unemployed, the situation is a very serious one. I wish to remind the House that they do not want 10-week jobs; they want permanent ones. I believe there is a responsibility on the part of the Government to provide the necessary moneys.

In putting my questions and concerns to the Parliamentary Secretary, I wish to remind him that there is a strategy for coal development at the Cape Breton Development Corporation. If the 1B colliery as submitted by the United Mine Workers of America is not a feasible operation, meaning that it is not safe to proceed with that colliery, they ought to proceed with the new Number 26 colliery. Studies are already in place, consultants have been retained, and that information is readily available. A new Number 26 colliery would not come into place for two, three or perhaps four years.

What about the interim? As I have said in the House, interim measures ought to be put in place forthwith. They ought to have a pre-retirement plan for miners who are 55 years of age or over. It should be something similar to that contained in the Labour Adjustment Program. I remind the Parliamentary Secretary that when the Prime Minister (Mr. Mulroney) compaigned in August, he said that the coal and steel industries in Cape Breton were the soul of Cape Breton. He also said that a Tory Government, under his jurisdiction, would see the two industries through thick and through thin.

● (1805)

The situation is crucial, Mr. Speaker. We need a firm commitment for new coal developments in the Town of Glace Bay. We need interim measures and long-lasting measures as well. We need a pre-retirement plan for the coal miners. In addition to the pre-retirement plan, the Government of Canada, in co-operation with the Government of Nova Scotia, ought to conclude a subsidiary agreement for all of Cape Breton in order to put those miners and other unemployed individuals to work. Many programs dealing with infrastructure like water and sewer could be tackled as an interim measure.

I suggest very strongly that the Government of Canada must provide the leadership. It cannot sweep this one under the carpet. It has jurisdiction and responsibility for the Cape Breton Development Corporation. It must provide the money and it must provide it forthwith.

[*Translation*]

Mrs. Monique Tardif (Parliamentary Secretary to Minister of Regional Industrial Expansion): Mr. Speaker, with your leave, I would like to take this opportunity, that of my first reply as Parliamentary Secretary, to congratulate you on your appointment and also to thank the Right Hon. Prime Minister for allowing me to accede to this position. I also wish to give all Members of this House the assurance that I shall answer their questions to the best of my ability.

The questions asked by the Hon. Member actually go far beyond the issue raised by the fire in the mine in Cape Breton.

[*English*]

On April 5, 1984, Number 26 colliery was lost by fire. The fire came from within the mine and one man, Mr. Ronald MacDonald, lost his life. We are all well aware of that. The colliery employed 1,200 employees and was the principal industry within the Town of Glace Bay. It was a sad day for all concerned; for the employees, the town and the corporation. The community's loss and the loss to the employees is so obvious it need not be stated. However, I would like to point out to the Hon. Member that the corporation has lost as well. It lost its major source of metallurgical coal and millions of dollars worth of machinery, equipment and tools. This loss is in the neighbourhood of $25 million.

I would also like to remind the Hon. Member that the effects of the fire have not gone unnoticed. The corporation made available $150,000 to clean up the roadway leading to the top of Number 7 deep. Number 7 deep leads down to 1B colliery which was closed by the predecessor company on June 30, 1955. Our Government has made available $1.7 million for the sealing of Number 26 colliery and the arching of the same roadway so as to permit safe passage. The closing of Number 26 colliery at the same time is also a required safety measure.

Subject to the physical constraints of the area, it is intended that at least 140 employees will be recalled for a 10-week period to arch the roadway. In the interim, the feasibility study on the reopening of 1B colliery is under active consideration. The decision to reopen 1B must take into consideration not only the current circumstances in Glace Bay but, as well, the market for such coal, the cost of mining, the capital cost of reopening the mine and the return on the capital invested. There is no doubt that this study requires time. However, it is the intention of the acting president to inform the Minister of the results of the study sometime within the next month. The latest news is that, as of today, 130 persons have been recalled to work on the roadways leading to 1B colliery.

● (1810)

NATIONAL REVENUE—DISCONTINUANCE OF ADVANCE TAX RULINGS IN CASE OF LIMITED PARTNERSHIPS. (B) EFFECT ON ALGOMA STEEL

Mr. Maurice Foster (Algoma): Mr. Speaker, my question of November 9 was addressed to the Minister of Finance (Mr. Wilson). I asked him why the Government was discontinuing the practice of advance rulings by the Department of National Revenue with respect to the tax implications of joint ventures

and limited partnerships. The decision taken by the Department of National Revenue was holding up a very important project in my riding. In any event, it seems to me that this whole procedure of not providing advanced rulings for limited partnerships and tax implications of that mechanism is bad. Surely the Government should be providing certainty for the private sector. It should be providing a stable position for investment, as well as certainty and confidence to the private sector. The decision to stop giving these advance rulings is simply adding to the uncertainty of the private sector in making new joint ventures.

I am especially concerned in this case because it involves Algoma Steel. In Sault Ste. Marie there are about 20,000 constituents, within the city itself, and another 10,000 or 12,000 constituents in the surrounding area who depend on this industry as the main economic activity. Two and a half years ago Algoma Steel discontinued the construction of a $300 million tube mill to make a new seamless tube which would be saleable in Canada, the United States and other countries. This tube is now available only from Japan and a few other countries.

During the course of the summer months Algoma Steel decided that it would proceed, using a tax credit transfer, or a capital cost allowance transfer, as a limited partnership with some other company. Representations were made to the Department of Finance and a meeting was held in September at which a proposal was given to the Minister of State for Finance (Mrs. McDougall) by the company. Two weeks later the Minister of Finance and the Minister of National Revenue (Mr. Beatty) said that they would not give advance rulings. Of course, when that happened, the whole opportunity to proceed with the completion of the tube mill was totally thrown into limbo, as were other projects across the country.

In his reply, the Minister of Finance said that they were reviewing the situation. If and when a decision is made, or whether any decision will ever be made, really puts the completion of this massive plant into jeopardy. We must look at it in terms of the 3,000 or 4,000 people who have been laid off by the company. Unemployment lists are up from 5,000 some three years ago to 11,000 at the present time. The giving of an advance ruling on a limited partnership could ensure the completion of the Algoma Steel Company's tube mill. It would create 250 to 300 jobs in the construction phase and as many as 700 jobs in the actual operation of the tube mill—not just in the tube mill, but in producing the additional steel by the company.

I would urge the Minister, the Government and the Parliamentary Secretary to stop this procrastination and to make a decision which will allow this important economic development project to go ahead at Algoma Steel.

[*Translation*]

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of National Revenue): Mr. Speaker, first of all, I wish to congratulate you on your appointment.

Mr. Speaker, it is a great pleasure to rise in the House today to clarify several points that were raised by the Hon. Member of the Opposition in his questions addressed to the Minister of Finance (Mr. Wilson) last Friday.

In the first place, it is absolutely necessary to correct the very serious and very inaccurate statements made by the Hon. Member that this Government has discontinued the practice of advanced tax rulings. In fact, Mr. Speaker, the Government continues to support fully this essential component of our tax system. We feel that providing advanced tax rulings is essential—in order to obtain further clarification and thus help Parliament in adopting certain tax provisions for individuals who wish to obtain such an opinion before taking measures that might prove to be costly.

• (1815)

[*English*]

Issuing advance rulings in the specific case of limited partnerships and joint ventures, however, has been curtailed for good reason. Both the Minister of National Revenue (Mr. Beatty) and the Minister of Finance (Mr. Wilson) viewed the impact of recent decisions as a severe test of Parliament's original intent in approving the flow-through provisions of the tax. Some were also found to test the limits of the federal treasury's ability to finance all eligible applicants.

In no longer issuing advance rulings in the case of limited partnerships, and joint venture in the circumstances outlined in the speech of the Minister of Finance on October 24, 1984, the Government has safeguarded the principle that its scarce financial resources be applied in the manner Parliament intended. Furthermore, there is a sincere and justified concern on the part of the Government that advance rulings be used to enhance real investment and not necessarily to purely tax-motivated transactions.

With reference to specific tax cases raised by the Hon. Member on Friday last, I am not permitted by the provisions of the Income Tax Act to disclose any details of a taxpayer's file.

For all of these reasons, the Hon. Member will surely support the Government's initiative in applying the policy as announced by the Minister of Finance on October 24, 1984. In addition, he may wish to take particular heed of the fact that a

broad review of government economic programs is being undertaken.

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

At 6.20 p.m. the House adjourned.

HOUSE OF COMMONS

Wednesday, November 14, 1984

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

OFFICIAL LANGUAGES

TRAINING COURSES NECESSARY FOR IMMIGRANTS

Mrs. Lucie Pépin (Outremont): Mr. Speaker, Canada is often referred to as a vast cultural mosaic. This is because as a group we have always recognized the invaluable contribution made by immigrants to our society. We have demonstrated this through measures aimed at protecting the cultural identity of the various ethnic communities that have contributed to the development of our country.

Canada does have a very good reputation for tolerance and willingness to accept differences. However, I believe there is much room for improvement. It is not enough to want to preserve the cultural and linguistic heritage of our immigrants. We must also promote their integration in our society, and that leaves much to be desired.

Recently, I read to my amazement in an article in the *Vancouver Sun* that a number of immigrants, originally from the state of Punjab in India, were unable or hardly able to speak English, after living in Vancouver for five years.

It is therefore imperative that language training in one or both official languages be made available to all classes of immigrants, because failure to do so will ghettoize them and turn them into second class citizens.

* * *

[*English*]

FINANCE

REMOVAL OF CAPITAL GAINS TAX ON FARMS ADVOCATED

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, I rise to address the matter of capital gains tax on farms. It has been said, quite rightfully, that the capital gains tax is a tax on the life savings of the farmer. Farmers entering retirement should be able to do so with the fruits of their labour intact. For the new or expanding farmer, the capital gains tax only further inflates the already high price of land.

The 300,000 farmers of Canada and their families contribute much to the life of our country. The economic spinoffs of farm capital gains tax removal would be many and obvious. I support the proposal of the Minister of Finance (Mr. Wilson) to study the capital gains tax. However, many farmers presently involved in land transactions are uncertain whether to proceed, and they are stalling their sales until the future of this tax is settled. I call on all Hon. Members of this House to consider the capital gains tax removal thoroughly and expeditiously, so that land will sell and farmers can again act with confidence.

* * *

TOURISM

IMPACT OF MEASURES ANNOUNCED IN ECONOMIC STATEMENT

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I am not sure that the new Government is working in unison. On the one hand it has recognized the importance of tourism to Canada by establishing a Ministry of State for Tourism, but it now appears intent on killing it by the death of a thousand cuts. Last Thursday in its economic statement the Government announced a number of cuts in services which will affect this area. Federal programs in the area of wildlife, water, and environmental protection are being cut, and user fees for the services of Parks Canada, fishing permits, and tourist aviation, are being increased dramatically. Five wildlife centres are being eliminated, one of which received over 40,000 visitors this year.

The Minister of Regional Industrial Expansion (Mr. Stevens) announced last Friday that tourism projects will no longer be eligible for funding under the Industrial and Regional Development Program. My fear is that the Government will be creating a lot of verbal hoop-la over tourism, encouraging Canadians to travel within Canada and visitors to come to Canada, yet will be reducing services, eliminating sites and, in the whole process, making destinations less enjoyable.

[*Translation*]

As New Democrats, we are asking the Government to start supporting the tourism and hotel industry with actions, not just words.

S.O. 21

[*English*]

CANADIAN NATIONAL RAILWAYS

PENSION PLAN STUDY

Mr. Dennis H. Cochrane (Moncton): Mr. Speaker, I rise to address the current situation regarding CN pensions. As a result of continuous urging from this Party when in opposition, the previous Government finally appointed a one-member commission to study, investigate, and report on the Pension Act with respect to employees of CN. The study was very limited in scope and mandate and, for that reason, the present Minister of Transport (Mr. Mazankowski) rightfully discontinued it.

Due to the status of this Act, and because of the great numbers of CN employees and pensioners who are affected by the current plan, I would respectfully urge the Minister of Transport to proceed as quickly as possible to set up a new study group with a broader mandate, in order to investigate the situation fully and to recommend appropriate changes.

* * *

CONFEDERATION

ABSENCE OF TERRITORIAL LEADERS FROM FIRST MINISTERS' MEETING

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, the Prime Minister met yesterday with the provincial Premiers to discuss the agenda for next year's economic conference. The leaders of the two territorial Governments were not invited to this important meeting, nor, to my knowledge, is it at all certain they will be invited to the summit early in 1985.

May I remind the House of statements made by the Government in the Speech from the Throne as follows: "The reality of Canada is one of distinct regional identities", and: "A national consensus is also needed to reduce the persistent isolation of Canada's regions". By not inviting the territorial leaders to the meeting yesterday, the Government has demonstrated that its concept of national purpose, co-operation, and consensus building, excludes the people of Canada's north. This cannot be the model for the future. This Government must match its actions with its rhetoric, and include all of the regions and all of the people of Canada in such significant discussions.

* * *

ABORTION

CALL FOR EFFECTIVE LAW

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, Canada does not have an effective law on abortion. It has a law which permits over 60,000 abortions to be performed each year in hospitals. In addition, it is estimated that there are enough illegal terminations of pregnancy to raise the total to 100,000 abortions a year.

In two provinces, Quebec and Ontario, it has been impossible to persuade a jury to arrive at a guilty verdict. We, therefore, do not have an effective law on abortion. It is imperative that Parliament and other authorities of the law address this intolerable situation. The Canadian people should not have to live and behave in doubt as to what the law requires. Parliament should not be indifferent to the law of the land being broken with impunity. Leadership is required to develop a national consensus that will support an effective law on abortion.

● (1410)

I am one who believes that human life begins in the womb before birth and should be protected by the law. I am also one who believes that the law can protect only when it has the support of the public. This is clearly a time for Canadians to address the issue of what protection we, as a people, are ready to give the unborn.

* * *

BANKS AND BANKING

PROFITABILITY OF CANADIAN CHARTERED BANKS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, in his economic statement of last week the Minister of Finance (Mr. Wilson) told Canadians that they would have to work together in common cause, shoulder to shoulder, in order to build a more prosperous future. Everyone, we were told, would have to sacrifice and share the burden of restraint. Unfortunately the Minister's words had a hollow ring when we learned last week that some Canadians are sacrificing much more than others. IBCA Banking Analysis Ltd., an organization which studies and reports on the world's major banks, released figures which showed that, taken together, Canada's banks reaped the largest profits of banks in any country within the international banking community last year. Canada's six leading banks showed, on average, a real rate of return well above levels earned by United States, Japanese or British banks or, for that matter, any other national banking system.

When you consider, Mr. Speaker, that Canada now has the highest level of real interest rates of any western industrialized country, these figures come as no surprise. What is surprising, however, is the Government's inaction in the face of these real interest rate levels. Home owners, small business people, consumers, farmers, ranchers, fishermen, all suffer when interest rates are at their current historic levels.

It is time that Canada's banks were asked to share the burden of restraint like everyone else. On September 4 Canadians voted for change. They gave the Government a mandate to put the economy back on the rails. The first step must be a reduction in real interest rates to traditional levels. The Government has said we need lower interest rates, but so far it has done nothing to indicate that it is prepared to have a made-in-Canada interest rate policy. It is time that the Conservatives go beyond the rhetoric—

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

* * *

SOCIAL SECURITY

NEED FOR MULTILINGUISTIC PENSION OFFICERS

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, over the years Canada has negotiated a number of social security agreements with other countries. These agreements generally provide that a person who lived in a foreign country and also lived in Canada during his working life could claim social security benefits from both Canada and the foreign country, based on the number of years in each country.

Perhaps the most well known of these agreements is the one with Italy which has proven most beneficial to those Canadians of Italian origin. Many of those persons have lived in Canada for over 20 years. They are approaching retirement, and are today finding it difficult to get the necessary papers organized with respect to their Italian pension claims. To some extent the Government of Italy has been helpful in supplying assistance in Montreal, Toronto, and Hamilton, but that assistance is provided separate and apart from the pension office run by the Department of National Health and Welfare.

In my view the Government of Canada ought to employ, in its pension offices, people conversant with foreign tongues, who can explain the agreements to pension applicants and make sure applicants are able to obtain the full benefits they are entitled to under the agreements. I therefore call upon the Minister of National Health and Welfare (Mr. Epp) to take action as soon as possible to staff offices in such manner so that Canadians can be assisted in filing the necessary papers—

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

* * *

EXTERNAL AFFAIRS

NAMIBIA—SUPPORT FOR INDEPENDENCE

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, it has been 13 years since the World Court decision declaring the continued presence of South Africa in Namibia to be illegal, and six years since the passage of Security Council Resolution 435 requesting the withdrawal of South Africa from Namibia. Despite these clear cut, straightforward decisions, the people of Namibia are still struggling for their independence, and South Africa is still thumbing its nose at world opinion and the vast majority of world nations. These delays are intolerable. They are caused principally by South Africa and the 1982 policy of President Reagan to support South Africa by linking the removal of South African troops from Namibia with the removal of Cuban troops from Angola, where there should be no linkage whatsoever.

• (1415)

I would urge our Government to do three things. First, support those Americans who are trying to change their Government's linkage policy. Two, support an economic boycott of South Africa. Three, insist on action by the U.N. contact group to implement Security Council Resolution 435.

Surely Namibia will one day be free, but Canadians can help to bring this about more quickly with a minimum of violence and suffering.

ORAL QUESTION PERIOD

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

PRIME MINISTER'S MEETING WITH PROVINCIAL PREMIERS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister. Yesterday the Secretary of State for External Affairs failed completely to explain the contradictory positions of the Government relating to the starving nations in Africa. In his meeting with the Premiers yesterday, I wonder whether the Prime Minister had any better luck in explaining the contradictory positions relating to transfer payments to the provinces.

The Prime Minister was quoted as saying that "we have not envisaged any cut-backs", yet the Minister of Finance, in a meeting with reporters after his budget, said that such cut-backs were "on the table". Did the Prime Minister discuss these cut-backs affecting medicare, social security, and university and community college funding, with his counterparts at the provincial level? Are these cut-backs on the agenda for the next meeting of the Prime Minister with the Premiers on February 14? If not, is he setting up the provinces for a Valentine's Day massacre?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my right hon. friend seems to assume, as he has often said, that there are three responses to these kinds of matters. One is cutting social programs and reneging on your promises, and so on. There is a fourth response, which is economic growth that we plan to generate by our policies.

In direct response to my right hon. friend, the matter did not arise per se, although clearly if it is raised by the Premiers in Regina we will be happy to discuss it. The answer is that there will be no unilateral cut-backs such as the previous Government initiated. Anything which we care to discuss would be reviewable by all. It would not be introduced unilaterally. That was the intent of my answer.

CONTENT OF DISCUSSIONS WITH PREMIERS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I wonder whether, during the course of those discus-

sions yesterday, the Premiers raised with the Prime Minister the cuts proposed by his colleague in the budget, affecting the various provinces. Did the Premiers raise that with him? Did he give them the type of forecast which we have been asking for in the House, namely, what that budget of the Minister of Finance would mean in terms of rising unemployment in each of the provinces represented by those Premiers?

Right Hon. Brian Mulroney (Prime Minister): In fact, Mr. Speaker, the Premiers did allude to it. One of them used the exact same term as the hon. critic for the Treasury Board in the Opposition, when he said it was a courageous act by the Minister of Finance.

Some Hon. Members: Hear, hear!

Mr. Mulroney: There was a mood of realism at the conference which seems to permeate every corner of the country, with the possible exception of the caucus room of the Opposition. It was dealt with. Matters were raised and the agenda was set for what we hope will be a productive and co-operative initiative in Regina on February 14 and 15 next. There we will deal with the manners in which we can genuinely co-operate to bring about true economic growth and renewal in Canada.

[*Translation*]

REQUEST NEXT CONFERENCE BE PUBLIC AND OPEN TO PRESS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I hope that the Prime Minister has every opportunity to come face to face with the new mood of realism as he crisscrosses Canada after the economic statement of his Minister of Finance. Considering that we were unable to assess directly the results of the discussions the Prime Minister had yesterday with his provincial colleagues, would he assure the House that the next meeting scheduled for February 14 will be public and open to the media as well as to the people of Canada?

● (1420)

Right Hon. Brian Mulroney (Prime Minister): Indeed, Mr. Speaker, that suggestion was made as a point of procedure, and the decision has been left to Premier Lee as Chairman of the First Ministers' Conference and to myself. Since the consensus was to make the proceedings public as far as possible, most of them will undoubtedly be aired.

* * *

THE ECONOMY

ECONOMIC STATEMENT—REQUEST FOR DETAILS ON PREPARATION OF BUDGETARY CUTS

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, last Saturday, the *Globe and Mail* informed us that the President of the Treasury Board, according to what seems to have been an indiscreet remark to the press . . . that a committee of individuals from the private sector acted as a special consultant to the Government in establishing the budgetary cuts. I would therefore ask the President of the Treasury Board whether it is true that there is such a committee, as reported in last Saturday's *Globe and Mail*.

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I can assure my hon. friend that there was no involvement of any private sector committee in the budget cuts described in the document tabled by the Minister of Finance on my behalf last Thursday. This exercise was carried out with the collaboration of my Cabinet colleagues and, of course, their officials in their respective departments, and there was certainly no outside committee involved in this exercise.

Mr. Garneau: Mr. Speaker, the President of the Treasury Board has informed the House that the article that appeared in the *Globe and Mail* was false, but if there was no committee, were there perhaps individuals, other than officials of the Treasury Board, the Department of Finance or the Privy Council, who were informed in advance or consulted about the cuts announced last Thursday and the cuts to be announced later on?

Mr. de Cotret: Mr. Speaker, to the best of my knowledge, no one outside the Government was consulted on the announced cuts.

* * *

[*English*]

THE ECONOMY

ECONOMIC STATEMENT—FEDERAL-PROVINCIAL DISCUSSIONS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Prime Minister. When the Prime Minister met with the Premiers yesterday, a consensus appeared to develop that jobs ought to be the number one priority for the forthcoming period of time. Did he share with the Premiers the vital information regarding the number of jobs that would be lost, either in the short or long run, as a result of the economic statement and the measures contained therein which were announced by the Minister of Finance to the House last Thursday?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Premiers seemed to be aware of the requirements for privileged communications between senior advisers and the Minister, and they did not ask that question.

However, as the Member quite properly requests, they were sincerely concerned about job creation, as was I, and we discussed the parameters of an important agenda for Regina which, I believe, will be very helpful in creating those jobs that are needed.

PROJECTIONS OF IMPACT ON EMPLOYMENT

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I am sure that the Prime Minister will recall that he stated in Kingston, in August of this year, that one of the trademarks of the Liberal Party was stonewalling and secrecy. He went on to say that: "The reason for government secrecy today . . ." that day " . . . is to keep vital information from the Canadian public."

With that in mind, and given that there will be a number of Canadians who will lose their jobs as a result of the economic statement and measures contained in it, does the Prime Minister not consider that that information, with the projections which led the Government to discount the importance of the loss of their jobs, is vital information to which they should be given access?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I believe that the Minister of Finance indicated yesterday that the model to which the hon. gentleman refers does not bring about or indicate an increase in unemployment in fiscal year 1985-86; rather, that it is the reverse. That is the case.

● (1425)

There is another point, no less legitimate I hope, that he should reflect upon. The Minister has explained his intention to try to be as helpful and forthcoming in all of these areas, but there is another principle that I would ask the Hon. Member to reflect upon, and that is the need for senior civil servants to be able to communicate in writing with their Ministers on a variety of points of view based on partial data from time to time, and not have that information form the basis of partisan debate. I think it is an important principle that the Minister be able to have this data from within the Department.

Mr. Blaikie: Right on Pierre.

Mr. de Jong: What a ridiculous reason. Sit down.

Mr. Mulroney: It happens that the Minister has acknowledged readily the point to which the Hon. Member refers, but we do not take the sad view that the Hon. Member espouses. We believe that our program, when you factor in investor confidence and consumer confidence, is going to result in a handsome increase in employment, and that is what it is all about.

Some Hon. Members: Hear, hear!

EMPLOYMENT OF LAWYERS BY GOVERNMENT

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, the Prime Minister has misunderstood what the Minister said yesterday. The Minister said yesterday that there would be a loss of jobs in 1986 as a result of the economic statement.

Mr. Broadbent: That is right.

Mr. Deans: Mr. Speaker, I want to ask the Prime Minister, if I may, why it is that the public of Canada, the ordinary Canadians, who will lose their jobs as a result of the Government's measures, must wait for some projected, maybe, opportunity to regain employment in the private sector, while the Government moves, using public funds, to provide jobs for its 500 PC lawyer friends who are already well endowed with income and do not require access to the public trough? Why do ordinary Canadians have to wait for the private sector while Tory back-bench Members are able to hand out patronage appointments to Tory lawyers?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Now I understand the question, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Axworthy: It is about time.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Mulroney: Mr. Speaker, in point of fact that economic statement, as the Member quite properly knows, and as other members of the Opposition have indicated, will lead not to less jobs but to more jobs—

Mr. Deans: Less jobs.

Mr. Mulroney: —in this country for everybody, including NDP lawyers.

Some Hon. Members: Hear, hear!

* * *

EXTERNAL AFFAIRS

DETENTION OF CANADIAN JOURNALIST IN INDIA

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I would like to ask a question of the Right Hon. Secretary of State for External Affairs. As I know the usual good intentions of the Minister, I am hoping he is not completely under the thumb of the reactionary element in his Party—

Mr. Crosbie: What about you?

Mr. Chrétien: —and that he will take heed of the Tories friendly *Globe and Mail* which in its columns is asking the Government to reconsider the CIDA cuts of yesterday. I hope too, because I know he is very much preoccupied with his good relations with the press, that he will stop the crazy "Yukon Erik" gag imposed on his distinguished Department.

Some Hon. Members: Oh, oh!

Mr. Chrétien: Why is the Minister refusing to help the Canadian journalist, Jonathan Mann, who is incarcerated in

India, when the West German Government and the Swiss Government have managed to get two tourists out of there within days? Why has a Canadian Minister refused to help a Canadian press reporter? The Minister should follow what the French Government did in Afghanistan and do something to get this Canadian reporter back in Canada.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. I will allow the question, but I would advise Members in future that preambles to questions should at least relate to the questions that follow.

Some Hon. Members: Hear, hear!

• (1430)

[*Translation*]

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, I want to tell the Hon. Member and everyone in the House that the Canadian High Commission has been following the case of Mr. Mann very closely since his arrest. Representations at the highest level have been made to India's Department of Foreign Affairs asking for the earliest possible consideration of Mr. Mann's case and that he be allowed to have visitors. Our representative has communicated with Mr. Mann by telephone on several occasions. Mr. Mann is in excellent health. He reports that he is very well fed, and as I have already mentioned, we are taking the necessary steps to ensure that his case will be examined as quickly as possible. We have even heard that he might be freed on bail, and I may also add that his mother, Mrs. Mann, has joined in our efforts and that we are keeping her informed.

Mr. Chrétien: Mr. Speaker, I would first like to congratulate the Hon. Minister of State for coming to the rescue of the Hon. Secretary of State for External Affairs. I would like to know whether the Government has made representations to India's High Commission in Canada and whether she could ask her senior Minister if, at four o'clock, this afternoon, when I meet in my office with India's High Commissioner in Canada we could cross the hallway so that the Hon. Secretary of State for External Affairs may make direct representations to the High Commissioner.

Mrs. Vézina: Mr. Speaker, I can reassure the Hon. Member and tell him that I am not coming to the rescue of the Secretary of State for External Affairs. It is my responsibility to reply to this question and I appreciate the fact that the Prime Minister has given me this responsibility because, in doing so, he has recognized all the years I have spent trying to improve the quality of life and protect human rights.

[*English*]

NORTHERN DEVELOPMENT

POSSIBLE REOPENING OF CYPRUS ANVIL MINE IN YUKON

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development, whom I should like to congratulate on his appointment to that vital portfolio. Yesterday he appointed Pierre Lassonde from the Yukon suburb of Toronto to reopen the Cyprus Anvil mine as a profitable operation by December 31. The Minister says that there will be no federal bail-out of Cyprus Anvil. Would he explain, in everyday language which Yukoners could understand and which we could understand, just what financial tools he has provided to Mr. Lassonde? For example, does the mandate include loan guarantees, interim equity financing, or Crown corporation status for the White Pass & Yukon Railway as endorsed by the Deputy Prime Minister, none of which are bail-outs for Cyprus Anvil? Would he tell Hon. Members of the House just exactly what tools he has provided? They certainly were not clear in yesterday's communique.

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, may I also congratulate the Hon. Member on his polio—

Some Hon. Members: Oh, oh!

Mr. Crombie: I congratulate him on his critic portfolio.

Mr. Broadbent: What a Freudian slip!

Mr. Crombie: Well, I was the Minister of Health.

I want to assure the Hon. Member that the geographic location of Mr. Lassande will not inhibit the work I asked him to do. The Hon. Member may recall that last week I indicated I had conducted a preliminary round of discussions with parties involved in the mine. At that time I determined whether or not there was an opportunity to see if the mine could be saved and reopened. My conclusion, as a preliminary finding, was that there was a possibility. It was on that ground that I asked for the services of Mr. Lassonde. I indicated to him that I wanted to have him go to all parties to the action to see what was possible. I constrained him in no way in bringing forward to me those actions which he thinks would be desirable in order to facilitate the opening of the mine.

Mr. Fulton: Last month the Minister travelled to Faro. I am sure he is aware that within days of his visit Cyprus Anvil went on strike and locked out the employees who were involved in the joint federal Government, company and union stripping program which was intended to run until December 31. Interestingly enough, that is the coincident date on which Mr. Lassonde is to report back to the Minister.

GOVERNMENT POSITION

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is directed to the same Minister. Would he tell Hon.

Members of the House and Yukoners, in plain, everyday language, whether he and his Government are politically committed to the reopening of the Cyprus Anvil mine? It is a very simple question. Is he politically committed to getting that done, and will we see it opened by January 1?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I went to Yukon and talked not only with people in Faro but with people in Yukon generally. A long-term, viable opening of this mine is key to the economy of Yukon and certainly to the economy of the people living in Faro.

I talked with Mr. Lassande, with YTG and indeed with the people in Faro. They asked me if I would facilitate a private sector solution which would open the mine long term. That is what I am doing. That is why I asked Mr. Lassande to assist me. I will not second-guess Mr. Lassande, and I certainly will not do things which would take me away from my obligation to the people of Faro and the people of Yukon, that is, to do what they asked me to do, which was to find a long-term private sector solution to the problem.

As the Hon. Member well knows, this mine has been for sale for some time, and there are no takers. It is not an easy matter. However, the Government is committed to doing everything possible to accommodate the wishes of the people of Faro and of the people of Yukon.

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RESEARCH

CANCELLATION OF PROPOSED WINNIPEG MANUFACTURING RESEARCH CENTRE

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. He probably knows that today there was a report of a senior official of the National Research Council indicating that the cancellation of the manufacturing research centre in Winnipeg would be a very painful cut to Canadian industrial research. Furthermore, it would have been a unique development in Canada and have major industrial spin-offs for the Province of Manitoba. Also, a senior official of the Department of Regional Industrial Expansion indicated that it was a major stimulus for growth—

Mr. Speaker: I interrupt the Hon. Member with great regret but preambles and answers today are becoming longer and longer. I ask everyone to bring themselves back to Question Period, which is for questions and answers.

Some Hon. Members: Hear, hear!

Mr. Axworthy: In terms of the new information which has now come to light concerning the valuable and important role this research centre would play in the industrial development of Canada, is the Minister prepared to look at the new evidence, change his mind, review the decision, and consult with the people in Manitoba about reopening that development for the betterment of industrial research for all Canadians?

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, in answer to the Hon. Member's question, I suppose all government officials are entitled to their opinions. However, the Hon. Member's question belies an understanding of the basic challenge which was laid before the country in this Parliament by the Minister of Finance, that being a challenge to the private sector to engage much more actively in the pursuit of research, in the encouragement of investment and innovation, and in the international opportunity which research would represent under the type of economic scenario laid out by my colleague. Just as a footnote, it is astonishing to note that in the—

Mr. Broadbent: That is a long footnote.

Mr. Speaker: I am going to interrupt. With great respect to Ministers and to questioners, I cannot discipline if both sides choose to ask long questions and to make long answers. I have to be fair. Therefore I say to the Minister, please, footnotes are for another place.

GOVERNMENT POLICY ON CONSULTATION

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, can we take from the Minister's answer, therefore, that the Government across the way is no longer prepared to work in any kind of partnership with the private sector to stimulate industrial research? It is cancelling a facility which the Minister knows full well the private sector cannot supply. He is prepared to detract from advancement and progress in the vital field of robotics. Is he saying that there will be absolutely no consultation, contrary to what the Minister of Finance said? Is he saying that there will be no development in Winnipeg? Is that his answer?

Hon. Thomas Siddon (Minister of State for Science and Technology): No, Mr. Speaker. The answer is no.

* * *

• (1440)

RAILWAYS

PROPOSAL TO ELIMINATE CABOOSES

Mr. Les Benjamin (Regina West): Mr. Speaker, before asking my question I wish to congratulate the Minister of Transport on his important and obviously deserved appointment.

Some Hon. Members: Hear, hear!

Mr. Benjamin: I look forward to helping him implement all the statements of policy and commitments he made in the Transport Committee and in other places.

I want to ask the Minister about a matter of grave concern to railway employees, municipalities, and citizens across the country, the attempt of the railways to obtain authority to operate trains without cabooses, which poses a threat to employees' safety, working conditions, and the public safety. Since the CTC is holding a hearing on December 3 regarding the safety of the test train itself, and in view of the Minister's demand—

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

Mr. Benjamin: In view of the Minister's demand for hearings in nine locations, I would like to ask him whether the CTC has responded adequately. If not, will he order it to hold hearings in those nine locations at dates late enough for groups to prepare their submissions?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I thank the Hon. Member for his kind remarks. I, too, look forward to working with him in implementing the policies and addressing the challenges of transportation in our country.

Mr. Benjamin: Like re-instating the Crow rate?

Mr. Mazankowski: I will answer that at a later date.

In answer to the Hon. Member's question, it is true that I expressed concern about the lack of adequate hearings before the testing has occurred. I have suggested to the CTC, as have other Members, that further pre-test hearings be held across the country. I am informed by the CTC that the additional hearings will be held in addition to Ottawa, in the cities of Moncton, Winnipeg, and Vancouver. I think those will be announced sometime next week.

DEMONSTRATION TRAINS

Mr. Les Benjamin (Regina West): Mr. Speaker, I hope the Minister will order it to do that at the nine locations that he has suggested.

Will he also require the railroads to cease holding public viewings of the demonstration trains at 33 locations across Canada before the test hearings are even held?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am certainly concerned about the matter of the pre-test hearings. I think the CTC has adequately addressed that. If the Hon. Member has additional locations that he would propose, I would certainly be pleased to entertain that representation. Perhaps he could make the representation to the CTC himself. I think the CTC has recognized the need for the additional pre-test hearings and that it is fair to say there has been a reasonable compromise reached.

CONFEDERATION

ABSENCE OF TERRITORIAL LEADERS FROM FIRST MINISTERS' MEETING

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I have a question for the Prime Minister. I understand that the Prime Minister was very satisfied with yesterday's meeting to plan a national agenda for next year's economic conference. In view of the fact that the Speech from the Throne talks about concern for regional isolation, will the Prime Minister tell the House why he neglected to invite the two leaders of the territorial Governments, the Hon. Mr. Pearson of Yukon and the Hon. Mr. Nerysoo of the Northwest Territories? I do not need to remind the Prime Minister that these two leaders were present at the last two constitutional conferences. Why were they not at this meeting with the Prime Minister yesterday?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it was an agenda-setting exercise yesterday involving the First Ministers of the provinces. I hope at our Regina meeting there will be a fair representation from the North.

REQUEST FOR COMMITMENT ON FUTURE ATTENDANCE

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I have a supplementary question. Do I understand from the Prime Minister's answer that this is a commitment which he has made today, that the two territorial leaders will be at the economic conference next year? Is that correct?

Right Hon. Brian Mulroney (Prime Minister): No, Mr. Speaker, it is not a commitment. It is a suggestion that I have taken the liberty of putting in writing today to my provincial colleagues for their consideration. I believe it would be appropriate.

* * *

NATIONAL DEFENCE

MARITIME COMMAND—RESTORATION OF NAVY BLUE UNIFORMS

Mr. Howard Crosby (Halifax West): Mr. Speaker, I have a question for the Minister of National Defence. The Minister, like all Canadians, is aware of the grave need to equip our Canadian forces properly, but he must face the reality of an empty public purse. Nonetheless, I understand the Minister will proceed to restore navy blue uniforms to Maritime Command, something his Liberal predecessors refused to do. Will the Minister advise the House whether he has formulated a plan to provide navy blue uniforms for Canada's Navy, and when can we expect that plan to be implemented—hopefully in time for the 75th anniversary of Canada's Navy?

Hon. Robert C. Coates (Minister of National Defence): Mr. Speaker—

Some Hon. Members: Hear, hear!

Mr. Coates: I thank the Hon. Member for Halifax West for the question. I would tell him yes, navy blue will be available to our navy personnel. The distinctive uniforms will be available, at least for some of them, by July 1, the beginning of the 75th anniversary celebrations.

Some Hon. Members: Hear, hear!

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[*Translation*]

CUSTOMS AND EXCISE

IMPORTATION OF PORNOGRAPHIC MAGAZINES—GOVERNMENT POSITION

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, my question is directed to the Minister of National Revenue as minister responsible for Customs and Excise and deals with the importation of pornographic material generally, and especially violent pornography.

The minister recently ordered a stop to the importation of a monthly pornographic magazine. Still, he is well aware that the problem is much more serious. What does he propose to do to deal more effectively with violent pornography in Canada?

[*English*]

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, let me first thank the Hon. Member for a very important question. I think every Member of the House of Commons will share her concern. As the Hon. Member is aware, we have indeed ordered a stop to the importation of the December issue of *Penthouse* into Canada. In addition, I have given orders to my officials to ensure that, where there is a mixture of sex and violence in the future, such material should not be permitted into Canada. In addition, the Government is awaiting the results of the Fraser committee into pornography and prostitution. We hope the recommendations of that committee will be very helpful to us in discharging our responsibilities.

DANGERS OF VIOLENT PORNOGRAPHY

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, I appreciate the Minister's activity in this regard. We continue to get representations from women's groups all across the country about insensitivity, and perhaps even incompetence in particular cases. I wonder if the Minister could be more specific about what measures he is taking with regard to education of his own officials, and with regard to the problems of violence itself. The recent communique does not stress the violent aspects, but bad taste and offensiveness. I wonder if this really does justice to the issue that violent pornography is dangerous, and not merely in poor taste.

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, I fully share the Hon. Member's concern. Violent pornography is not simply in bad taste; it is highly dangerous. The Government will do everything possible to ensure that violent pornography is not imported into Canada. What I found very distressing in this instance was the suggestion that it was appropriate to have naked women bound in ropes hanging from trees, and that this was considered art work. It is not art work, and there is no place whatsoever for this sort of material in Canada.

Some Hon. Members: Hear, hear!

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MARINE TRANSPORT

FERRY SERVICES IN ATLANTIC CANADA

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is directed to the Minister of Transport. I join my colleague to my left in congratulating the Minister on his appointment. The people of Atlantic Canada, in particular those people in the island provinces of Prince Edward Island and Newfoundland, view CN Marine and the region's ferry services as an extension of the Trans-Canada Highway. Last Thursday the Minister of Finance announced a $37 million cut-back with respect to this essential Atlantic Canadian service.

The Minister indicated the cut-backs were possible as a result of selective increased cost recoveries. Can the Minister tell this House specifically what cut-backs and fare increases the Minister and the officials of his Department selected to recommend to his colleague, the Minister of Finance, to achieve that $37 million slash on the backs of the people of Canada?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, in answer to the Hon. Member's question, it really is a twofold proposition. There will be a rationalization of the Gulf ferry services and the coastal ferry services. As a matter of fact, there will be an additional three new vessels on the Gulf service and one new vessel on the Newfoundland-Labrador coastal service. These vessels will be of the latest state of the art; they will be faster, they will be larger, and they will provide more flexibility and more reliable service. Not only that, this will have a tremendous impact upon the shipbuilding industry and, therefore, will create jobs.

• (1450)

The implementation will be phased in over a three-year period. It will be done in conjunction and in consultation with representatives of the provinces. With respect to the fare increases, there is a proposal for additional fare increases, but it will be done on a basis whereby the regular user will be provided with a discount, and there will be some market flexibility in the application of those new fares.

Mr. Tobin: Mr. Speaker, the Minister's answer makes for some very good PR for CN Marine. Unfortunately he has not answered my question.

Oral Questions

GOVERNMENT SUBSIDIES

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, the Premier of Newfoundland and, I understand, Premiers of other Atlantic Provinces, indicated yesterday to the Prime Minister that they were very concerned—

Mr. Speaker: I am sure the Hon. Member has a question.

Mr. Tobin: They were very concerned about the cut-backs. In view of the commitment of his Party during the election campaign to make tourism a high priority for this administration, can the Minister of Transport tell the people affected by the ferry services between Nova Scotia and P.E.I., P.E.I. and New Brunswick, and Nova Scotia and Newfoundland, the only method of cheap transport available to these people—two of the provinces are islands—that the Government will not slash subsidies and will not pass on unviable—I am coming to the question, Mr. Speaker—

Mr. Speaker: The Hon. Member for Thunder Bay-Nipigon.

* * *

MULTICULTURALISM

IMPLEMENTATION OF COMMITTEE RECOMMENDATIONS

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, my question is directed to the Minister of State for Multiculturalism, whom I congratulate on his appointment to that important position. The question deals with the report of the Special Committee on Visible Minorities in Canadian Society, which was published under the title "Equality Now". Delegates to the conference of the Canadian Council for Multicultural and Inter-Cultural Education, which was held in Toronto this past weekend, endorsed all 80 recommendations in the report. Several hundred delegates signed a petition calling on the Government to implement the recommendations immediately. Will the Minister indicate when he intends to respond to the recommendations in the report, especially considering the difficult economic times and the recommendations it made regarding employment?

Hon. Jack Murta (Minister of State (Multiculturalism)): Mr. Speaker, I thank my hon. colleague for his kind remarks and welcome him to his important position as critic for multiculturalism.

In the area of our work, and the whole question of the "Equality Now" report, there is something in the neighbourhood of 40 recommendations, out of the 84 or 85 recommendations which were made by the committee, which directly affect the area of multiculturalism. My staff is actively working on those recommendations at the present time. We are priorizing those recommendations. We have met with the ethno-cultural community across the country. I think the work is well on its way, and I am hopeful of early results.

ABELLA COMMISSION REPORT—DATE OF PRESENTATION

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, my supplementary question deals with the report of the Abella Commission, which has been anticipated for some time. Could the Minister tell the House when the report will be presented and what are his expectations? I trust those expectations are for speedy action on the report of that commission, as well as on the report of the special committee.

Hon. Jack Murta (Minister of State (Multiculturalism)): Mr. Speaker, the report is scheduled for presentation in the very near future, literally within a matter of a few days. When that takes place I will be in a better position to respond to the Hon. Member.

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ADMINISTRATION OF JUSTICE

REQUEST FOR REVIEW OF PAROLE PROCEDURES

Mr. Ross Belsher (Fraser Valley East): Mr. Speaker, my question is directed to the Solicitor General. Last week in *The Vancouver Sun* headlines appeared which read: "Court Rejects 15-Year Parole Wait for Killer". This case involved a convicted killer. He was convicted of second degree murder of his common law wife and infant child. The jury recommended that he wait at least 15—

Mr. Speaker: I will be as patient as I can with new Members, but I would ask that the Member please put his question.

Mr. Belsher: What steps is the Minister's Department taking in reviewing and changing the present parole board procedures, so that convicted killers will not be allowed to return to society before justice has been served?

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, first, with respect to my hon. colleague's question, the case to which he refers is in the purview of the Attorney General of British Columbia and deals with the issue of crimes that were committed before the coming into effect of the Charter of Rights. Therefore, it is the lesser penalty of the 1969 era that applies rather than the present law. As far as the rest of his question is concerned, I can tell him that we are doing everything possible within the confines of existing legislation to control the situation, and hope that early in the new year concrete steps will be taken to give the public of Canada better protection.

Point of Order—Mr. Deans

[*Translation*]

IMMIGRATION

INQUIRY CONCERNING SIX SOVIET PRISONERS DETAINED IN AFGHANISTAN

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. The Minister is of course aware that six Soviet prisoners being held by the Afghan authorities are probably about to be executed, following a decision made by her department and the Department of External Affairs. These prisoners were about to be granted asylum by Canada as a result of representations by a Toronto lawyer. However, the Government has now reversed its decision and, today, is refusing unconditionally to grant them asylum. Could the Minister justify before the House a decision that could cost the lives of six people?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I can inform the Hon. Member that no application was ever made for those people.

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MEDICAL CARE

COSTS OF TRANSPORTATION TO SECURE HEALTH SERVICES

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. The Canada Health Act states that all Canadians should have reasonable access to health services without undue financial barriers, yet thousands of Canadians are denied access to the specialized treatment they require because they live in areas which are outside the major metropolitan centres and cannot afford the transportation costs to those centres. In light of the Prime Minister's recent reaffirmation of the universality of health care, would the Minister commit himself and his Government to eliminating this long-standing inequality by changing the regulations that currently prevent federal health funds from being spent on medically-necessary travel?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member relates a concern which is outside the agreements on the so-called insured services that is, services which are agreed to be cost-shared between the provinces and the federal Government. I can tell the Hon. Member that I have had one meeting with my provincial counterparts. We did not explore that issue, but in general terms we have agreed to sit down and take a look at the best manner in which we can preserve not only the present health care system but also future considerations.

REQUEST THAT MINISTERS DISCUSS ISSUE

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, would the Minister agree to place the subject of medically necessary travel on the agenda for the next meeting with his provincial counterparts?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I will give that suggestion consideration. I would also point out to the Member that the delivery of health care is within the purview of the provinces, and we will give full consideration when looking at that issue.

* * *

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of one, presented by Hon. Members on November 13, 1984, meet the requirements of the Standing Orders as to form.

CPR LEVEL CROSSING IN OSHAWA, ONT.

Mr. Speaker: I regret to inform the House that the petition presented by the Hon. Member for Oshawa (Mr. Broadbent) does not meet the Standing Orders as to form.

* * *

• (1500)

POINT OF ORDER

ALLEGED CITATION OF REPORT BY MR. WILSON (ETOBICOKE CENTRE)—RULING BY MR. SPEAKER

Mr. Speaker: I am now ready to rule on the point of order raised by the Hon. Member for Hamilton Mountain (Mr. Deans) on November 13. The Hon. Member alleged that the Minister of Finance (Mr. Wilson), in answering a question from the Hon. Member for Oshawa (Mr. Broadbent), quoted from an official document and therefore had an obligation to table that document.

Having carefully examined the exchanges which took place between the Hon. Member for Oshawa and the Minister of Finance, it is evident to me that the Minister, while referring to a departmental memorandum, did not in fact quote from it. He stated that the memorandum was "statistically insignificant", and added that it indicated a marginal positive increase in employment for 1985 and a marginal negative impact on unemployment for 1986. This, I submit, may be a reference or a paraphrase, but it does not constitute a quotation. Therefore, the Minister is under no obligation to table it as is made clear in Citation 327(3) of Beauchesne's Fifth Edition, which states:

A public document referred to, but not cited or quoted by a Minister, need not be tabled.

Citation 327(5) adds:

To be cited, a document must be quoted or specifically used to influence debate.

I submit that when a Minister uses a document to supply information in replying to a question in the House, the use of that document cannot be construed as an attempt to influence debate. This view is supported by a ruling given by one of my predecessors, Mr. Speaker Jerome, on April 8, 1976, when he said that:

Reference to a document has never been held to apply to a situation in which a Minister has simply been asked a question about a document and given an answer.

The Hon. Member for Hamilton Mountain alleged in making his point of order that the Minister cited the memorandum, and I quote the Hon. Member:

—in an effort to influence the debate which is presently taking place in the House of Commons and also to influence the public of Canada in believing that the reference to which he referred was of little consequence.

He went on to say that the questions directed to the Minister were, and I quote:

—very much a part of the ongoing debate in public terms over the relevance and import of the economic statement of the Minister of Finance.

It seems to me that when a Minister is specifically questioned about a document and he refers to that document in the course of his reply, it would be difficult to find that he was attempting to influence debate. Furthermore, Beauchesne's Citation 327(5) applies only to debate in the House and not to debate in the country at large. Using a document to influence the public and using a document to influence debate during debate in the House of Commons are not the same thing, and the authority of the Chair cannot be exercised in relation to the former.

Given all of these circumstances, therefore, I must rule that the Minister is not compelled to lay this particular memorandum on the table unless he chooses to do so.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

CALL FOR REINSTATEMENT OF CAPITAL PUNISHMENT

Mrs. Jennifer Cossitt (Leeds-Grenville): Mr. Speaker, I have the honour and duty to present to this House a petition from residents of Leeds-Grenville and elsewhere in Ontario who call upon this House to reinstate capital punishment as a penalty for murder, and to introduce the legislation as quickly as possible.

DEREGULATION OF TELEPHONE SERVICE

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I am privileged to present a petition to this House on behalf of a number of my constituents from Prince Albert who ask Parliament to reject any proposals in the deregulation of Canada's telephone service. These Canadians are satisfied with the current telephone service and feel that deregulation would result in poorer and costlier service.

Therefore, the undersigned call upon this Parliament to stop deregulation of the telephone services.

INCOME TAX ACT

Mr. Dan Heap (Spadina): Mr. Speaker, I have the honour to present a petition from a number of citizens of Spadina and other parts of Toronto requesting this House to change the Income Tax Act for 1985 so that large corporations will receive tax breaks such as they have received in the past only in proportion to the number of new jobs they have created, and that the number of new jobs created by each corporation, and the tax breaks it receives, will be reported quarterly to Parliament.

* * *

CRIMINAL CODE

AMENDMENT RESPECTING GUN CONTROL

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East) moved for leave to introduce Bill C-205, an Act to amend the Criminal Code (gun control).

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Allmand: Mr. Speaker, during recent months we have had some tragic, violent murders in Canada, many committed with the use of firearms. The purpose of this Bill is to strengthen our gun control laws. It is well documented that those states with stricter gun laws have fewer crimes committed with guns. This is a measure to prevent violent crime before it takes place and not after the fact.

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

* * *

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed from Tuesday, November 13, consideration of the motion of Mr. Ken James for an Address to Her Excellency the Governor General in reply to her Speech at the opening of the session; and the amendment thereto of Mr. Turner (Vancouver Quadra) (p. 38).

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I should like to congratulate you on your election to your high office, and also for keeping a close watch on us during Question Period. I would also like to congratulate the mover and seconder of the Address in Reply to the Speech from the Throne. May I make particular mention of the

seconder, the Hon. Member for Montreal-Mercier (Mrs. Jacques), who gave a very strong speech, particularly in light of the fact that she is, I believe, the youngest Member of this House.

In replying to the Throne Speech, Mr. Speaker, and in addressing this House for the first time in this Parliament, I would like to take this opportunity to thank the people of New Westminster-Coquitlam for returning me to this place and honouring me with their trust and support. I am honoured and proud to continue to serve them.

During the recent election campaign, promises were made by all Parties. We, on our side, promised to represent and fight for the ordinary people of Canada, to fight for fair taxes, equality for women, the preservation of social services, disarmament and peace. We are living up to our promises.

What can we say of the Conservatives and their promises and the way they have lived up to them? Campaigning this summer, the Prime Minister (Mr. Mulroney) said that universal social services for Canada were "a sacred trust that would be maintained by a Conservative Government". Only weeks later we see this Government moving to negotiate and, perhaps, abandon this sacred trust.

The Minister of Employment and Immigration (Miss MacDonald), while speaking in my riding during the election campaign, told pensioners that fears that the Conservatives would cut social services was "a lot of garbage" and "over my dead body would they cut them". Dead body or not, it is that Minister who is responsible for a lot of garbage as we see Tory plans for cuts to social services and cuts in her own department now enfolding.

What of fair taxes? During a televised debate with the other two Party leaders, the Prime Minister promised to move to ensure that the wealthiest Canadians, many of whom pay no income tax, would pay tax and "would pay handsomely". We see no promise of that in the Throne Speech, nor indeed in the economic statement of the Minister of Finance (Mr. Wilson) the other evening.

The Tory list of deception and broken promises is already long, but nowhere is it more shameful than in the broken promises to Canadian women. An early promise by the Prime Minister for contract compliance to achieve affirmative action in firms doing business with the federal Government has been reneged on. Canadian women are still waiting to be paid equally for work of equal value. They are still waiting for increased pensions and for growth and funding in child care. One might argue that all Parties, particularly those which hope to form a government, make a lot of promises which they cannot then keep. However, one cannot accept that something which is a sacred trust one day becomes expendable the next day. What that does, Mr. Speaker, and what causes us the most concern, is this. Far from engendering confidence in Canadian society, the kind of confidence which this Government is talking about engendering, it breeds cynicism. How can the Canadian electorate take a government seriously when on one day it says universality is a sacred trust, and the next day that it is negotiable?

• (1510)

On jobs, Mr. Speaker, the Conservatives' deception has been thoroughly addressed by my Leader and other Members of my Party in their remarks. With grand claims to put thousands and thousands of Canadians back to work, to create new jobs and new prosperity, the Conservatives won the support of many Canadians. The Throne Speech gave no substance to these promises and the Minister of Finance buried them unceremoniously last week. The true Tory job policy is really 19th century free market economics.

Mr. Benjamin: Make that 18th century.

Ms. Jewett: No, not quite. The famous large-scale monopoly private sector will take care of job creation, just as the Iron Ore Company of Canada has taken care of job creation in Schefferville, and just as B.C. Packers is taking care of jobs on the West Coast.

Now, the kind of initiative the Government could take, and which we have been urging it to take, the kind of initiative the people of Canada expect from their government, could be both direct and indirect support for the forest industry, to take a very important example, and particularly the forest industry in British Columbia. I would like to give one example of the tragedy that is taking place in this industry and in the industries that serve it.

A New Westminster-based supplier of pulp and paper machinery, Lamb-Cargate Industries, a recent casualty of this Government's high interest rate policy, is a key manufacturing industry not only in my riding but in the province and in the country. It is being prevented from competing in our own domestic markets by the high interest rate policy of this Government. Foreign pulp and paper machine manufacturers benefiting from lower interest rates in their own countries, indeed in some cases subsidized interest rates, are winning manufacturing contracts in our own province and country. Lower interest rates, assistance to the forest industry, and real national economic planning, Mr. Speaker, are what Canadians need and expect from the federal Government.

In this Parliament I am proud to continue to speak for my Party on external affairs in general and on Canada's nuclear disarmament and international development assistance policies in particular. I am concerned, indeed alarmed, at the emerging shape of the Government's foreign policy.

Before I address those concerns, let me point out that there are some things upon which all Parties in this House agree. Such unanimity is felt at the time of great loss. The sad and untimely death of Indira Gandhi, the outstanding woman in politics in our time and the leader of the world's largest democracy, is a loss not only to the Indian people; in all corners of this House we share that loss. We are concerned as well with the continuing violence in India, and we have had many moderate members of the Sikh community in this country talk to us about that violence. I would hope that all of us, many of us having East Indian and Sikh constituents, would agree that what is needed is a fact-finding mission on

behalf of Parliament to go to India and collect the facts upon which we can then make our judgments about what assistance we can give to the people of India. I would hope it would be an all-party fact-finding mission established within the next few weeks or at most few months.

As I say, on many matters we are in accord. On many more we are not. The shadow of war grows in Central America. The danger of a regional war directly involving the United States is more likely now than ever before. Continuing military conflict, covert war, border attacks and grotesque violations of human rights are the reality in Central America. Despite congressional reprimand and international outcry over the mining of Nicaragua's harbours earlier this year, the Reagan administration continues to escalate its military aggression, economic sabotage and attacks on Nicaragua. This poses a danger not only to Nicaraguan sovereignty and independence but to the rule of international law, the self-determination of a people, initial efforts towards development and democracy, and the peace and stability of the western hemisphere.

Honduras has become militarized by the United States to the point where its fledgling democracy and economy are threatened. In Guatemala, massacres and large-scale human rights violations continue and have been well documented.

What has been this Government's response to the crisis in Central America? First, it has refused to increase our diplomatic and political representation in the region. While haggling goes on about Canada's representation in the wine-growing regions of France, this Government accepts that Canada will have no representation except an occasional monthly call in El Salvador, Honduras or Nicaragua. What that means is that the Conservatives, like the Liberals before them, will continue to rely on the U.S. State Department, the U.S. Defence Department and the White House for information on and assessment of this critical region. The Tories are simply continuing an earlier Liberal Minister's policy, that of Mark MacGuigan, of "quiet acquiescence" in Washington's policies on Central America.

Secondly, one of the first foreign policy decisions of this Government was its refusal to send observers to the recent Nicaraguan elections. Although earlier this year Canada had sent official observers to the elections in El Salvador, this Government declined the same courtesy to Nicaragua. The Conservative Government prejudged the process and the outcome of the election and once again acquiesced to Washington's wishes.

Thirdly, the Government has failed Canadians and the cause of peace in Central America in an even more fundamental way. Earlier this year all parties in this House were in agreement that the Contadora group's efforts were the only realistic path to peace in Central America. All parties claimed support for these efforts. In September of this year, when the Contadora foreign ministers presented a proposed peace plan for Central America, the countries of the region expressed approval. Nicaragua in particular, much to the surprise of the United States, agreed to the plan. France and other European nations have endorsed it but the United States, which had earlier asked for and succeeded in getting certain elements in the peace plan, refused to then support it when Nicaragua accepted it. They said that there were verification problems. What verification problems? France and other countries have not raised this question. The countries in the region, members of the Contadora groups, have not raised this as a problem. Only the Americans are raising it as a problem and this Government, in the words of the Secretary of State for External Affairs (Mr. Clark) yesterday, echoing Washington, has begun raising it as a problem.

What this Government does not seem to realize is that Washington has wanted to delay indefinitely implementation of the Contadora peace plan. For proof of this one need go no further than an article in the *Washington Post* on November 13 which revealed the contents of a paper presented by the National Security Council of the U.S. for an October 30 meeting of that Council at which President Reagan presided. This paper, which to my knowledge has so far been made available only to the *Washington Post*, credits U.S. foreign policy with success in blocking efforts by Venezuela, Panama, Colombia and Mexico—that is, the Contadora group—to obtain early signing of a proposed regional peace treaty in Central America. It actually states that the United States has been successful in blocking the peace plan.

• (1520)

The paper goes on to say that problems remain in getting the four core contries, that is Guatemala, Honduras, Costa Rica and El Salvador, to agree on a position consistent with U.S. policy against Nicaragua, the fifth potential signatory. There are problems with getting the core countries to agree with the U.S. policy of attacking, undermining and destroying Nicaragua.

In considering its policy *vis-à-vis* Central America, perhaps the Government will read some of these documents, such as the one I have just quoted from, a document of the U.S. National Security Council, rather than what they are fed by the State Department, Defence Department and White House.

I believe this is an example of breeding cynicism in our own electorate. Members of the House will recall that when the Prime Minister spoke at St. Francis Xavier University in Antigonish on September 28 of this year, he said that his "most cherished ambition is to reduce the threat of war and enhance the promise of peace".

But, if the Government is failing Canadians and peace in Central America, it is also failing Canadians in other aspects of the quest for peace, such as the urgent necessity for nuclear disarmament. It is interesting that the Government has chosen two admirable and skilful spokespeople for its policies in this field, not the least of whom is the new Canadian ambassador to the United Nations and indeed the new ambassador for disarmament. While we applaud these choices, if the Government really feels it is essential to go outside of the External Affairs Department, we cannot applaud the policies and actions, or rather inactions, that go with them.

The Secretary of State for External Affairs (Mr. Clark), speaking at the United Nations on September 25 with regard to aid policy and Canadian development assistance, said that "despite serious economic problems at home, we shall not turn our backs on the world's disadvantaged people". He went on to say: "Our new Government intends to maintain Canada's commitment to reaching .7 per cent of the GNP by 1990 in official development assistance". The Minister of Finance shot that one down in his economic statement, as he shot down the sacred trust of universality. Now the goal is not .7 per cent by 1990, but rather by 1995. This is beginning to sound just like the Liberals. In the early 1970s they had a goal of .7 per cent of GNP for official development assistance. That was consistently lowered to .6, .5 and .43 of 1 per cent of GNP.

Most seriously, will the electorate not again become cynical when our Government says very fine words and then reneges so seriously and damagingly on its promises? What has the Government done in the search for peace in the field of nuclear arms control and disarmament? So far it has not produced any ideas or proposals which would carry Canada and the world forward even a step. In his speech in Vancouver on October 20 the Government had the ambassador for disarmament say that the kind of progress the Government would make in these life and death matters would be inch by inch. In metric that would be centimetre by centimetre or millimetre by millimetre. Indeed, the very title of that speech was to the effect of reaching peace "inch by inch." I am sure that the ambassador was almost embarrassed to have to say this, but of course that is government policy.

The second shocking thing about the Government's policy is that it has totally rejected any unilateral initiatives that Canada can take in the field of nuclear arms control and steps toward disarmament. It has totally rejected our own historical tradition where we have, from time to time, taken unilateral initiatives. It says that those are no longer possible and we cannot take any initiatives on our own as Canadians, whether it is rejecting Cruise missile testing or bringing nations together to promote a nuclear freeze.

The Acting Speaker (Mr. Paproski): The Hon. Member's speech has now been concluded. We will proceed to questions and comments. In view of the fact that there are no questions and comments, I would like to call upon the Minister of Employment and Immigration.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, may I congratulate you on the assumption of that very prestigious office.

Some Hon. Members: Hear, hear!

Miss MacDonald: Mr. Speaker, this Government has taken office at a time when our society faces challenges and difficulties. These challenges and difficulties are without parallel in the history of most Canadians. Indeed, Mr. Speaker, this Government has taken office to meet those challenges and difficulties because the voters of Canada recognized that the old ideas and ways had reduced our economy to a shambles and in the process had cost many hundreds of thousands of Canadians their homes, jobs, businesses, dreams, and even their hopes.

It is no wonder that when Canadians went to the polls on September 4 they did indeed vote for change. Hon. Members opposite have acknowledged this. With less than three score and ten of them, they have no alternative but to do so. The message of the electorate was unequivocal. The people of Canada voted for change. They voted for a government that they could believe in again, but they voted for more than that. They voted as well for a government that would believe in them.

Therefore, I stand in the House today to make my first speech as Minister of Employment and Immigration mindful of the enormous task of rebuilding and reinvigorating that lies ahead of us. However, I am confident that with the strength and belief of the Canadian people behind us we shall succeed in our duty. Indeed, Mr. Speaker, we must succeed in that duty. Unemployment of 11.3 per cent, 10 per cent, 9 per cent or 8 per cent is a tragedy that we cannot afford and must not tolerate. We cannot afford its continuing cost in human terms of ruined lives and the despair in many regions which is almost incomprehensible in a land that is so truly great—a land which we all grew up to believe held unlimited possibilities.

• (1530)

But that despair is real. It is the legacy of ministers and cabinets dedicated to the belief that the government—the bigger the better—knows best. It is the result of unilateral policies that promised one thing and delivered another, such as high interest rates, which ruined tens of thousands of businesses, put hundreds of thousands of people out of work and in three or four short years left a national debt which is both a millstone and an albatross around our necks.

No, the old ways will not do. They did not work in the past and they will not work in the future. The people of this country do not want them any more. They did indeed vote for change. They voted for a government which will meet the challenges of today and those of tomorrow; a government which will ensure that productive, remunerative, worth-while and prideful work will remain a fundamental element in our daily lives.

As Minister of Employment and Immigration I will accept no less objective. However, I want to emphasize that I do not underestimate the momentous task ahead if we are to achieve this objective. We know today's unemployment only too well. We all label it intolerable or unbearable, as indeed it is. What, then, shall we say tomorrow if hundreds of thousands more Canadians were to be left without work and without the skills needed to work because the technological revolution passed them by? What, then, would be the economic and social reality?

Over the past five years those ministers responsible for addressing this challenge either did not recognize it and its dimensions or simply did not care. Today we are paying for that failure and for that indifference. We are starting out already late in the race for the future. If we do not begin to

hold our own and to catch up in the next five years, then the race as far as Canada is concerned will be over. We must put Canadians back to work. We must keep Canadians in work.

That requires two objectives. First, we must remove the obstacles to economic growth. We welcome investment. We restore an atmosphere which shows that Canada is once again a good place to do business. We build better, sell better. We manage our own affairs, our own economy above all, in a professional and competent manner. In other words, we build confidence at home and internationally, confidence in Canada itself and in the ability of its people.

This development of economic resources was highlighted by my colleague, the Minister of Finance (Mr. Wilson), last Thursday. I may say that in that one address we heard more sound commonsense on economic matters than we heard in the whole of the previous four and one-half years by all the former Ministers of Finance.

If the first condition we must meet in our quest to create employment for all Canadians is economic development, then the second is the development of our human resources. Indeed, the two are inseparable. Without the skills we cannot fill the jobs and without the jobs in a growing economy we will not create new opportunities.

The world of work is changing. The place of work is changing. In the future, what we do and how we do it may change not just once or twice during our lifetime but over and over again. Skills will not be static. They must be developed and upgraded on a continuing basis. Every working Canadian, young and old, male and female, must expect and indeed accept new training and retraining as part of their working lives.

That is what it is. It is part of our working lives. The era in which we went to school, acquired our skills and then worked 30 or 40 years in the same job is at an end. In the information age that we are rapidly entering, today's skills are but a stepping stone to tomorrow's and not an end in themselves. We, as a society and as individuals, must be prepared to accept this fact and to accept this challenge.

Clearly, it is an enormous undertaking. Some estimates suggest that fully 5 per cent of our annual GNP will eventually be directed to training and retraining. There is no question that the task is huge or that the time is short. Virtually nothing has been done to prepare our society to meet the scope of this challenge of human resource development. However, our Government is determined to make up for lost time.

The enormity and complexity of this task will require the co-operation and determination of all sectors of our society. The old unilateralism just will not work. To meet this challenge, I have already launched a process of consultation. Over the coming months I will meet with provincial ministers, business and labour leaders and with groups from the community. The challenge is common and so must be the solution.

It is obvious why we must consult with the provinces. Basic education, the foundation upon which we prepare for our working lives, rests with the provinces, as does most of our post-secondary education. The role of community colleges and technological schools is already expanding and will become even more critical in the years ahead.

Training and retraining does not begin and end only in the classroom. The responsibility cannot rest solely with governments. Industry has a vital interest in contributing to a trained labour force. Training will be an ongoing part of work and if industry will share this responsibility government will share the cost of this human investment.

In the future, training and retraining will not be restricted to schools and institutions. It will also take place on the shop floor and in the office. If for no other reason, this would require the participation of organized labour.

Labour has an even greater role to play. The trade union movement in Canada has helped to shape our lives. It will continue to do so as we face the challenges of tomorrow and labour's participation can help ensure that we maximize the opportunities of technological change, be it through better working conditions or a new equality in the workplace.

The goals we are striving for are basic. We must ensure that we have a skilled labour force which can meet the needs of the future. We must stimulate economic growth, a dynamic force for the creation of new job opportunities. We must also ensure equality of opportunity, equality in competition and equality of access to jobs. We have a national challenge and it will take a national commitment to meet it.

The federal Government has signalled its determination to meet our share of this national challenge and national commitment. We have already allocated an additional $1 billion for employment development. But our commitment is to people as well as to providing money. When I talk about investing in people, I think of those groups in our society today who are at a particular economic disadvantage—groups which need a particular commitment.

● (1540)

I should like to mention just three of them: youth, older workers, and women. Youth unemployment is a continuing tragedy. Many young Canadians still lack training and practical experience. They are having trouble getting their first job. They need to prove their worth and their competence. They need to get on with their lives. Dealing with youth unemployment requires more than the random spending of dollars. What happens when our young people leave school? How can we help them make that transition from school to work? What about those who do not go on to post-secondary education?

We are considering a number of options, Sir, which will be set out in a discussion paper on training and which I will be releasing shortly. These include a new emphasis on co-operative education measures and on apprenticeship. Employer-based training is another concept which merits study and consideration. Through the process of consultation and commitment with the other players in our economy, we will find the answers to this critical waste of talent and potential which we see now.

Now I come to our older workers. Many older Canadians now find that they need new skills in mid-career. These Canadians are still travelling along the old road; that is, school, one career, and then retirement. They have crashed headlong into the future world of work. How do we equip these people for new employment opportunities? How do we keep our work force skilled, current, employed and employable? One avenue which we will explore is that of skill development leave. We also recognize that business must be more involved in training. Training as well for those with special needs should be available if we are to meet our responsibilities to all Canadians. With regard to new employment opportunities, one way to encourage the private sector is through an employment tax credit.

In any discussion of opportunities, Mr. Speaker, there must be an emphasis on what the future means to women. The reality of working women in this country still lags behind the accepted principles of social and economic equality. In this context, I noted this morning's report from the Economic Council of Canada. I am encouraged by the trend that it shows, but we must continue to do much, much more. One cannot be satisfied with the results we saw this morning.

Women need real choices in the future. They should be able to choose both to work and to have children. That is what I mean by real choice. Like all Canadians they must be able to train and to have retraining without suffering economic disadvantages. These are economic realities, and the problem of child care and parental leave are inexplicably linked to the problems of employment for women. But it is not only a so-called women's issue. I cannot emphasize this enough. This is a major employment issue.

The new technologies remove many of the obstacles, real or imaginary, to women. For the first time a revolution in the workplace has occurred which does not impose any physical barriers. In fact, some of the skills that have kept women in low-paying jobs will now be tickets to new opportunities. The computer managed world is one which I think can be of some immense help to women. For women to make the most of it, training opportunities must be expanded as access to the new machines increases. The age of the microchip is still young. For women, I think this is a critical opportunity.

Future prosperity will not be achieved easily, Sir. It never has been, but it is achievable. With the mobilization of our economic and human resources, with a shared sense of purpose and a shared responsibility, we can and we will attain it. The process has begun. The consultations on which I am embarking this month will lay the groundwork for a new atmosphere of mutual trust and co-operation. While they apply in particular to the provinces, I have five objectives clearly before me.

First, to remove obstacles to employment growth and to promote mobility in a growing labour market.

Second, to develop approaches to training which are capable of providing the skills and flexibility required in the years ahead. It is especially critical that we apply this philosophy to small business, the powerhouse of today's employment growth.

Third, to simplify federal programs and wherever possible to harmonize them with the efforts of the provinces.

Fourth, to ensure equitable access to training and employment opportunities for all Canadians.

Fifth, to reach a consensus on fair sharing of responsibilities between the federal Government and the provinces and our economic and social partners.

These consultations are critical to our development of a workable co-operative training and employment creation strategy. That is what I am aiming for, Mr. Speaker.

But we will also act immediately when obvious need confronts us. The $430 million I have already allocated for Canada Works this winter is an example of such action today. The $1 billion this Government has allocated to employment and human resource development signals our determination to meeting our commitments tomorrow.

The creation of an effective employment strategy for Canada is long overdue. Our need for such a strategy becomes even more critical with every passing day. We are entering a new era in work, a new era in living itself. Our success depends upon our own intelligence and indeed upon our resourcefulness and our willingess to work together.

As a government we have a faith in the future, undiminished by the magnitude of the task and the challenge that confronts us because we know Canadians will work together to accomplish these goals.

All of us share a common tomorrow, and I believe we all share common hopes of that tomorrow. We are all social and economic partners. Our purpose is to secure prosperity for all Canadians. This is the vote for change that was recorded on September 4, and I am optimistic we shall achieve it.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): We shall now proceed to the period allotted for questions and comments. I would like to recognize Members in the following order: the Hon. Member for London-Middlesex (Mr. Clifford); the Hon. Member for Yorkton-Melville (Mr. Nystrom); the Hon. Member for Bourassa (Mr. Rossi); the Hon. Member for Gander-Twillingate (Mr. Baker); and the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall). After that, we will see if there is time to recognize any other members in the ten-minute period.

Mr. Clifford: Mr. Speaker, I would like to convey my congratulations to the Minister of Employment and Immigration (Miss MacDonald) for working out such wide-sweeping plans for this most serious problem in our country today. I was pleased to note that the pricey plethora of patchwork programs that has been imposed upon Canadians in the past is going to end.

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

Mr. Clifford: —the source of most unemployment, which is at the secondary school level can the Minister clarify what she is going to do to keep young people in school—

The Acting Speaker (Mr. Paproski): Order please. The Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) is rising on a point of order.

Mr. Manly: Mr. Speaker, it is understood that the ten-minute period for questions is usually reserved for Opposition Parties, and if Opposition Members do not have questions, then I think it is legitimate for Members of the Party to which the Member who has spoken belongs to ask questions. I would think the other two Parties should have their chance first.

The Acting Speaker (Mr. Paproski): The Hon. Member's point of order is not well founded. Questions and comments are permitted for every Member in the House. The Hon. Member for London-Middlesex has the floor.

• (1550)

Mr. Clifford: Mr. Speaker, I think I actually completed my question to the Minister. However, in summary, could she elaborate on whether there are any plans in these programs to react to a source of unemployment, that source being students at the secondary school level?

Miss MacDonald: Mr. Speaker, I thank the Hon. Member for his question. It is an area which has a great many unemployed people in that age group. In announcing the Youth Training Option Program, I said that it was to be used as a pilot project. We will be looking at the results of that pilot project. However, that pilot project and the manner in which it was announced indicated that the other partners in a youth training plan had previously been left out. I am talking about the provinces which must have a direct input into education leading to further training and to jobs. Through the course of the next few months of intensive consultation, I will be discussing with the provinces, the educational system and the private sector a much larger plan as to how employment for those coming out of secondary school can be addressed and training plans initiated.

Mr. Nystrom: Mr. Speaker, I will try to speak loudly enough. First I congratulate the Minister on her appointment. I think she is the right kind of person in that Party to be in that portfolio, being a so-called red Tory.

An Hon. Member: Time will tell.

Mr. Nystrom: Time will tell. In any event, I appreciate the emphasis she placed upon retraining, mobility and so on. Arising out of that, I should like to ask her one or two questions about the statement of last week. In the blue book entitled "Expenditure and Program Review" we notice that there was a total cancellation of the General Industrial Training Program of some $40 million. If the Minister is interested in retraining people, why would she cancel that program before any other program is put in its place? I could see it if she was bringing in a new program that might be an improvement to the Liberal program; that is not difficult to do.

Some Hon. Members: Hear, hear!

Mr. Nystrom: Why did the Minister cancel that program before there was something else in its place?

My second question concerns a reference in that book indicating that she is planning on doing something. Could the Minister illustrate what the new program will be?

My last question deals with mobility. The Minister has talked a lot about mobility. However, I notice in this book that she is cutting back on the mobility program by $2.8 million. Why is she doing that in the age of high-tech and the information society when people have to be more mobile than ever before? It seems to me that the Minister is saying one thing and doing the other.

Miss MacDonald: Mr. Speaker, in addition to other recipes I will try to find a recipe for the Hon. Member's laryngitis. Perhaps I could help him out.

He dealt with two questions in particular, the first one being the General Industrial Training Program. That program had not lived up to its expectations. It was not providing the right kind of training. We have analysed it. We feel that in that sense there are many more effective ways to carry out retraining. However, I should like to tell the Hon. Member that any contracts or agreements presently in force will continue. There will be no cancellation for anyone who is in a training program at the present time.

With regard to the mobility program, we have made adjustments in that program. We have altered it to avoid cases where persons coming in from other communities could take jobs and where unemployed people in the community were bumped out of their place in the line. We have altered it so that those people who are unemployed in local communities will have the first chance at jobs.

Mr. Nystrom: What kind of program is the Minister planning to introduce in place of that $40 million General Industrial Training Program which she cancelled? This is referred to in that blue book, but there are no details.

Miss MacDonald: There are no details. I want to assure the Hon. Member and all Hon. Members that in the process of consultation which begins later this month I have not set on the table the answers I want to see come out at the end of three months of consultation. We will be negotiating meaningfully with labour organizations, women's groups, the private sector and the provinces. I do not go to them saying: "These are the details of the programs I want to see at the end". I really want input and co-operation from all sectors.

Mr. Rossi: Mr. Speaker, I congratulate the Minister on her very important appointment. In her speech she referred to youth unemployment as being a tragedy. I agree with her. Seeing that students can only work a few months per year during the summer holidays, could the Minister tell us whether

she feels—like the Tories have said—that the Summer Canada Program for students was a band-aid program? It was abolished by her Government.

Was it the Minister of State for Youth (Mrs. Champagne) who suggested that it be abolished or was it the Minister of Employment and Immigration (Miss MacDonald)? What does the Minister have in mind as a program to replace this Summer Canada Program for students?

Miss MacDonald: Mr. Speaker, I think the Hon. Member for his question. If he looked at the documents which were released the other night along with the economic statement, I am sure he would see that there was another part to the cancellation of the Summer Canada Program. There was an undertaking that there would be other programs in place. As the Hon. Member knows, we have set aside some $1 billion for new job-creation opportunities. We want to co-ordinate our efforts for next summer and indeed beyond that with our provincial counterparts and with the private sector.

I assure the Hon. Member that these programs will be worked out within the next few months and that there will be programs in place for next summer. I want to assure the Hon. Member, all other Hon. Members and the young people of the country of that.

Mr. Baker: Mr. Speaker, I had another question for the Minister, but in light of the statement she just made, I should like to indicate that there are vast areas in the country where there is no private enterprise—none, not even a McDonald's. These are high unemployment areas. The only way that someone leaving high school can attend university or trade school is through direct job creation by one of the two governments. Certain provinces in Canada, such as the Province of Newfoundland, have no direct job-creation program for students. That is the only way a student can further his or her education or return to school the following year.

Is the Minister now saying definitely that there will be a direct job-creation program by government for students next summer to replace the one which was just discontinued by the Government? The question is straightforward. It has nothing to do with private enterprise because many of these areas have no private enterprise. These are the poor about whom I am talking now, not students of rich families. I am asking the Minister point blank: Is she saying definitely that there will be a direct job-creation program for students administered by government next summer?

• (1600)

Miss MacDonald: Mr. Speaker, I am very well aware that there are disadvantaged areas and disadvantaged groups of people throughout this country. I think we have already shown our good intent in this regard by announcing some $430 million in direct job-creation programs for this winter. That is job-creation projects that were not placed on the books by the previous Liberal Government. They simply were not there.

I want to assure the Hon. Member with regard to next summer that we are going to be working out these programs during consultations throughout the next three months. I do not intend to announce today what the outcome of those consultations will be, but I can assure the Hon. Member that there will be programs in place for the summer.

The Acting Speaker (Mr. Paproski): The last question by the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall).

Mr. Dingwall: Mr. Speaker, my question is to the same Minister. The announcement was for $430 million Canada Works funds. Will the Minister indicate to the House whether that is over a two-year period or if it is just for one fiscal year, 1985-86? Second, she makes mention of the $1 billion fund for job creation in training. In answering this question, will she say whether or not the National Training Act, which we instituted, is going to be done away with and can she give a firm date as to when the $1 billion will be disbursed and how it will be disbursed? She makes mention of discussion and consultation, but the Canadian people would like to know when that announcement is made how the money will be disbursed.

Miss MacDonald: Mr. Speaker, can I perhaps take the questions in reverse order. The $1 billion and the announcement thereof will certainly not be made until we have carried out the consultations with the other partners in the process. That is really what it is all about. I am hoping that these consultations will be carried out within a period of three months. That is what I am looking toward. I cannot tell the Hon. Member definitely at this point that they will all be completed by then, but that is generally the target.

The second part of the question had to do with the National Training Act. I have been in discussion with my provincial colleagues, the persons responsible for having signed the agreements on behalf of the provinces under the National Training Act. We have agreed jointly to the extension of the National Training Act for one year so that consultations can take place over that which will extend the National Training Act and make any modifications or changes to it that are seen to be needed.

With regard to Canada Works, that is for this winter. It began, of course, in 1984-85. The tail of it has to run over into the next fiscal year. That is because some of the projects which will probably be underway or getting underway January 1 will not be completed until into that next fiscal year.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. I would like to recognize the next speaker—

[*Translation*]

—the Hon. Minister of State (Youth) and Member for Saint-Hyacinthe-Bagot.

Hon. Andrée Champagne (Minister of State (Youth)): First I would like to thank my fellow Members, who irrespective of their political affiliation, offered their congratulations on my

appointment as Minister of State for Youth. I can assure them of my full co-operation and dedication. I appreciate their support, Mr. Speaker, especially since I will need it to fulfil the mandate I have been given by the Right Hon. Prime Minister of Canada (Mr. Mulroney) to help the young people of this country.

I also wish to say a word of thanks to the people of Saint-Hyacinthe-Bagot for their trust in electing me on September 4. I want them to understand that despite my ministerial responsibilities, I will certainly be available to my constituents. I have also become a member of the rural caucus of my Party in order to serve the farmers in my riding more effectively.

I was very pleased that my colleague, the Minister of Finance (Mr. Wilson), announced that the increase in the price of gas will not apply to the gas farmers' need for their operations and that the Minister of Agriculture (Mr. Wise) informed us recently that the Farm Credit Corporation would be stopping most of its recovery activities until next January 15.

My responsibilities as Minister of State for Youth will be exercised within the parameters by which my mandate is defined. I shall get back to these as soon as I have indicated the key points of my speech. These reponsibilities arise from the high priority placed by the Prime Minister on youth, a priority that will remain, despite budgetary restrictions that have become absolutely necessary as a result of the financial situation left by the previous Government.

The support every one of us has shown for youth is a good sign. In fact, this support will make it possible for us to approach 1985, designated by the United Nations as International Youth Year, in a spirit of co-operation and enthusiasm.

[*English*]

On September 4, the Canadian people clearly indicated their profound desire for a new approach. The Government has understood this message. We must all take it into account.

[*Translation*]

I think it was Picasso who said that it takes a long time to grow young. The problem is that young people do not have time to wait. At a time when words are often more powerful than ideas, they would not understand, nor would the rest of Canada, if we wasted our time.

My philosophy is one of optimism and realism. My optimism is tempered by reason and arises from my experience with young people, starting with my own children. This common sense optimism leads me to believe, for instance, that the majority of young people who succeed in our society can, through appropriate activities, have a beneficial effect, a snowball effect as it were, on young people who are less fortunate.

My approach to Canadian youth which, I might add, is more to be envied than pitied, generally speaking, as I realized not long ago at the Conference of ministers for youth and sports from French-speaking countries, held in Gabon my approach will, I hope, be a common sense one.

Mr. Speaker, in connection with the conference I just mentioned, I am pleased to announce, on behalf of my colleague, the Minister for External Relations (Mrs. Vézina), that Canada will be hosting this conference in 1987. In Libreville the news was welcomed with enthusiasm by all participating countries.

[*English*]

I know my colleague, the Minister of Employment and Immigration (Miss MacDonald), will agree with me when I say that in programs aimed at solving youth unemployment, for example, we must discard the shortsighted formulae and those that fail to take into account the training and work experience already acquired by those involved.

My colleague, the Minister of Finance (Mr. Wilson), reminded us the other day in his eloquent statement that we must attack the roots of the problems facing us and not just the symptoms. Let me add that we will devote our efforts to co-ordinating our activities on behalf of Canadian youth with those of the provinces, the municipalities and the private sector. We will do everything in our power to make our programs compatible with the long-term development programs of the various regions of Canada.

[*Translation*]

Mr. Speaker, I intend to realize these projects as part of the mandate I have been given by the Prime Minister. At the Department of the Secretary of State, I am responsible for co-ordinating the national activities program within the framework of International Youth year and for acting as a spokesperson for youth and for those who work with young people within the Government and Cabinet.

I accept this mandate with enthusiasm. I fully intend to be the spokesperson for young people. I will actively promote their interests and aspirations in the preparation of the Government's political orientations and strategies. I am already committed to that policy. If I am to fulfil that role properly, however, I must also speak to young people on behalf of the Canadian Government. I am anxious to listen to them and learn more about their problems and their achievements. I want to make them see me as a privileged spokesperson who will uphold their viewpoints and aspirations. I want to establish a close relationship with them, with their associations, with the organizations which serve them and with their major social partners in the private and public sectors.

Overly concerned about seeking solutions to their own problems, adults are often wont to forget young people and to leave them on their own. Those young people must regain their rightful role in the activities and the conduct of the affairs of our society. Where there is no such role, they must create one, and it is up to us to help them. Young people have every right to education, employment and decent living conditions. They must have adequate means at their disposal to ensure personal

development and take part in the development of their community. It is imperative that they have their say in the decision-making process which involves them and has an impact on them. Those last three objectives are priorities for me and they will be the focus of my efforts in the coming months.

• (1610)

[*English*]

Youth in Canada today are really no different from their predecessors, even though living conditions have changed. Young people have always demonstrated their creative and innovative potential and have always played an essential role in the constant adjustments which our societies must make in order to adapt to new realities. In this way, they represent an active and positive force. Their unstinting contribution to society's institutions has two important benefits. On the one hand, it enriches the institutions and pushes them toward renewal; on the other hand, it represents one of the most fundamental investments in their future.

Youth's achievements are often more easily recognized in the highly visible areas of the arts, culture, sports and politics. Yet in the past they have contributed directly to our economic institutions, particularly in areas which have become central today, such as advertising, communications and high technology.

Young people represent a significant portion of our society. Almost one person in five is between the ages of 15 and 24. They generally enjoy good health and a physical condition that compares favourably with that of youth in a number of developed countries. They are more educated than they were in the past and benefit from the positive aspects of our age of communications. However, young people are affected by the insecurities, difficulties and restrictions facing our society as a whole. At a time when they are making plans for their future and the search for personal autonomy is a constant concern, all young people are extremely sensitive to the precariousness of world peace, the vagaries of the current economic situation and the significant shift in social values and behaviour.

Young people today are under an unprecedented amount of stress. For some, it becomes a source of innovation, exceptional achievement and excellence. For others, it is a source of serious problems that lead to isolation, use of drugs and alcohol, delinquency and even suicide.

A large minority of young people do not have equal opportunities to earn an income, nor equal access to jobs and training. Poverty is widespread among young people. As well, unemployment and underemployment among youth are particularly serious as they affect young people's confidence in themselves and their abilities.

Adults and especially our major political, social and economic institutions can do much for young people who are in difficulty. However, I believe that young people can do a great deal for themselves if they are given the means to gain a better self-understanding, to help each other and to use their know-how and creativity to improve their circumstances.

Young people are not a homogeneous group. They are not as readily identifiable with specific ideological and political trends as they were in the past. They are students, workers, entrepreneurs and unemployed people. They live in urban centres and remote areas. They are men, women, natives, disabled and people of different ethnic origins. However, a single important characteristic unites them. Having lived in a state of dependence on their families and social institutions, they are beginnig, and in many cases completing, their transition to personal autonomy. At age 15, 98 per cent of young people live with their parents, while the proportion is only 65 per cent at age 20 and 23 per cent at age 24. The transition to personal autonomy is crucial for young people and for society because it shapes the way in which youth participate in society, now and in the future.

Youth form a unique pool of human resources in a society and this alone is reason to pay special attention to their development and to potential obstacles to it.

[*Translation*]

I was saying, Mr. Speaker, my philosophy is based on optimistic realism. Any society must be particularly attentive to every new generation of young people. The vigour, the health and the future of any endeavour, whether industrial or cultural, can be judged by the quality and the commitment of those who bring new blood to it. The same is true for a society. I invite my colleagues and every Canadian to look at our youth from that point of view.

There are two other principles underlying my actions: one is a sense of equity and the other a search for excellence. All young people do not have the same potential. However, every youth must have all the opportunities to develop his own potential fully whether rich or poor, male or female, native or immigrant, and so on. Moreover, as a social group, young people must not be viewed as a separate class entitled to fewer rights. For instance, it is no more acceptable to pay a young person less than the minimum wage for his or her work than it would be an adult.

On the other hand, young people must yearn for excellence in their field of activity. Youth is by nature idealistic. This idealism must be encouraged, especially when it leads to creativity, challenge and excellence. These are the major principles underlying my action plan, which is threefold.

First, I shall continue to get involved with young people, with the groups representing them and with our social partners for the purpose of listening to their projects and discussing them, whether they be their own or whether they be carried out by governments or the private sector. My involvement will make it possible for me to examine existing means of action, especially in the various federal departments and agencies. I shall see what they entail and check, in cooperation with my Cabinet colleagues, to what extent they can meet the needs of our young people and how their efficiency can be improved. I shall also identify with them present shortcomings and the

possibility of taking new initiatives to help young people help themselves.

Finally, I shall continue to hold bilateral meetings with my counterparts in the provinces and the territories, who are responsible for youth-related matters. I shall attempt to define with them the objectives which we can share and to ensure the relevance and complementary nature of our programs.

Finally, I will endeavour to ascertain whether there is any unnecessary duplication of our respective endeavours. I will therefore be in a position during 1985, the International Youth Year, to put forward specific proposals. They will serve as the basis for long-term planning for the young and will truly help enhance their involvement in all sectors of our society.

The International Youth Year is indeed a unique opportunity for youth to strengthen their self-image and potential, to pave the way for future generations. For us adults, it is a privileged period for improving our awareness of the youth fact, to communicate with them and to foster their integration into society.

I specifically and cordially urge all our young people and all those who are interested in them to take an active part in the celebration of the International Youth Year.

In closing, Mr. Speaker, I would like to point out that if I seem to dwell upon the young people who are doing all right, I also care for the minority of young people—a minority that is always too large, whatever their numbers—who are facing tremendous difficulties. I have in mind the young unemployed, the young faced with poverty, whether they are workers or students, the young whose emotional ties with their families have been severed, those who are withdrawn within themselves and have lost all hope of better days ahead. They deserve special and first hand attention, because without minimum standards a person cannot grow and fully contribute to society. Were we then to stress the lot of these young people only, this might have negative effects, discouraging the young, making them over-conscious of the obstacles confronting them, leading them to ignore the enormous potential of youth generally, with or without problems. This might emphasize short-term solutions rather than solutions that extend in the future, or create a ghetto for the young people whose problems frighten the adult population and deepen the generation gap. This is why, in my view, an approach to youth must also set aside an important place for their creative achievements and contribution. A youth policy must address all of the young, and increase the potential of each and every one.

To summarize, I see my role at various, closely related levels. First, I definitely intend to strive during the International Youth Year to look for solutions that can improve living conditions for all our young people. In that sense, it is my belief that most young people who succeed will help the less privileged within their rank. Second, as Minister of State for Youth, I am committed to direct all of my energy to influencing federal policy orientations pertaining to social, political, cultural and economic activities affecting Canadian youth.

The Acting Speaker (Mr. Paproski): Questions, comments.

• (1620)

[*English*]

Questions or comments. I would like to recognize the following Hon. Members, the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall); the Hon. Member for Regina East (Mr. de Jong); the Hon. Member for Nickel Belt (Mr. Rodriguez); the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie); and the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy), in that order.

Mr. Dingwall: Mr. Speaker, I would like first to congratulate the Minister on her remarks. I would like to say how happy I was to hear those remarks because they were made with some degree of conviction. However, during the election campaign, the Leader of the Minister's Party promised "jobs, jobs, jobs", and I believe the Canadian youth responded to that and voted en masse for the Conservative Party. However, the Minister ought to know that it was revealed by StatsCanada that there are 600,000 young people unemployed. There are another 300,000 young people who are "officially unemployed" but who have not reported this to StatsCanada. Therefore, we are looking at crisis proportions, Mr. Speaker, with 900,000 young people unemployed.

My question to the Minister is: Notwithstanding her conviction to see something realized for young people in this country, does she not believe, as I do, that there is a credibility gap? On the one hand, the Prime Minister (Mr. Mulroney) promises jobs—on page 9 of the Throne Speech there is mention of jobs—and on the other hand, the Minister of Finance (Mr. Wilson) cuts out most of the programs for Employment and Immigration. When will the young people of this country see some concrete, substantive action as opposed to more studies, dialogue and deliberation with the private sector?

I suggest to the Hon. Minister that young people want jobs; they do not want rhetoric!

[*Translation*]

Mrs. Champagne: May I say that I am somewhat disappointed, Mr. Speaker; I felt that since he appeared to listen to my remarks and to understand my deep convictions in this regard, my hon. friend would have been satisfied. I indicated very clearly in my speech that I would serve as the spokesperson for youth in the Cabinet and indeed I am the spokesperson for youth-related issues in the government.

Mr. Speaker, let me tell the Hon. Member that the Minister of Employment and Immigration (Miss MacDonald) answered his question just a few minutes ago and that employment programs are her responsibility.

[*English*]

Mr. Rodriguez: Mr. Speaker, I would like to congratulate the Minister on her speech. Indeed, if I were handing out

awards, it would receive a very excellent rating because it is very rhetorical. Her speech contained some very lovely, high-flown phrases which mean absolutely nothing. The Minister says she will use the International Year of Youth in order to try to bring about a better understanding of the problems of youth internationally. However, can the Minister tell me what her role was when all the consultation over there was going on to eliminate what looks to me like a very interesting program called "The Young Workers' Exchange Program"? This was to allow international exchanges for young people.

If there is one thing we need in this country, and in this world, it is better understanding among peoples. One of the places we should start is with young people. I do not want a Pontius Pilate washing of the hands answer that the Minister is going to be a spokesperson. I want to know what voice the Minister had in the consultation. Did she demand from her colleagues that they ought not to eliminate what appears to be a pretty creative kind of program?

Second, all of these studies are now showing, Mr. Speaker, that there is a great correlation between unemployment and juvenile offences. This can all be related back to the fact that young people are not receiving the kind of dignity of being employed in jobs for which they feel they are gifted or in jobs they would like to do. How can the Minister responsible for youth sit there, Mr. Speaker, and wash her hands, saying she will only be a spokesperson? Can this Minister say what she is going to do within her Cabinet to get some of these programs, like the $85 million for the Summer Canada Program, into place before there are any more changes?

Mrs. Champagne: Mr. Speaker, I have a feeling that I am talking to deaf people.

Some Hon. Members: Hear, hear!

Mrs. Champagne: I will try changing languages and perhaps that will help. As far as the exchange program is concerned, yes, we discussed it in Cabinet and found that some cuts had to be made, and part of that program was cut. He may ask for some more details of the Secretary of State (Mr. McLean) under whom this program comes.

• (1630)

Mr. Rossi: You should know about it.

The Acting Speaker (Mr. Paproski): Order.

Mrs. Champagne: As far as employment is concerned, I think again the Minister for Employment and Immigration (Miss MacDonald) answered the Hon. Member. I said in my speech, and I repeat, that my main responsibility right now is with the International Youth Year, and again in doing what I have done, maybe not always all that I wanted with all my heart to do, I had to agree, as did every single Minister, to some cuts somewhere because of the financial state in which we were left. Every sector had to be cut, mine included.

Some Hon. Members: Hear, hear!

Mr. de Jong: Mr. Speaker, I also wish to congratulate the Minister on her very important appointment. The youth of this country are surely our most important asset and resource. I think every Member of this House agrees that there are some very serious problems facing young people today.

I must say that poor Pablo Picasso must be turning in his grave hearing himself quoted by a Conservative Member. But poor Mr. Picasso is gone and will not be able to rise and object. I am interested in the statement of the Minister in which she described herself as the spokesperson for youth in the Government. I am interested in what her position is on some of the issues of concern to young people, particularly funding for higher education.

As the Minister knows, there has been ongoing conflict between federal and provincial levels of government on how transfer payments for post-secondary education have been used for other purposes, such as building highways, by the provinces. In the last session, the Opposition Conservative Party moved a motion requesting the federal government to monitor how the provinces spent the money allocated for this purpose. Does the Minister believe the provinces should be held accountable for the money they receive from the federal Government for post-secondary education? Will she express these views vigorously in Cabinet?

Mrs. Champagne: Mr. Speaker, I think the Prime Minister (Mr. Mulroney) has made it very clear that all those subjects will be touched on during the meetings with the premiers of the provinces.

[*Translation*]

Certainly these are some of the subjects to be discussed at the meetings which we have scheduled for next week in Quebec and other provinces. I suggest that, together with the provinces and following consultations, the Secretary of State will be able to reply more conclusively.

[*English*]

Mr. de Jong: You are the spokesperson, what is your position?

The Acting Speaker (Mr. Paproski): The Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) for a short, succinct question, please.

Mr. Blaikie: Mr. Speaker, with a spokesperson like the Minister young people do not need enemies, because she has failed time and time again in Cabinet to defend those things which are worth defending. Where was the Minister when the Government decided to freeze the Canada Student Loan Plan at present levels? Given the situation in which students find themselves, where was she then? Does she sit outside the door during Cabinet meetings or does she say nothing when she is there?

[*Translation*]

Mrs. Champagne: The Hon. Member is well aware that this program has not been cut.

An Hon. Member: Yes it has.

Mrs. Champagne: It has not been cut. Let me tell the Hon. Member that we are merely maintaining the amount which may be paid each week to the same level as last year. Where did the money go? The Hon. Member should ask his fellow Opposition Members!

The Acting Speaker (Mr. Paproski): The period for questions and comments has now expired.

[*English*]

Before I recognize the next Member, may I bring to the attention of Hon. Members that earlier today during Routine Proceedings under the heading "Introduction of Bills", the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) introduced a Private Members' Public Bill to amend the Criminal Code. The seconder of that motion was stated as being the Hon. Member for Cochrane-Superior (Mr. Penner). I have since been informed that the seconder of the motion was in fact the Hon. Member for Laurier (Mr. Berger). The record of Parliament will reflect this change.

I would now like to recognize the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart).

[*Translation*]

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, first of all, as most Members of this House have already done, I wish to congratulate you and your colleagues on your respective appointments. I would like to start my speech by thanking the people of Sainte-Marie for giving me a third mandate to represent their riding in the Parliament of Canada. Today, Mr. Speaker, I want to give them the assurance that I shall continue, as I have done in the past, to work together with the groups in my riding to improve the quality of life of my constituents.

As far as youth is concerned, despite the cuts made by the Conservative government in a number of programs that were not merely needed but desperately needed by the young people in my riding, I can assure them that in conjunction with the Action jeunesse office I set up myself in my riding, we shall continue to increase the number of services offered to these young people. These services include teaching them how to find that first job if only this government would stop raising unemployment; how to find out which subjects to take in high school; and we are also offering various kinds of recreational services.

As far as senior citizens are concerned, they may rest assured, Mr. Speaker, that as in the past, I will be organizing an annual seminar or meeting with all those responsible for taking care of senior citizens, while senior citizens themselves will have an opportunity to attend a meeting and find out about the various programs being offered by all levels of government to help this segment of our population to provide various services appropriate to their needs. I find this is also an opportunity to consult them, to find out about their concerns, and the Government has asked us . . . You may be sure that on February 15, I will have a meeting to inform these people about what the Government intends to do about the universality of old age pensions.

Mr. Speaker, although this Government unfortunately found it necessary to make cuts in subsidized housing, I intend to continue, with the co-operation of municipal and provincial representatives, to ensure that low-cost housing will be built in my riding, as well as co-operative housing projects to meet the needs of families, the handicapped and senior citizens. Mr. Speaker, I also want my constituents to know that right after September 4, with a community group from my area, we set up an organization that will provide advice and assistance for tenants in my riding who are faced with unreasonably high rent increases by a few landlords who are only interested in land speculation. These people may rest assured that they now have an organization that will defend their rights.

As for my role in the House of Commons, I can assure my constituents of Sainte-Marie that when the government introduces satisfactory legislation meeting their needs and expectations, I will support them. On the other hand, if programs, legislation and regulations detrimental to low or average income citizens are introduced, I will oppose them strongly and make sure that the government is fair in trying to meet their needs.

Mr. Speaker, I would now like to refer to the throne speech. I believe, as you and most members in this House do, Mr. Speaker, that everybody was disappointed with that speech. After 20 years in the opposition, many seminars and conventions and the setting up of many committees, I thought, like the new Conservative members, that the Progressive Conservative Party would waste no time and have specific programs ready since they made so many promises and commitments. What do we find in the throne speech? Nothing. There is nothing for a million and a half unemployed, no specific measure for the young or for consumers, nothing about the housing policy, for single parent families, for farmers or fishermen and nothing about pension reform.

• (1640)

Why did Canadians vote for changes? They did so because hon. members opposite had led us to believe that there would be changes for the better, but they are for the worse. It is they who have deceived the public and not the other way around.

Mr. Speaker, everyone knows and all the polls show that Canadians believe the major problem in Canada is unemployment. However, the major problem for business leaders and high finance is the deficit. Who did the Conservatives listen to? They listened to the big wigs, the VIPs; and gave priority to the deficit. I do not believe, Mr. Speaker, that the party opposite ever intended to create jobs.

I have leafed through the throne speech, and I found it interesting in two places. When I read that the Government would organize a tripartite summit attended by labour,

consumer and employer representatives, I thought that they would finally be able to discuss solutions to the unemployment problem. Not at all. It says in the speech that they will be meeting to determine how the few workers who are left can become more productive. The major purpose of this meeting is not to sit down and discuss how to reduce unemployment. Such a meeting could have provided an opportunity to consider using early retirement to help reduce unemployment. Those involved could have considered using unemployment insurance funds to allow 60-year old workers to retire and make room for young people or for those looking for a job. They could have studied the union recommendations for shorter work week to create more jobs. They could also have discussed work-sharing and many other suggestions. However, the first item on the agenda is the economy and how to reduce the deficit. There is only one good thing in the throne speech, and it seems that this Government is unable to do things to the full even when it tries to do well. I am referring to the spouse's allowance for widows and widowers between 60 and 64. What I do not understand, is why single people are penalized. Why discriminate against single pensioners? Why penalize pensioners who are separated or divorced? Why did the Government decide to do so?

I believe that the Minister should have done something for all of pensioners between the ages of 60 and 64 who live alone whether they are widows or widowers, single, separated or divorced, because they all have needs. I trust that he will because I have confidence in the Minister. In fact I believe that only one or two members of the Cabinet will defend low-income citizens because all the others belong to the financial establishment.

Mr. Speaker, I always maintain that a picture is worth a thousand words, that a cartoon speaks for itself. Just what is the Speech from the Throne? Well, I have here a cartoon featured in the November 6 *Journal de Montréal* which shows the Governor General reading the Speech from the Throne. It is a blank piece of paper, and that is what people think of the Speech from the Throne.

And now, the mini-budget. If we keep in mind the promises and commitments of this Government, what does it contain? Higher taxes, fewer jobs, more unemployment, more lay-offs, and 2 cents more for a litre of gas.

When I saw the election results in Quebec, Mr. Speaker, I told myself that we had a champion of gas station operators, the Hon. Member for Duvernay (Mr. Della Noce) who took up the fight of small gas station operators against the multinationals. I thought that the Government would at least have one man to speak up for low-income people. However, I saw him rise and praise the Minister of Finance (Mr. Wilson) for increasing prices!

What is going on, Mr. Speaker? What is going on? I saw him on TV not so long ago when he said that the multinationals would be cut down to size. He was the one who was cut down to size in a hurry, Mr. Speaker. I have heard that he got into a new business and bought a Mr. Muffler franchise. He got a contract to muffle 57 Quebec members.

Mr. Speaker, who will pay the increase in unemployment insurance benefits and various services made available by the government? The consumers will. Let us now have a look at the cuts. We should never forget that this government has promised jobs, jobs, jobs. What have they done for our youth? First, the student loans program for students, a rather negligible program, will be reduced by 5 million dollars. The minister has just referred to that and said that it will remain at the same level as last year. But indexation of income tax tables for the rich will be maintained. To do otherwise would be shameful. Students are not rich so they will remain at the same level as last year. School fees as well as transportation costs will not be increased any way, despite the increase in oil prices. However, the Exchange Program for Young Workers is not really important, so it will be abolished and so will the Summer Youth Employment Program with a budget of $85 million because it is unimportant.

Mr. Speaker, I woulk like to read into the record a letter from the chairwoman of the school committee of a polyvalente school in my constituency concerning Summer Canada projects. I quote:

Dear Mr. Malépart:

Having read newspaper reports on cuts in Summer Canada projects for the coming year, I want to tell you that I am shocked by the Government's decision to cancel those projects. Having done volunteer work as member of a school committee over the years, 11 years to be specific, I can say that a good many of our students have been able to attend Cégeps or universities through such projects, which allow them, within a short period of time, to earn the money they need to pay for their registration, textbooks and transportation over a certain period. I would therefore ask you to forward to whomever it may concern our representations for the continuation of Summer Canada projects. Because with the current high unemployment and uncertain future opportunities, we deem it important that the people in this constituency, mostly young people, keep on hoping by furthering their studies. I want to emphasize that as a parent I have done volunteer coordination work for 34 young people working on projects and if I had to go through that experience again I would do so, because I can say that, had they not worked this summer most of them would have had to stay home in September because their parents could not afford the cost of attending Cégep or university. It is my hope that the decision is not final. Expecting good news for our students and parents, I am,

Yours truly,

Micheline Mathieu
Chairwoman
Home and School Committee
Polyvalente Pierre Dupuy

So much for what has been done for our young people.

Let us turn now to our workers. A moment ago, the Minister of Employment and Immigration (Miss MacDonald) emphasized the importance for people who are 55 years old to adapt to technical changes through manpower training. That is all very well, but given that the available resources have been cut by some $40 million, she could have dispensed with that speech. Some $40 million less for on-the-job manpower training! Some $300 million less for unemployment insurance

benefits! They have found someone who could collect $600 in unemployment benefits for a couple weeks. Fancy that! The executioner from Treasury Board said: It is outrageous! Let's save this amount for the presidents of our major banking establishments. It does not make sense.

Mr. Speaker, the Prime Minister brags about consultation, even in that field. A company in my riding sought the agreement of the union and decided that, instead of laying off 60 employees among those with little seniority, it would urge workers aged 55 or more to take early retirement, and it offered them a cash settlement for leaving their jobs, in addition to allowing them to draw benefits from the private pension plan. But with the new measure, those people stand to lose $12,000, so they are quite reluctant now. As a result, young employees with little or no seniority will be laid off, yet 126 people had willingly agreed to go on early retirement. That is just another senseless measure taken by this Government.

When it comes to housing, Mr. Speaker, social housing does not weigh heavily in the balance.

In the City of Montreal and surrounding areas, some 15,000 applicants are waiting to move into low rental units, $9.6 million. Residential rehabilitation: the RRAP program had gained wide acceptance throughout Quebec, but all the Conservative Members from Quebec rose to cheer. I can hardly wait to see them face to face with the mayors. I can hardly wait to hear what they will reply when the mayors say that rehabilitation is fine, but who is going to pay for it? The people will pay, or else the city will be left with slums because this Government has decided to shelve that program.

The Minister responsible for housing sent us a press release full of statistics about the decline in rental housing starts. True, he said, we will look into that, it is important, the situation is deteriorating. He did look into it—he cancelled the program and withdrew $7.8 million. Who wants a press release! But that is not all, those cuts are only part of the picture. Quebec Members from the Lac-Saint-Jean region are aware of the $80.5 million cut in the Natural Gas Laterals Program. I can just see them telling their constituents that they support that. Then there are projects in the riding of Trois-Rivières, in the riding of Lotbinière, $4.9 million, and the Members . . . The President of the Treasury Board (Mr. de Cotret) tells me that they have been consulted. Fair enough, cut those programs out, there is no unemployment in our ridings.

And now, the National Capital Region. The National Capital Commission had several projects, but it so happens that the projects which have been dropped were in Quebec. The Members from the Quebec side of the Ottawa River rose and cheered, Mr. Speaker.

Another $3.5 million . . . The Vieux-Port in Montreal, the marina in Chicoutimi, VIA Rail cuts, all those projects were slated for the western part of Montreal and would have created jobs. Mr. Speaker, I fully expect that certain Members will wake up at the next caucus, because the people will give them an earful. I referred earlier to the cartoons dealing with the minibudget or the Throne Speech. I have another one with the Minister of Finance (Mr. Wilson), above the caption: Ladies and gentlemen . . . and showing knives stuck in all the various expenditures the Government has decided to slash.

Concerning commitments, I would have understood that that party could not implement all its promises; this is normal. They could have done so over four years. But the shame of it is, they did the exact opposite of what they had promised. I would like to quote from an article by Gilbert Lavoie published in *La Presse* in 1979. 'From an about-face to another, election promises are made to be broken, said John Crosbie'. He is a Tory, and I am happy to see Quebec Members say: 'Yes, I fooled the people at home and I am happy.'

The Mulroney Government is no exception to the rule. It reneged on universality for social programs, which was held as a sacred trust by the Prime Minister during the election campaign but they are now preparing to throw that overboard. Mr. Mulroney and his ministers have tried to rebut the charge of reneging on one of their election promises; only, they forgot to agree between themselves on how to explain that. The Prime Minister admitted during a news conference that he promised not to tamper with universality, but he denied having reneged on his word, saying he was merely launching a public debate. One hour earlier, the President of the Treasury Board had said the Government was not tampering with universality because universality has been abolished with the introduction of child tax credit for needy families and the guaranteed income supplement for certain pensioners.

On Friday—according to Mr. Lavoie—the Minister of Finance had another explanation. He suggested Mr. Mulroney had only promised to maintain the universality feature of social programs for the less privileged. When the reporters appeared to be taken aback, the Minister, being a true gentleman, abstained from insisting. Such were Gilbert Lavoie's comments in *La Presse*. Mr. Speaker, not only were they satisfied with delivering a minibudget, but after creating unemployment and taking money away from the people, they put all that together and said: We are going to bring down their earnings, we are going to put them out of work, then six months after we are going to hire them back. From what we have saved, we will use a billion dollars to create jobs.

But there is something which is not bad which they have decided to do concerning new directions for Canada. Again, I thought they had promised to create jobs, but the title of the document is *An Agenda for Economic Renewal*. If that party had truly wanted to create new jobs, the title would have been

"An Agenda for Economic Renewal and Full Employment". But this is merely window-dressing. There are two points which I should like to discuss concerning the so-called sacred trust principle governing social program universality which the Prime Minister and this government insisted upon. I, for one, deplore the approach of this document which aims at fostering a class war between Canadians earning $10,000, $20,000, $30,000 or $500,000. When the Prime Minister wonders if a person earning $500,000 should be collecting family allowance—

• (1650)

[*English*]

The Acting Speaker (Mr. Paproski): I am sorry to interrupt the Hon. Member but his time has expired.

[*Translation*]

I regret . . . Questions and comments? The Chair recognizes the Hon. Minister of State for Small Businesses (Mr. Bissonnette).

Mr. Bissonnette: Mr. Speaker, I should like first of all to congratulate the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) who has been elected by his constituents for a third term, although I deplore his negative remarks concerning the Government. I should like to ask him what he thinks of the $1 billion job creation scheme which is being offered under the Canada Works Program and which has been made available thanks to a better administration. What do the Hon. Member and his constituents think of this program?

Mr. Malépart: Mr. Speaker, if only the Government had made available $1 billion of new money, but it is $1 billion which has been taken away from the poorest among the poor to create jobs, and the Minister has not yet defined whether the unemployment insurance money was paid to . . . Is it the rich people who are collecting unemployment insurance benefits? How about the student loan cuts? A cut of $85 million from the summer jobs programs for students? Are these rich people? What about the 2 cent increase on gasoline and fuel oil? The Minister is not likely to get hurt in his pocketbook. But the single parent family in his own riding will certainly be hurt.

On the other hand, to reply to his question concerning the $1 billion for job creation, what kind of jobs is it going to be? The Minister has stated that he would make no announcement, but it will be probably some kind of tax incentive for employers willing to hire young people. You know that thousands of businesses are not unionized. What is going to happen? They will lay off people 55 years of age and save money hiring young people. That will be the end result of your policy.

Mr. Chartrand: Mr. Speaker, I do not have a question for the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart), but I have a comment to make.

As was pointed out by my colleague from Saint-Jean (Mr. Bissonnette), I am concerned to see that the Hon. Member has only negative things to say on behalf of constituents who are entitled to be well represented in the House of Commons.

As for me I simply want to comment on two points related to job-creation for young people. I am sick and tired of hearing that, in years past, the Opposition party boasted about creating a whole lot of jobs for young people. Recently, when I received the grants already allocated to my constituency of Verdun-Saint-Paul, I realized that these grants which were supposed to go to students for summer jobs were simply a continuation of Canada Works grants from past years. And who received them? I investigated and realized that most of them went to friends of the party. It so happens that I decided this year to advertise in the regional newspapers, and this had never been done before. I had never seen, in Western Montreal constituencies, advertisements saying that grants were available. I do not know if this was the case in Eastern Montreal, but in Western Montreal, this had not been done. As I do not want to take time away from other Members, I shall simply add that 11 times more applications were submitted this year and I have $300,000 more to give. Therefore I think that the money is coming from this Government. Our Government is doing this and I do not see any evidence of a cutback. Jobs will be created in the small constituency of Verdun-Saint-Paul, and there will be at least 150 of them because, for once, a Member of Parliament is working with groups of people and public servants instead of ordering officials to help his friends.

The Acting Speaker (Mr. Paproski): The Hon. Member for Montreal-Sainte-Marie.

Mr. Malépart: Mr. Speaker, the Hon. Member has just insulted you once again. Last year, you were already a Member of Parliament and you were responsible for distributing these—

An Hon. Member: In the Opposition.

Mr. Malépart: In the Opposition or in the Government, it is the same. It is about time you should learn that. I think that the Hon. Member is wrong. As for creating jobs for the students, they do not need permanent employment since they only have two-month holidays. When you were a student, you had two months of vacation, from May to September. That is when students need jobs. These jobs were important not only to help students make money, but because of the practical experience they could acquire in their work environment. Whatever the agency involved and even if this was an extension of another program, the purpose was to help the student, and the agency served the people. It is time for you to learn your job.

The Acting Speaker (Mr. Paproski): The Hon. Member for Etobicoke-Lakeshore (Mr. Boyer).

Mr. Boyer: Mr. Speaker, I listened carefully to the speech of the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart). It was not difficult to understand. It is clear that the Hon. Member proudly and strongly objects to unemployment, but I am not asking a question, I am making a comment, my friend. He speaks with the pride and enthusiasm of a neophyte who has just discovered a new problem. I wonder if he still holds the same opinion as when he sat on this side of the House. I wonder, Mr. Speaker, whether the Hon. Member is reflecting the views of his constituents with such a negative attitude about our new $1 billion program for job creation and whether he could set forth some concrete ideas and better suggestions in our national debate on unemployment.

Mr. Malépart: Mr. Speaker, I welcome the Hon. Member's three questions. With respect to his first, namely if I had the same attitude when I was on the other side, I would say yes because if during the worst recession, the Liberal government had enforced your policies, we would not have a million and a half but four million unemployed. Within the caucus, some members like myself and some of my colleagues have fought and instead of reducing the deficit, the government created jobs to prevent undue hardship. That was the first question.

The Hon. Member then asked what were my suggestions. You said that you listened carefully to my speech. Suggestions have been made. Union leaders say that we should discuss reduction of working hours as a means to create more jobs. Would it not be worthwhile to set up an early retirement policy, to lower to 60 the retirement age so that the young could gain access to the labour market? There are many solutions and instead of challenging the universality of programs, it may be more advisable to deal with taxation.

• (1700)

Yesterday, I mentioned the tax indexation table. Who benefits? The rich. One billion dollars . . . The income tax indexation table . . . A bachelor with an income of $7,500 saves $54. But a bachelor with an income of $100,000 saves $460. That is where they should get the money to reduce the deficit. Why I am so negative? Well, my constituents seem to think I do a good job, because in spite of the Conservative landslide, they put their trust in me, while as far as you people are concerned, anyone running for your Party would have been elected.

The Acting Speaker (Mr. Paproski): More questions or comments? The Hon. Member for Lotbinière.

Mr. Maurice Tremblay (Lotbinière): Mr. Speaker, upon rising in this Chamber, the symbol of our democracy, I am filled with emotion. On this occasion, while I am both very proud and very pleased to be making my first speech as the Member representing the riding of Lotbinière, I also feel some apprehension and at the same time a great deal of confidence in the future in undertaking my duties as a parliamentarian. Mr. Speaker, it is with great joy and enthusiasm that as a citizen of this great country, I am ready to help find solutions to the problems that will be facing us, nationally, provincially and within our respective ridings.

Mr. Speaker, first of all, I wish to congratulate you on your appointment. I am sure that you will conduct the proceedings in this House with discernment, justice and equity for all. I should be grateful if you would also convey my congratulations to the Member for Don Valley West (Mr. Bosley), the Speaker of the House. Perhaps the Hon. Member remembers his visit to the riding of Lotbinière. In any case, the people of Lotbinière remember a bilingual gentleman, who is both fair and forthright, and also his quick wit and brilliant intellect, his absolute honesty and his parliamentary experience. My congratulations also go to all Members of this House who were able to win the confidence of their constituents and who are sitting in this Chamber at the beginning of this thirty-third Parliament. I am sure that we, the class of 1984, will benefit from the experience and advice of these senior Members.

Mr. Speaker, in keeping with the tradition, I would like to thank my constituents in Lotbinière for their confidence in electing me as their representative in the House of Commons. I can assure them that I will devote all my efforts and energy to state their views and their claims in Parliament. I would also like to congratulate the Canadians throughout the country who have made a sound choice when they heavily supported the representatives of a government of national reconciliation, for it is in those terms that the newspapers and other medias describe the new era announced in the throne speech. National reconciliation is what people seek at this juncture and Canadians have said so clearly in the last election. National reconciliation calls for change or renewal in many fields. Current priorities, as set forth in the Speech from the Throne, are designed to meet our requirements: economic renewal, social justice renewal and constitutional renewal.

Using my riding of Lotbinière as an example, Mr. Speaker, I intend to depict briefly our current situation with respect to employment, economic conditions, agriculture, federal-provincial relations, youth or senior citizens associations. Everywhere, people are worried.

Lotbinière is a huge riding on the south shore of the St. Lawrence River. Our population is young despite the exodus towards more challenging labour markets. It is a partly urban, partly rural area. We have aggressive farmers, and some have the best dairy farms in Canada, but they also are worried. They have things to say to the federal Government. They remember that in the past they have been ignored at times, forgotten at other times, but they have been hurt by legislation and regulations passed without being consulted. They were quite often victimized by high-handed decisions coming from above, and certainly they are happy with this new Government's attitude. I am therefore committed to be a strong and efficient spokesman, and I feel sure that this new spirit of conciliation will be beneficial to all.

Certainly I will not forget our hog, poultry or grain producers who also at times are at odds with a finicky government. All these people getting their living from the farm are entitled to the decent income and the job security the Government can provide them through just and fair legislation.

Several other types of producers and breeders may also be found in my riding, Mr. Speaker, and in Saint-Apollinaire we have one of the very few rabbit abattoirs in Canada. This goes to show that people in my area are not afraid of going off the beaten track in order to break new ground and show their vitality in that area so vital for our economy. Whether it has to deal with a dairy producer in Warwick or a grain grower in Saint-Edouard-de-Lotbinière, our government will make it its duty to be equal to his expectations. The Speech from the Throne indicates very well the spirit in which we will work in the future with local operators.

Mr. Speaker, in my riding we also have a very large number of small and medium-sized businesses. Incidentally, one of our communities, Daveluyville, has the largest number of industries per thousand inhabitants in Canada. But those industries, once thriving, have been hit hard by recession. The preceding government's policies have also contributed to their downturn. The employment crisis in the Bois-Franc area, in the very heart of the riding of Lotbinière, is almost tragic.

The clothing, wool and textile industry which used to be the pride of Victoriaville, same sort of a regional metropolis of the Bois-Francs, is near bankrupcy. Just two years ago, that industry still employed over 4,500 people whereas today it barely survives with only about 1,000 jobs. The largest clothing manufacturers in the area were forced to close down.

As well, Victoriaville used to boast about being the capital of the furniture industry which has now almost disappeared from the area taking away the means of living of a specialized manpower.

Such disrupting facts about the economy of my region have been brought to light during various economic conferences held in the Mauricie-Bois-Francs area. We now have a chronic rate of unemployment which, for the past two years, has been twice as high as the average rate in Canada. All those who took part in the economic summits held in our area have been unable to find a sound solution to our problems.

Voters in our region seem to have found the answer, Mr. Speaker, in the trust they placed in the Members of the Government, which public opinion has already described as the Government of national renewal. The hopes of small businessmen are now raised because obviously the policies of the Progressive Conservative Government will favour the private sector, which is the motor of a healthy and dynamic economy. Our regional economy, which was based almost exclusively on soft sectors such as wood and clothing, certainly needs clear and specific policies. It also needs a general sense of vigour which will make it easier for consumers to purchase Canadian products of excellent quality.

As you know, Mr. Speaker, the Victoriaville area is the industrial core of my constituency. During the last few years, many industries have had to close down and to lay off hundreds of able and hard-working employees.

To solve this problem, the former Government chose to create temporary jobs leading nowhere. But, my fellow citizens are proud people, and like all Canadians, they want lasting jobs; they want to support themselves and their families with dignity without fear of going on unemployment insurance every three months. These are probably the reasons why so many community agencies were created; in other words, people have organized effectively.

The expectations of the Lotbinière voters will not be left unfulfilled by this Government or by their Member of Parliament.

● (1710)

[*English*]

Along with the sad regional economic situation, there is anxiety on the part of the farming class in Quebec. The milking industry and maple plantations constitute the basis of that farming industry. Regretfully I must remind the House that there is a problem in this area in that producers are complaining about cost increases.

[*Translation*]

I should mention as well, Mr. Speaker, the role of the State in the generous distribution of its wealth through so-called job creating grants.

In this regard, I wish first to refer to a view expressed in a report published in *La Presse* on November 6, 1982, about the role of the Welfare State. One can read in this report those very wise comments, and I quote:

> The State has grown out of proportions. It has overwhelmed in too many areas personal initiative and hence created an excessive dependency, thereby undermining all inventiveness, mutual help, family and community solidarity, etc. Group, class and regional interests have replaced sharing and mutual aid.
>
> Community organizations and intermediary bodies have a particularly meaningful role to play in restabilizing our society.

During these times of economic and social crisis, we must support any local initiative intended to help people in need and to strengthen the life lines of the community.

Mr. Speaker, these are basic principles that we will put into practice when allocating the available funds of the State, which must cease to be viewed as the welfare State. Those who control the distribution of these funds or programs must not be guided by political capital considerations. The general interest must prevail at the time of the allocation over the particular interests of any individual or political group.

I will now say, Mr. Speaker, a few words on the federal-provincial constitutional relations as they stand in my province and in my riding. It is no secret that there is constitutional disagreement between the different levels of government in our country. It is inconceivable to think that Quebec is still not

part to the constitutional agreement. It is also inconceivable to see that the federal and provincial MPs of our region have not been able to co-operate in order to implement joint programs in the best interest of their constituents who are all full-fledged citizens of the same nation, Canada.

• (1720)

[*English*]

I am very happy to note the atmosphere of national reconciliation between Ottawa and Quebec and better relations among all government Departments.

[*Translation*]

Mr. Speaker, I would also like to congratulate the Hon. Prime Minister who, faced with the concerns of young people, has appointed a Minister of State for Youth to deal specifically with their problems. This is an initiative that my constituents approve of.

I would also like to draw the attention of the Prime Minister to the wish expressed by the *Fédération des personnes âgées du Québec*, which has 175,000 members in Quebec and whose former President, Mr. François Urbain Roux, lived in my riding of Arthabaska. Their message, reprinted in the paper *Vie nouvelle de l'âge d'or*, in the October 1984 issue, said in particular and I quote:

> We ask you, Mr. Prime Minister, always to consult with the senior citizens of Canada before making any decision concerning them, because the builders of yesterday deserve the consideration and attentions of their sons, today's leaders, as the full citizens they continue to be.

I want to tell this House that senior citizens, their club with the largest membership of more than 2,200 in the province of Quebec being in my riding of Victoriaville, are concerned, and they would like to see a renewal in the social justice measures concerning them. I am assured that this government will be able to take their claims seriously. Mr. Speaker, I thank you for the opportunity to talk about the expectations of my constituents, and particularly about the hopes they put in this new government.

The Acting Speaker (Mr. Charest): Questions or comments. The Minister of State for Small Businesses Mr. Bissonnette.

Mr. Bissonnette: Mr. Speaker, I would like to congratulate the Hon. Member for Lotbinière (Mr. Tremblay) for his speech. You will have noticed, Mr. Speaker, that the value of the candidates recruited by the Progressive Conservative Party is most impressive. The Hon. Member for Lotbinière spoke of young people, older people, poultry producers and other very interesting issues. He also mentioned the industry and all the other concerns in his own riding. You certainly noticed, Mr. Speaker, that his remarks were thoughtful, straightforward and positive. That kind of attitude has not been prevalent up to now. A new government with new blood and such fine young men and women is indeed capable of achievements.

Mr. Malépart: It is somehow strange that the Hon. Minister gets $40,000 more just to congratulate his colleagues in the House of Commons.

Mr. Speaker, I would like to put my question to the Hon. Member whom I want to congratulate for his statement. The Hon. Member may have been here when I had asked a question to the President of the Treasury Board (Mr. de Cotret). He told me that he had consulted with you about the delay of the project in your riding and that you agreed with him. The same thing was said of the Hon. Member for Trois-Rivières (Mr. Vincent). Therefore, I would like to know if it is a fact that the Hon. Member asked for your agreement.

Mr. Tremblay (Lotbinière): Mr. Speaker, I thank the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) for showing an interest in the problems faced by people living in the riding of Lotbinière. However, considering many things he said in the last few days, I find good reasons to doubt his concern for my constituents is genuine. Moreover, I must add that I have acted without waiting to be consulted. I decided to take the first steps on my own. In fact, in the document tabled by the Minister of Finance (Mr. Wilson) for the President of the Treasury Board (Mr. de Cotret), you may find that, possibly because of my intervention, what is mentioned is not a cancellation but a delay until further studies are done.

I would like to deal with something else, Mr. Speaker. I am rather amazed by the bragging from the Member for Montreal-Sainte-Marie. He is talking about the plant laboratory in my riding as if it were in existence. In fact, that project was supposed to be implemented over several years and be completed only in 1987-88.

• (1730)

The Acting Speaker (Mr. Charest): Order. It being 5:30 p.m., it is my duty, pursuant to Standing Order 42(4) to interrupt the proceedings and put forthwith every question necessary to dispose of the amendment.

Mr. James, seconded by Ms. Jacques, moved:

> That the following Address be presented to Her Excellency the Governor General of Canada.
>
> To Her Excellency the Right Honourable Jeanne Sauvé, Member of the Queen's Privy Council for Canada, Chancellor and Principal Companion of the Order of Canada, Chancellor and Commander of the Order of Military Merit, upon whom has been conferred the Canadian Forces Decoration, Governor General and Commander-in-Chief of Canada.
>
> MAY IT PLEASE YOUR EXCELLENCY:
>
> We, Her Majesty's most loyal and dutiful subjects, the House of Commons of Canada, in Parliament assembled, beg leave to offer our humble thanks to Your Excellency for the gracious Speech which Your Excellency has addressed to both Houses of Parliament.

Mr. Turner (Vancouver Quadra), seconded by Mr. Gray (Windsor West) moved:

> That the following be added to the Address:
>
> "But this House condemns your advisors for their failure to demonstrate leadership and to provide plans for immediate action in the creation of tens upon tens of thousands of new jobs."

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Call in the Members.

Before the taking of the vote:

[*English*]

Mr. Speaker: Before we proceed to the vote on the amendment, with the consent of the House I am going to try to explain the procedure we are going to follow. We are now dealing with an amendment to the main motion. Therefore, I have some assumptions about who may be voting in favour of the amendment. Given that assumption, the vote will begin with the Right Hon. Leader of Her Majesty's Opposition (Mr. Turner). We will then proceed in the normal way with that Party, starting with the Hon. Member closest to me.

Making an assumption for the moment about a potential other Party's interest, we will begin again with the Leader of the New Democratic Party and we will then proceed from the front bench to the back bench. If that Party were to vote against the amendment, we would deal with it after we have dealt with the Government.

Now we get to the complicated part. We will begin with the Deputy Prime Minister (Mr. Nielsen). We will then proceed as is normal, starting with the Member closest to myself on the front bench, then continuing with Members on the second bench, the third bench, etc. We will then proceed—

Some Hon. Members: Hear, hear!

Mr. Speaker: You should try to figure out how the Clerk Assistant feels! We will then begin with the opposition Member closest to me on this side and we will call out the names of all the Members on the front bench voting that way. We will do the same with all the Members on the second bench voting that way, etc.

An Hon. Member: Would you say that again?

Mr. Speaker: I wonder if everyone would accept that I have said that twice?

The House divided on the amendment (Mr. Turner (Vancouver Quadra)) which was negatived on the following division:

(Division No. 1)

YEAS

Messrs.

Allmand
Althouse
Angus
Axworthy
Baker
Benjamin
Berger
Blaikie
Broadbent
Chrétien
Deans
de Corneille
de Jong
Dingwall
Epp
(Thunder Bay-Nipigon)
Finestone
(Mrs.)
Foster
Frith
Fulton
Gagliano
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Heap
Henderson
Hopkins
Hovdebo
Jewett (Ms.)
Keeper
Langdon
MacLellan
Malépart
Manly
McCurdy
McDonald (Ms.)
(Broadview-Greenwood)
Mitchell (Ms.)
Nunziata
Nystrom
Orlikow
Ouellet
Parry
Penner
Pépin (Mrs.)
Prud'homme
Riis
Robichaud
Rodriguez
Rompkey
Rossi
Skelly
Tobin
Turner
(Vancouver Quadra)
Waddell
Young—54.

NAYS

Messrs.

Andre
Attewell
Beatty
Belsher
Bernier
Binns
Bissonnette
Blais
Blais-Grenier
(Mrs.)
Blenkarn
Blouin (Mrs.)
Boyer
Bradley
Brightwell
Brisco
Browes (Mrs.)
Cadieux
Caldwell
Cardiff
Carney (Miss)
Champagne
(Champlain)
Charest
Chartrand
Clark
(Yellowhead)
Clark
(Brandon-Souris)
Clifford
Clinch
Coates
Cochrane
Collins (Mrs.)
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Côté
(Lac-Saint-Jean)
Crombie
Crosbie
(St. John's West)
Crosby
(Halifax West)
Crouse
Dantzer
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Domm
Dorin
Duguay
Duplessis
(Mrs.)
Edwards
Elzinga
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Friesen
Gagnon
Gass
Gérin
Gervais
Girard
Gormley
Gottselig
Graham
Gravel
Gray
(Bonaventure-Îles-de-la-Madeleine)
Grisé
Guilbault
(Drummond)
Gurbin
Gustafson
Halliday
Hamilton
Hardey
Harvey
Hicks
Hnatyshyn
Hockin
Holtmann
Horner
Howie
Hudon
James
Jelinek
Jepson
Joncas
Jourdenais
Kempling
Kindy
King
Ladouceur
Landry (Mrs.)
La Salle
Layton
Leblanc
Lewis
Lopez
MacDonald
(Miss)
(Kingston and the Islands)
MacDougall
(Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Marin
Martin (Mrs.)
Masse
Mayer
Mazankowski
McCain
McCrossan
McCuish
McDermid
McDougall
(Mrs.)
(St. Paul's)
McGrath
McInnes
McKenzie
McKinnon
McKnight
Merrithew
Minaker
Moore
Murta
Nicholson
(Niagara Falls)
Nickerson
Nielsen
Nowlan
O'Neil
Oostrom
Paproski
Pennock
Pietz
Plourde
Porter
Price
Redway
Reimer
Ricard
St. Germain
St-Julien
Schellenberg
(Nanaimo-Alberni)
Schellenberger
(Wetaskiwin)
Scott
(Victoria-Haliburton)
Scott
(Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow
(Mrs.)
Speyer
Stackhouse
Stevens
Tardif (Mrs.)
(Charlesbourg)
Taylor
Thacker
Towers
Tremblay
(Québec-Est)
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa-Carleton)

Messrs.

Vankoughnet	Wenman	Wilson
Vézina (Mrs.)	White	(Etobicoke Centre)
Vincent	Wilson	Winegard
Warner	(Swift Current-	Wise
Weiner	Maple Creek)	Witer—173.

Mr. Speaker: I declare the amendment lost. It being six o'clock, this House stands adjourned until tomorrow at eleven o'clock pursuant to Standing Order 2(1).

At 6 p.m. the House adjourned.

HOUSE OF COMMONS

Thursday, November 15, 1984

The House met at 11 a.m.

• (1105)

[*English*]

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed from Wednesday, November 14, consideration of the motion of Mr. Ken James for an Address to Her Excellency the Governor General in reply to her Speech at the opening of the session.

Mr. Patrick Boyer (Etobicoke-Lakeshore): Mr. Speaker, I welcome this opportunity to speak for the second time within four House working days. Perhaps it augurs well that someone who sits in the very back row, the most elevated row in the Chamber, has the opportunity to address this Chamber. I reflect on the words spoken here one time by a friend of mine, Sean O'Sullivan, who was a Member sitting in the far reaches of this Chamber. He once said that any seat in the House of Commons is a good seat. This is a very special place and, as I sat here in silence before the Chamber began its session this morning in this almost cathedral-like setting, a place that carries still the imprint of earlier Canadians, I thought of famous distinguished Prime Ministers like Macdonald, Borden and Diefenbaker; but I thought equally of men and women who came from different parts of Canada to represent their constituents. Perhaps many, if not most, are now long forgotten, but in their time they came and spoke and through their words and actions helped to build this country and create a reality from nothing but a dream.

Sir, to be here on my own wings is very special. I have for a long time been around legislatures. My father, Robert J. Boyer, was for 17 years a member of the Ontario legislature. I worked in these precincts for Heward Grafftey when he was a Member of Parliament, and later for the Hon. Robert Stanfield when he was Leader of the Opposition. I also had a stint at Queen's Park working for the Attorney General of Ontario, Arthur Wishart. It was a great learning experience but now, as I say, to be able to come into this famous Canadian House of Commons and have my own seat from which to address other Members is a great honour and something that I will treasure for as long as I am sent here by the electors of Etobicoke-Lakeshore.

Indeed, Sir, I recall coming here with my late mother, Patricia M. Boyer, many years ago and sitting in the gallery. I guess at about age 12 I formed the dream that some day I, too, might sit in this Chamber. I just thank God that I live in a democratic country where we, men and women, have the freedom to follow our dreams. Through the democratic process, with help and perseverance, we can help make things happen in our political system.

I am not the first person with the name Boyer to be in this Chamber, Mr. Speaker. There was Louis-Alphonse Boyer who was born in Montreal in 1839. He was a lumber dealer and operated a model farm at St. Lambert. In fact, he was mayor of St. Lambert before being elected to this House in 1872. He was a Liberal.

Some Hon. Members: Hear, hear!

Mr. Boyer: Then came Gustave Benjamin Boyer. He was born in St. Laurent in 1871. He was a journalist and a public lecturer on agriculture for the Quebec Government. He was founder and editor of *Écho de Vaudreuil* and he was elected to this House of Commons in 1904. He, too, was a Liberal.

Some Hon. Members: Hear, hear!

Mr. Boyer: There was another Boyer, Arthur Boyer, who never made it to this Chamber, although he was a Senator in the other place. He was born in Montreal in 1851. He was president of La Canada publishing company and he too, as the Hon. Members opposite will be happy to hear, was a Liberal.

• (1110)

But now, Mr. Speaker, things are afoot in this country. Times are changing and I am very happy to stand in the House bearing that same name, not as a Liberal but as a Progressive Conservative—the first Boyer. This reflects the profound change in the country. It is a sign of the times. There is some question whether my name is pronounced "Boy-er" or "Boy-yea". I was born at Bracebridge in central Ontario and the other day—

[*Translation*]

—a CBC reporter asked me whether my name was pronounced "Boy-er" or "Boy-yea", and I answered that it was a perfectly good bilingual name for a bilingual country. Either language works with a name like mine.

[*English*]

By whatever name I am called, Mr. Speaker, and I am sure Hon. Members opposite will find many names to call me during the time I am here, I am proud to be the Member of Parliament for Etobicoke-Lakeshore. It is an honour to represent the men and women of that riding and I shall treat their support for me as a trust.

On September 4 the government of this country was overthrown by lawful means. As I have written in one of my books, *Political Rights*, we Canadians too often take for granted the liberties and freedoms which we enjoy in this country and the

working of our democratic process. That we were able in this country to change the government by lawful and peaceful means is something we should not pass by too quickly without reflecting on what it tells about the degree of civilization and common understanding of orderly government that we have achieved in this country.

Turning to the Throne Speech itself, Mr. Speaker, it does set a clear course. It does contain strong themes. It shows that we are launched on a new era of national reconciliation, economic renewal and social justice. There are three principles that will govern all which the new Progressive Conservative does in the weeks, months and years ahead. It does not, as many Members of the Opposition have noted, contain a specific shopping list of item after item. Those who have wailed and complained and been concerned that some specific detail was omitted should not be alarmed. The Government needs, and Canadians want, a theme, a philosophy, a coherent approach, a blueprint for action, not just a hodge-podge of programs. The details will come in time. At the outset of this new Government, Mr. Speaker, it has been fundamental to say clearly that the course we are on is one of national reconciliation, economic renewal and social justice.

The financial statement of the Minister of Finance (Mr. Wilson) reflected many hard choices which had to be made. I campaigned on deficit reduction and therefore I applaud the approach taken in the financial statement of the Finance Minister. I also campaigned on jobs and I applaud the approach of the financial statement in that regard as well. With respect, Mr. Speaker, I have heard a lot of silliness in the debate. Does anyone in Canada, including anyone in either of the Opposition Parties, honestly and sincerely believe that our Government does not want to create more jobs? Of course the Government wants to create jobs. The goal of everyone in the House is the same, to create jobs. The issue and the debate is on how to create them. Our answer is through economic recovery. That is one of the principles which will underpin the measures that will come before the House in the months ahead.

Before leaving the economic statement I would like to reiterate that in taking the tough approach which he has been forced to because of the size of the deficit, at the same time the Minister of Finance has demonstrated a great deal of compassion. The deficit will not be reduced on the backs of the poor, the seniors, or the unemployed. In fact, those groups are benefiting under the Finance Minister's program. The spouses' allowance will be extended to all widows and widowers aged 60 to 65. That is one of the issues upon which I campaigned in Etobicoke-Lakeshore. Further, veterans' pensions will be improved. The sum of $1 billion will be set aside to create new jobs in 1985-86, not in make-work programs but in meaningful, long-term jobs.

● (1115)

I have been in the House virtually every day and have listened with care to what Opposition Members and indeed Members of my own Party have said. I have been amazed to hear the great concern expressed by the Liberals and New Democrats about what is the Government's number one priority. They want to know if it is deficit reduction, jobs or the status of women. It is talk such as that which leads me to believe that those Members believe that only one matter can receive priority attention from a government. In fact, we have 40 Ministers and incredible bench strength. We can deal with peace, employment, economic equality for women, tax reform, parliamentary reform, jobs and deficit reduction at the same time. This Government does not need to have a single focus and indeed it has not. We are planning to move on many fronts.

Universality of social programs is indeed a sacred trust. This has been the subject of some discussion in the debate so far. Our Party stands today as committed as it did when the Right Hon. John Diefenbaker set the course for our Party and said that the means test is "the meanest test of all". There will be no means test. The pensions that are available to seniors in this country stand intact and will remain intact.

The Throne Speech also carries into greater definition the number of themes on which I campaigned in the summer election of 1984. I would like to quote some. In material that was distributed in Etobicoke-Lakeshore, I said:

> Although Canada is the No. 1 country, there is much we can improve. There is unfairness and injustice here. There are special tax benefits for the wealthy and powerful. There are neglected people. There is still poverty. The language issue has been exploited for Liberal party partisan purposes. There are good Canadians working hard to improve themselves and their country but who are struggling to overcome problems and procedures which the bureaucratic mentality in Ottawa has imposed on them. There is a serious lack of national unity. There is too much emphasis on materialistic issues and we have overlooked the spiritual side of our existence, and those deeper values which unite us all in freedom as our brothers' keepers.
>
> We must restore a proper sense of patriotism to this land. We must support the family—
>
> Our religious institutions.
>
> —and human dignity.
>
> We must play a positive role for world development and pursue peace through strength.

The new Government stands astride the Canadian mainstream. Those who feel that the new Government of the Prime Minister (Mr. Mulroney) represents some kind of Reagan North or a Canadian version of the Thatcher approach in the United Kingdom mistake the knowledge and abiding traditions of the Progressive Conservative Party.

In the time ahead I will outline more about the theory and the philosophy of our Party. Today, I will refer only to a speech that I gave some 15 years ago at Sault Ste. Marie which was then reproduced on page 7 of *The Globe and Mail.* I stated at that time that our philosophy is based on the continual tension between its two fundamental traditions. On one side a basic foundation is the tradition of order and authority. It is this side which embraces peace, order and good government. The other foundation, equally important in supporting this philosophy, is the libertarian tradition. This is the side that embraces freedom and upholds freedom of the individual especially. Clearly, the philosophic superstructure built on traditions of stability and liberty is by definition

always at conflict with itself. There is always a creative tension between the two.

• (1120)

This is the true meaning of a Progressive Conservative philosophy. Those who are dumbfounded by the combination of progressivism with conservatism must be unaware of the inherent contradictions within human nature. They perhaps are the ones who have sought an overly simplistic solution through socialism or liberalism. But those who are aware that man implies contradictions look for a political philosophy that embraces this dichotomy. They will find it in Progressive Conservatism as long as we do not err too much in favour of either tradition. When we emphasize too much the tradition of authority and order, the philosophy becomes repressive. When we forget about the tradition of order and think only of the libertarian tradition, we become anarchists. A Progressive Conservative stands equally on both founding traditions: order with liberty, liberty with order. This provides our working framework within which issues can be debated and resolved.

The riding of Etobicoke-Lakeshore is in so many respects like every other part of this country. On September 15 when Constable David Dunmore was shot and killed in our riding, this did not change but merely reinforced the attitude which most of my constituents and I share about the need to have the restoration in this country of capital punishment in cases where that is required. We have in this country a range of crimes from theft of a 25-cent newspaper all the way up to murder and assassination. We also have sanctions to fit those crimes ranging from small fines up to the most serious sanctions that can be applied. I think that in light of the time we have now had in Canada without capital punishment, this Parliament should consider in a free vote the restoration of capital punishment so that in cases where, after due process of law and trial before a jury, a person has been found guilty of first degree murder, a judge has the option to impose that sanction.

Some Hon. Members: Hear, hear!

Mr. Boyer: There is a great deal more I would like to say, Sir, and the temptation for any Member in his or her first speech is like making a Dagwood sandwich—, you are hungry, you are just at the fridge and you want all of it at once. I am sure though that in the time ahead there will be other opportunities.

Let me say that I shall represent the men and women of Etobicoke-Lakeshore with all my mental and physical energy as a supporter of the Brian Mulroney Progressive Conservative Government. I shall strive in every way possible to bring about a new era of reconciliation, of economic renewal and of social justice. Always I shall fight for fair shares to all and special privileges for none.

I come to this Thirty-third Parliament as the Member for Etobicoke-Lakeshore with a heart that feels pride in Canada, with a spirit that is at once optimistic and tempered by realism, with ears to listen to all points of view expressed here, with a mind that I shall try to keep open to weigh the possibilities, the proposals, and the contending ideas brought before Parliament, and with a tongue to speak here not of personalities or of prejudice, but of policy and of principle.

Mr. Deputy Speaker: Questions and comments?

• (1125)

Mr. Orlikow: Mr. Speaker, the Hon. Member for Etobicoke-Lakeshore (Mr. Boyer) reiterated the claim of most members on the Government side that jobs were a very high priority of that Party and of that Government. However, we note in the statement of the Minister of Finance (Mr. Wilson) that he announced substantial cuts in funding for research, for forestry, for fisheries and for agriculture. These are three of the most basic industries which employ hundreds of thousands of Canadian citizens. In all these fields we are in very tough competition with other countries. In the private sector these industries have been noteworthy for their failure to involve themselves or to do very much in the way of research. These cuts will mean lay-offs of hundreds, if not thousands, of permanent employees doing very important work for the people of Canada. They are permanent jobs of people who work for the federal Government.

How does the Hon. Member square his claim that the Government is committed to more jobs with these cuts and their effects on research?

Mr. Boyer: Mr. Speaker, the Hon. Member's question is very important because it throws into sharp relief, for the benefit of the House and everyone listening to the debate, the fundamental difference between the approach of the New Democratic Party and the approach of the Progressive Conservative Party toward the issue of creating jobs in Canada. In fact, in a moment I will say something about the position of the Liberal Party.

Our view is that long-term and meaningful jobs have to come from the private sector. We cannot spend government money to create jobs in ways which are not authentic or indigenous and growing out of an organically strong economy. Our approach is to do all that we can to foster economic renewal in the private sector.

No one here for a moment is pretending that research and development is not important. We are asking a fundamental question: At this time in Canada's evolution, does the spending on that have to come from taxpayers, or can it not better come from those in the private sector who understand what is moving and motivating the complex operation of the world economy? They know where new research needs to be done and applied in the production of goods and services.

We have sent a very clear signal to the country. The debate so far on the part of the New Democratic Party is well grounded in the traditions of that Party. I listened with interest to the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) the other day when he talked about limits to growth and the whole approach that we have to put absolute clamps

on the free enterprise economy because of the destruction it allegedly creates for the environment.

My view—and I think it is the view of our Party—is clearly that we can do more, including on environmental issues, with a dynamic, active economy than when matters are stagnant. Certainly the people who are the workers of the country, given that trade-off between jobs and environment, know their priority. We want to get the economy strong. We want to get the country into a high level of productivity. From that vantage point, we will be able to do a great deal more.

• (1130)

It does come to the point where somebody has to start asking hard questions. This brings us to the spokesmen for the Liberal Party and the distinction which is clear between our Party and the New Democratic Party. That is now uncertain when it comes to the Liberals, whose principal spokesman, the Leader of the Opposition (Mr. Turner), and leading spokesmen of that Party, have time and time again said that deficit reduction is important. Yet we have heard from so many individual members of the Liberal caucus who have stood up with a book and pointed and said: "Well, this has been cut, this has been pared, cuts, cuts, cuts". They are going in one direction when it seems that all of Canada and the new Government, which at long last is in phase with the mainstream of Canadian thinking, is going in the opposite direction.

The Liberals, who have been opposing all of these cuts no matter where they come from, reflect an attitude that is absolutely out of phase with the whole spirit that is now burgeoning in this country as we try to formulate the right blueprint for economic renewal. The Canadian people, who spoke so eloquently on September 4, continue in their eloquence to respond to pollsters and have now recorded their popular support for the Liberal Party, which is going in the opposite direction from this Government and the rest of the country, at an all-time low.

Mr. Allmand: Mr. Speaker, is the Hon. Member serious when he says that he is concerned about the poor and underprivileged and that he will not do anything to hurt them? He supports the cuts that were announced the other night, one of which was for social housing in the amount of $9.6 million. Is he suggesting seriously that, if you cut that amount, it will be picked up by the private sector, that the private sector is going to finance housing at a loss? I am thinking of senior citizens, the handicapped people and the poor. Is the Hon. Member serious when he tells us that? How do we make up for that housing? The document put out by his own Government states:

> These savings will be achieved through unit reductions and program modifications.

Is the Hon. Member telling us that this country can tolerate unit reductions in social housing for senior citizens, the handicapped people and the poor? Is that what he is telling us?

Mr. Boyer: Mr. Speaker, the Hon. Member asks if I am serious. I have never been more serious about anything in my life. The volume with which the Hon. Member asked his question, in spite of the fact that we have amplification equipment in this Chamber, reminds me of the preacher who wrote beside part of his text "argument weak, shout loud". Another metaphor is the inability of the Hon. Member to see the forest for the trees. He is looking at specific items here and there.

Let me ask him whether he and his Party were serious when they were telling the Canadian people that deficit reduction was fundamental to get this country back on the right track. If they believed that when they said it, how can they in conscience come and lament, protest and grieve over individual, specific cuts? The proposals that the Minister of Finance has announced for seniors, veterans and in other programs that will be coming forth will show that this Government does not lack for compassion. Indeed, compassion and a care for ordinary men and women of this country is right at the heart of the traditions of this country.

Mr. Allmand: Mr. Speaker, the Hon. Member has not answered the question. I referred to a specific cut of $9.6 million for social housing. He has not answered that question. The reason I am upset is that I have some social housing projects in my riding. The people there are very concerned that these projects will be sold to the private sector and they will be thrown out on the street. That is why I am concerned. The Hon. Member is right, I am very upset. The Hon. Member said in his remarks that this is not Reagan North or Thatcher East. I would like him to tell us why it is not. It looks like we are going in that direction. People who are in social housing are very concerned that this will be thrown in the hands of the private sector. What those opposite are all saying is: Let the private sector do it.

Mr. Waddell: Mr. Speaker, I would like to propose a question to the Hon. Member on a different tack. Perhaps he can explain this to me. I do not understand the Government's logic in making cuts to the budget of the National Research Council, the solar industry, wind and so on, on the mistaken assumption that they are somehow soft or leftish or something like that. Most of this money is being channelled through the NRC to private companies. The Government is going to cut all those private companies at a time when we are starting to take off in a real high technology area of the future. It must be that the Minister never really looked at what he was doing with these cuts.

I would ask the Hon. Member to comment from a different point of view, that is, on the very high-tech, logical, private sector approach that the Government seems to want to take. Why is it making these kinds of cuts? Does the Hon. Member really see any logic in the cuts? I do not see it there.

Mr. Boyer: Yes, Mr. Speaker. I think the logic is called elimination of the middle man. If the Hon. Member is telling me and this House that the private sector is benefiting from these funds and is interested in having those projects go ahead, then let us assume that that requirement, need and demand exist in the private sector and that if they cannot be on public funding, they will find funding elsewhere. There comes a point

when parliamentarians owe it to Canadians to say that year after year, decade after decade, a lot of good programs have been put together, each one of which on its own made some sense and seemed to be fulfilling a certain important role—and we have reached that point because we were sent here by the Canadian people to come here and fix it up. The Government must stand back and look at all the individual programs, as a package and say: "This represents the Government of Canada today; it is off track, it is out of phase". Of course, there will be difficulty when individual programs are cut or eliminated and the interest of some to protest is understandable.

[*Translation*]

Mr. Gauthier: Mr. Speaker, the Standing Orders provide for a ten-minute period for questions and comments. It has now been 13 minutes, and I would therefore ask the Chair to apply the Standing Order as written.

Mr. Deputy Speaker: The Hon. Member is correct. The Chair tries to get as many questions as possible into this ten-minute period, and we had a question at the ninth minute, but in any event, the Hon. Member's remarks are well taken.

We shall now proceed with—

[*English*]

We will now resume debate.

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, it is a pleasure to enter this debate. It is particularly interesting to follow the Member who has just spoken. He is an old friend from years past. His political philosophy has clearly somehow been misled somewhere along the road.

I want to begin, as any new Member should, by expressing a sense of gratitude to the people of Essex-Windsor for giving me the chance to serve as their spokesperson in this House of Commons and to bring before it some of the issues of concern and importance to them. I do so with a sense of considerable excitement about being part of the new era which this Parliament represents.

• (1140)

I should say, Mr. Speaker, that all of us new Members of Parliament are a bit like people tossed into the middle of the lake and told to start to swim. We are not quite sure yet which shore to swim toward. However, give us a few months and, along with the Hon. member for Hamilton Mountain (Mr. Deans), we will be raising difficult points of order and giving the Speaker a difficult time.

Today I would like to talk about the realities that we face in the economy of 1984. I would like to talk about the industrial policy challenges which I believe the Throne Speech has ignored. I want to talk about some of the wrong directions in industrial policy which I see being taken by the early initiatives of this Government.

When we speak of the realities of 1984 in Essex-Windsor and elsewhere in Canada, we must first speak about what we all went through in the last election campaign. I believe that I and my colleagues are here because the ordinary people of Essex-Windsor and of other parts of Canada wanted to make a strong statement of concern about what has been happening in this country as well as make a statement of hope for the future.

I would like to describe to the House some of the people for whom I feel I particularly speak. I would like to describe the young man who lives in Essex, one of the small towns in my constituency. He is a graduate of university and had worked hard to put himself through school. He had looked for work for over nine months and met me at the door of his house with a profound sense of discouragement and demoralization.

I would like to describe the young woman who lives in the Forest Glade suburb of Windsor. She met me on the street as she set out in her sixth month of looking for work in that city. She was still going out with a sense of determination to try to find a job but also with an increasing sense of desperation.

I would like to describe to the House the small businessman who lives in Amherstburg. He is someone who had made a living selling Canadian crafts and had employed five people. He found that the interest rates of the previous government had killed his business and at the same time killed his dreams.

Finally, I would like to tell you, Mr. Speaker, that I speak for pensioners who live in places like the Remington Park section of Windsor. I spoke to some pensioners in their back yard about the way that price increases and real decreases in pension levels had led to their facing a situation in which they did not even have the money to be able to afford trips to Toronto to see their grandson. These ordinary, hardworking Canadians are the people for whom this country should be working. They are the people who built this country and they are the people who, in 1984, are being victimized by the way in which this country's economic directions are being set.

At the moment, Mr. Speaker, unemployment statistics for Windsor show us that there are 14,000 people officially out of work. That is up from the 13,000 who were officially out of work a year ago. There are over 21,000 people on the rolls of the Canadian Employment and Immigration Commission. The challenge for all of them and for all of us is to make our economy work again, to set right the economic mistakes of the past régime but also to respond to the emerging problems and challenges of the 21st century.

There are many aspects to the meeting of this task. As chairperson of the economic policy committee of the New Democratic Party caucus, I can say that we as a Party will be addressing a great many of those different aspects in the months ahead.

Today I wish to focus particularly on industrial policy and on the desperate need that we in Canada have today to build a solid industrial base—to provide jobs for the young, to give prosperity to small business and to give security to the old. Industrial policy does not mean government control or central planning or prejudice against the private sector. It means all of us working together in this small, open economy in a very difficult world environment, aiming to focus our scarce money

and bargaining power where we can use it in building an efficient, modern manufacturing sector that can meet our present needs and expand our exports and our jobs. In this kind of small economy, it means seeing that the Government plays an important role as the catalyst, just as is the case in Japan, Holland, Sweden and Italy.

What priorities do we see for this exercise of government leadership? First, we think there have been some interesting examples in this country in the last few years of business and labour working together to suggest new directions for particular sectors. One of the sectors in which this has been done most dramatically is the automobile sector.

I have with me today the report of the federal Task Force on Automotive Strategy for Canada. We feel that it is crucially important that the Government proceed on the recommendations of this task force, first because this is such a key sector in the Canadian economy, and second because it is a fascinating example of employers and workers getting together and working creatively to give us some sense of new direction. This is an excellent example of the kind of co-operation of which the Government has been speaking. It is also important to the jobs of the people not only of Essex-Windsor but of many different parts of the country. The automobile industry is no longer concentrated simply in Ontario but includes activities in British Columbia, Nova Scotia, Quebec and other provinces.

We feel that it is crucial to proceed on the recommendations of this task force report in the following way. First, we should set up the automotive council called for by the report. The previous government said a number of times that it intended to set up that council but it never in fact proceeded to do so. Second, we feel that the commitment of this report to Canadian content in the auto industry should be put into effect immediately. Third, we feel that the present import quotas on Japanese automobiles coming into this country should be maintained and strengthened as a bargaining tool to achieve that Canadian content goal. If all of this takes place, it is quite clear that we will be talking about creating 40,000 to 50,000 new jobs in this country.

Second, Mr. Speaker, we need a flexible financial framework to assist other industries as well as the automotive sector to modernize, to restructure and to expand into new product areas so that they can meet the difficult competition to be faced on the 1980s and the 1990s. As for ourselves as a Party, we believe that this requires a shift from the tax write-offs which have been the method of operation in the past. However, we also feel that the program for industrial and regional development which was adopted in the last Parliament was a useful initiative in the kind of direct interaction between government and the private sector that we need to reach our goals.

● (1150)

Third, we believe we need initiatives at the community level. Here I would like, Mr. Speaker, to endorse the initiatives which have been taken by the Minister of Employment and Immigration (Miss MacDonald), to establish constituency advisory boards for the Canada Works Program. Certainly in our constituency this will provide a useful way to receive community input on ideas and suggestions for the future.

Fourth, we believe there must be further efforts to expand certain key sectors in our economy, and we think here particularly of the machine manufacturing sector. The CDIC, which the Government now seems to be committed to winding up, was about to be used as a vehicle to do that in the case of mining machinery. We would seriously urge the Government to look again at the issue of selling Eldorado Nuclear Limited to see if it could not be used instead as a vehicle to help move us into the manufacturing of mining equipment here in Canada.

We are no longer talking, Mr. Speaker, about a clean slate on the Government side. It has started to take initiatives and those initiatives now must be judged. It seems to me that the initiatives that have been taken this past week in fact have taken this Government off in the wrong direction with respect to industrial policy. Nothing shows this more seriously than the cuts made in the industrial and regional development program for next year. Details have now been provided by the Minister of Regional and Industrial Expansion (Mr. Stevens) who has indicated that $525 million will be cut over the next three years for this program of partnership with the private sector.

The details of these cuts have now been given to us by the Minister and there are five key and dangerous program changes which have been made. First, no more modernization and expansion support will be provided to industries in half of this country, including the Cities of Toronto, Hamilton, Halifax, Winnipeg, Regina, Saskatoon, Verchères, Calgary, Edmonton and Vancouver. All of these cities could previously receive help; it is now no longer possible with these changes. In short, Mr. Speaker, where the industry is, support will not be given. I feel that says dangerous things about the possibilities of modernization and expansion of our industrial base in this country.

Second, there will be no more help for business climate studies. We in Windsor, for instance, used such help to improve the response time for small tool and die makers who are aiming to adjust to new technological innovations. Cuts will hit other similar parts of the country.

Third, all tourism projects have been cut. I should tell Hon. Members of the Conservative caucus that many of these tourism projects are in important parts of the country which they now represent, including New Brunswick, Nova Scotia, Newfoundland, Alberta, Saskatchewan and Ontario.

Fourth, all levels of support for anything have been cut throughout the country, by half for most projects, by one-third for projects which deal with innovations.

Fifth—and this is most crucial of all, in my view—every single restructuring project in the industrial sector has been cut out of possible support. That is where a firm wants to invest to adjust to changing competitive conditions or to produce new or more competitive products or services. That is

precisely the kind of thing we must do for the future, yet it is precisely that kind of project which can no longer be funded by IRDP. For example, over $60 million was given by the federal Government this past year to the new American Motors Corporation plant in the constituency of the Premier of Ontario. Such support will no longer be possible as a result of these changes.

In fact, the cuts for 1985-86 are fully one-third of planned expenditure. In the first nine months of the operation of this program, we find that 381 projects were established. These new rules brought in by the Minister would have cut out 69 of those projects, which amounts to over 41 per cent of total funds. At an average cost per job of some $9,500 per year, these $525 million in cuts, therefore, will cost this country 55,000 jobs over the next three years.

To conclude, Mr. Speaker, there must be a political alternative to this kind of butchery. The New Democratic Party represents that political alternative, an alternative which aims not to damage the private sector but to provide partnership and leadership to the private sector in the future.

Mr. Nickerson: I suggest, Mr. Speaker, that the New Democratic Party get its act together. The Leader of the Party is going around condemning the Hon. Member who has just spoken is a plea that the same so-called corporate welfare bums be given more and more money. I just wish, Sir, that those Hon. Members would get their act together and talk with one voice instead of several.

Mr. Langdon: Mr. Speaker I suspect it is typical for Hon. Members to pay somewhat less attention than they should to the speeches of new Members. However, I must say that what I was talking about is precisely the kind of approach which we, as a Party, have been advocating. It is an approach which says that any support provided to private sector industries must come with a commitment to certain numbers of jobs.

As the Hon. Member I am sure knows, that is precisely what happens in all Industrial and Regional Development Programs grants. Each company which receives such support must make a detailed commitment to the government of the kinds of jobs to be provided, where they will be and the training which is associated with them.

We have looked at this program and it has received our support and, indeed, it received the support of the Conservative Party as well when the Bill went through the House of Commons in the last Parliament. It would take us into partnership with the private sector, a partnership where we knew we would get results rather than the kind of partnership in some sort of dark paper bag, which happens when you hand out tax write-offs without any guarantee of a return.

• (1200)

In the first nine months of this program, as I stressed, some 35,000 jobs were established by the funding provided. I stress again that 41 per cent of that money could not have been given under the rules the Minister has now brought forward. Through you, Mr. Speaker, I stress to all members of the Conservative caucus that my constituency is not affected. Essex-Windsor remains one of those constituencies which will continue to receive grants under this program. But one half of this country, most of it represented by the Conservative Party which previously could see industry getting support for modernization, expansion and restructuring to meet the challenges of the future, will no longer be able to do so. I urge members of the Conservative caucus to make sure that at their next meeting they raise with their leadership the crucial and damaging cuts which are going to hit their people.

I might say the press release which detailed all these changes was given out on a Friday afternoon. When I worked in the Press Gallery we were particularly suspicious of press releases on Friday afternoons, especially before a long weekend. This was because they were Friday afternoon bad news press releases which would be ignored. I urge members of the Conservative caucus to look up the press release, look at the detailed changes in it, and see exactly how damaging to them and their communities these changes actually are. Perhaps then they will join me in some of the criticisms I am making instead of criticizing me.

Mr. St. Germain: Mr. Speaker, I would like to congratulate the Hon. Member on his maiden speech and welcome him to the House. Obviously he has been here before, I guess sitting in that hallowed position up there in the Press Gallery. I was glad to see that he does agree with us in most areas.

Ms. Mitchell: You were not listening either.

Mr. Gauthier: He does not listen too well, does he?

Mr. St. Germain: I was listening. That is the trouble with you Liberals; you never listen to us and that is why we have the problems we have in this country.

The Hon. Member points out that we have to make changes, and we agree. We made the changes that were required. I do not know the Hon. Member's background from a business point of view, but I think he will have to agree that the problem in this country is that there have been too many grants handed out by that crew over there that sits to his right. They have given the entire country away through grants, but we have brought back a sense of fiscal responsibility.

The reason there are no jobs is that we are suffering from high interest rates brought on by the Liberal Government's deficits. I would like the Hon. Member to address the problem in business, which is high interest rates. It is not a question of shortage of grants, it is a situation where interest rates are so high business cannot expand and create jobs. There is no point getting a 30 per cent grant if you are going to go broke anyway. I would like the Hon. Member to comment on why he does not concentrate on the real problem, that being high interest rates.

Mr. Waddell: We have raised that for a whole year.

Mr. Langdon: Mr. Speaker, I am particularly delighted to have the Hon. Member's support for the NDP's strong fight

against high interest rates. I hope that at the same time as members of the Conservative caucus raise the details of these damaging IRDP cuts, they will also urge their Government to do something about high interest rates. Certainly at the moment real interest rates remain, as the Hon. Member for Kamloops-Shuswap (Mr. Riis) has stressed, at the highest levels we have ever seen in this country.

I also want to indicate strong agreement with the Hon. Member in his criticism of the previous regime. That regime in fact was responsible for the economic mess in which we find ourselves today. But we have to ask what is the direction to follow in dealing with that mess. I would express a very sincere and non-partisan sense of strong disappointment that this Government seems to have moved in the wrong direction. That direction does not build on potential partnership to restructure and modernize our economy in a way represented by the IRDP. Please, let us see a strong effort throughout this House to rebuild our economy rather than tear it down, as these changes by the Minister threaten for the future.

Mr. Deputy Speaker: The time for questions and comments is now over. We shall proceed with debate.

Mr. Bob Hicks (Scarborough East): Mr. Speaker, I have waited 51 years for this very moment to rise in the House of Commons of Canada and address such an august body in my maiden speech. With your permission, I would like first of all to extend my sincere congratulations to you on your appointment, as well as to the Hon. Member for Don Valley West (Mr. Bosley) on his election to the distinguished yet difficult position as Speaker of this assembly. I feel confident, as do my hon. colleagues, that he will do justice and honour to himself and this House.

I would also like formally to express my heartiest congratulations to the mover and seconder of the Address in Reply to the Speech from the Throne. The Hon. Member for Sarnia-Lambton (Mr. James) spoke most admirably and struck what I believe is the proper tone for this debate. The Hon. Member for Montreal-Mercier (Ms. Jacques), in her eloquence, did further justice to this debate in her remarks as seconder of that motion.

In addition to being very proud of having the opportunity to serve in this House, I am equally proud of being the Member of Parliament for Scarborough East. The riding came into existence in 1968 and is the most easterly riding in Metropolitan Toronto. I personally moved to that area nearly 40 years ago, and although my hon. colleague, the Minister of Agriculture (Mr. Wise), may slightly disagree, I must say that I have had the pleasurable experience of observing its development from farm land and narrow roads where my father and I regularly towed the milkman and the baker from the mud to what today is a modern suburban area. Scarborough is geographically compact compared to so many vast areas in Canada, but it has swelled to 100,000 people and is still growing very rapidly.

The City of Scarborough itself is the seventh largest city of Canada, as well as at present the fastest growing city in Canada. In 1982 the city issued $244 million worth of building permits. In 1983 it issued $491 million worth of building permits, more than double that of the previous year. I can only surmise that for the remainder of 1984, and certainly for 1985, with a Conservative Government in Canada our expansion will increase even more dramatically.

• (1210)

The riding of Scarborough East is proud of some very unique and outstanding landmarks. The Scarborough bluffs rise over 200 feet from Lake Ontario and are not only world famous but have been studied by geologists for decades. My hon. colleagues from both coasts of Canada may also be surprised to know that some of the best salmon fishing in the world takes place off the shore of Scarborough East riding in Lake Ontario.

The Guild Inn is also world famous and has been honoured by the presence of countless heads of state and governments from many countries. Its grounds consist of over 90 acres on Lake Ontario. Its rooms and halls are alive with priceless sculptures, paintings and historical documents and antiques. Last year the Guild Inn celebrated its fiftieth anniversary.

A building in Scarborough East, Mr. Speaker, which strikes even closer to my own heart is Centenary Hospital. I have had the privilege of serving on its board of governors for the past five and one-half years and have thus been in a position to observe first hand the tremendous struggle which this hospital, and certainly many others like it, is having merely to survive each year let alone expand.

Centenary is a 520-bed hospital which serves a large geographical area. Unfortunately, the tremendous population increases in Scarborough, to which I alluded earlier, have made its facilities grossly inadequate and an expansion program is now under way. This is a $30 million expansion program at a hospital which is running into debt in each year of operation.

Its problem in raising money from the public is simple. Centenary Hospital is not famous, although that will be somewhat alleviated after my speech today. Centenary Hospital does not perform heart transplants or other rare and sensational procedures frequently noted by our ever vigilant news media. It merely heals the sick day in and day out without much of the publicity it deserves. As an example of its service to the community, Centenary Hospital had more than 18,000 admissions in its 1983-84 fiscal year and treated 64,600 cases in its emergency department. I stress these figures since I know that all of my hon. colleagues in the House who do not have a hospital in their riding will wish to return to their constituents and urge them to support Centenary Hospital's expansion fund.

I have attempted to provide a broad overview of Scarborough East, Mr. Speaker, because only in that way is it possible for all of us to perceive the relationship of these 100,000 individuals to the Throne Speech and subsequent financial statement being debated in the House.

Scarborough East enjoys the mosaic extending from thousands of young first home owners to thousands of senior citizens, all with one common thread of interest. They all have dreams of attaining different levels of success and comfort. Only last week these dreams became so much closer to reality for all of them after hearing the Speech from the Throne and the Hon. Minister's financial statement. They all have more confidence in both their country and their futures than they had just a few months ago.

The Speech from the Throne, Mr. Speaker, and most especially the subsequent financial statement, was an indicator to this nation. It was an indicator which will restore the confidence necessary to create the jobs we need and reduce the massive deficit which I am sure is the top priority in the mind of every Hon. Member in the House.

The $1 billion allocated for immediate job creation is certainly a welcome message to Canadians. However, of further importance is the attitude which has been established by the economic statement. That attitude is instilling confidence in the minds of businessmen across this country. It is the attitude of confidence, Mr. Speaker, which will, in reality, create even more jobs coast to coast. Companies which have been wallowing in uncertainty over the past few years will now invest in higher technological equipment. They will invest in the expansion of their plants where necessary, and the result will be jobs for thousands of Canadians.

I sincerely envy my hon. colleagues who are fluently bilingual in Canada's two official languages. I hope to become functionally bilingual during my next 16 years in the House.

It has troubled me greatly over the past few years that Quebec did not join with the other provinces of this great country in signing the constitutional accord of 1981. Therefore, Mr. Speaker, the inclusion of Quebec in the Constitution of Canada can and must be an attainable goal of our Government over the next four years. If the encouraging views and comments from the Premiers following Tuesday's First Ministers' conference with the Prime Minister (Mr. Mulroney) is any indication of a new era in federal-provincial co-operation, I believe the Prime Minister will set in motion the necessary negotiations to achieve this undertaking. Mr. Speaker, I want my colleagues on both sides of the House to know that I will support the Government and do whatever I can to ensure that this necessary and vital aim is achieved during the lifetime of this Thirty-third Parliament.

My personal background has been in education for the past 31 years. For that reason, I am deeply interested in the youth of our country and their future. I am particularly pleased that the United Nations has declared 1985 to be International Youth Year whereby member countries from around the world are to place special emphasis on the role of youth in their respective countries. I am pleased further, Mr. Speaker, to announce that in an open letter to the young citizens of Scarborough dated July, 1984, the mayor stated the following:

> On May 28, 1984, the council for the City of Scarborough, by special resolution, established the Scarborough International Youth Year Task Force to develop and co-ordinate this city's celebration and participation in the United Nations International Youth Year, participation, development, peace, 1985, for all youth ages 15 to 24.

In summary, Mr. Speaker, may I say I join with all of the constituents in Scarborough East in the sharing of a vision of Canada not unlike that held by Sir John A. Macdonald. Sir John A. Macdonald had a vision and knew that this country could be great. We have come a long way. We have achieved greatness in many ways, but we have a long way still to go. Mr. Speaker, I pledge my support to help in every way possible, and to work with each and every Member in the House, for what is best for Canada.

Mr. Deputy Speaker: Are there any questions or comments? Then we will proceed with debate.

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, although we are technically debating the Speech from the Throne, it is fairly evident that the real document that we are discussing is the financial statement tabled by the Minister of Finance (Mr. Wilson) last Thursday evening. While the Speech from the Throne was a very bland and superficial document, the financial statement tabled by the Minister of Finance finally showed to the House and to the country the real intentions of the Conservative Government. This morning I will discuss both documents because it is essential that we discuss both documents together.

As I said, the Speech from the Throne is a bland and superficial document. It is filled with slogans and motherhood statements which very few people can disagree with. Who can be opposed to reconciliation, consultation or greater productivity? Who can be opposed to many of these goals and principles which were spoken of in the Speech from the Throne? I examined the Speech from the Throne very closely and found that there was really only one specific proposal for legislation in that document. That was with respect to the spouses' allowance. That is a good proposal and we will support it. Of course we will want to see the details, but in general that is a good proposal.

I recall during the election campaign when the Leader of the Conservative Party was talking about his program and what he would do if elected. He kept referring to certain matters as if he was not at all familiar with what had happened in the House. For example, he said several times that they would set up task forces whereby Members of Parliament would be able to participate in the process of government. Mr. Speaker, in the last Parliament we had at least nine or ten task forces on very many subjects. I was the chairman of the Task Force on Employment Opportunities for the Eighties. There was a task force on alternative energy. There was a task force on the problems of the handicapped. There was a special committee on pension reform. These special committees were similar to the task forces. These were special committees on Indian self-government and acid rain. This bright new idea of task forces which the Prime Minister (Mr. Mulroney) has introduced is one which was very much with us in the last Parliament.

● (1220)

The first item mentioned in the Speech from the Throne that we are led to believe is a bright new idea is the establishment of a parliamentary task force on the reform of the House of Commons. I participated with members of the Conservative Party who did a very good job in a special committee that examined parliamentary reform for more than one year. We examined every aspect of parliamentary reform and tabled 10 reports, only one of which has been acted upon on a temporary basis. Many of us hope that those temporary measures will become permanent. But that was just one of those reports. That committee has already dealt with such matters as how to make Members of Parliament play a more independent role in the House and how to make committees more effective. Since there are so many conservative members, it appears that starting over with a new task force is only a means to occupy the time of Government members in makework projects.

I was a member of that special committee on parliamentary reform last year and I will therefore be pressing very strongly that the new committee begin by implementing those reports to which the Conservative members gave their unanimous support. Three of those Conservative members on that committee, the Minister of National Health and Welfare (Mr. Epp), the Minister of State for the Canadian Wheat Board (Mr. Mayer) and the Government House Leader (Mr. Hnatyshyn), were on that committee. I suggest that the Government House Leader and our House Leader (Mr. Gray) should develop a way to implement those unanimous reports so that the whole process need not begin again.

Let us examine other proposals announced in the Speech from the Throne. The Government announced that it was in favour of official languages and official language minorities. While that is laudable, it was a former Liberal government that set up the royal commission on official languages and, against great opposition from some members of the Conservative Party at that time, passed the Official Languages Act. It has been trying to fine-tune it for some years now. We are pleased that the Conservative Party with its new Leader now stands behind official languages. When it appears in the Speech from the Throne, it is almost like motherhood.

The new Government also stated in the Speech from the Throne that it wants a constitutional agreement with Quebec. We all want that. The original constitutional proposals put forward to the House by former Prime Minister Trudeau included such things as a veto for Quebec, which it always had and wanted. But that proposal was torpedoed not only by the Péquiste government in Quebec but by many of the provincial Conservative governments in this country. As a result, I believe that we have a weaker constitutional document, unfortunately, without Quebec. If we determine who was responsible for that, it certainly was not the previous Liberal government under Prime Minister Trudeau.

The Government then says that it will honour the commitment to Canada's aboriginal peoples as contained in the Constitution Act of 1982. The only commitment contained in the Constitution Act, 1982 is to hold two more conferences.

Why does the Speech from the Throne not mention a commitment to Indian self-government? Such a commitment was recommended in the unanimous report of the special committee to the House to which Conservative members gave unanimous support. As a matter of fact, a present member of the House was co-chairman of that special committee on Indian self-government which gave that unanimous report. The new Minister of Indian Affairs and Northern Development (Mr. Crombie) has said that he favours Indian self-government and that this will be his goal. However, it was not mentioned at all in the Speech from the Throne.

The Government also stated that it believes in the legitimacy of the trade union movement. While we are pleased to hear that the Conservatives finally declared their belief in the legitimacy of the trade union movement and consultation with trade unions, it is simply another motherhood statement. The Throne Speech contains other such statements. It was a very bland and superficial document that did not tell us very much. It did not contain very much with which anybody could disagree.

However, it was the Thursday following the Throne Speech when we finally saw the true intentions of the Conservative Party. We finally saw the Tory colours being flown high and bright. The financial statement included a promise to cut expenditures by over $4 billion through the elimination of some programs altogether and a substantial cut-back of others.

It is traditional that the Throne Speech outline the proposals of the Government for the upcoming session. The Throne Speech, except for one item, was rather vague and superficial in that respect. The real intentions of the Government were shown in the financial statement.

There were many proposals that were not mentioned in the Speech from the Throne. It is well known that we compiled a list of all the promises that were made by the Conservative Party during the election. It amounted to 338 promises for a total of $4 billion. These promises were not all made on a national basis. Some where made in individual constituencies, like those made by the Conservative candidate in my constituency. Some promises were made to certain regions of the country in order to gain votes and cajole the people of those ridings. We saw very few steps to fulfil those promises in the Throne Speech. The issue of spouses' allowance is certainly one example. I approved of that policy. However, what happened to those 338 promises which amounted to $4 billion? When will the Government fulfil those promises?

The Government has said that when it came to power it discovered that it would not be able to implement those promises because the cupboard was bare. The Government stated last week that it has discovered that the deficit will be approximately $34 billion. During the election campaign the Prime Minister and his many candidates were saying that the situation was much worse and that the deficit would be $36 billion. They campaigned for election on the basis that the country's finances were in an awful mess, that the deficit was worse than they admitted it to be the other night. Yet they made those 338 promises that were worth $4 billion. That

figure of $4 billion was given by the Prime Minister toward the end of the election campaign. I suggest it is another sign of deceit for the Government to come before the House and the Canadian people and say that it discovered that the cupboard was bare. They knew the facts when they made their promises.

During the election campaign the Conservatives made promises in three categories. They made promises for change. I attended some five all-candidates' debates with my Conservative opponent and tried to pin him down on what he meant by change. Did he mean a return to the type of Toryism that we saw for a whole summer when the Conservative Party fought against the new Canadian flag, or when they fought against the Canadian Constitution and the entrenchment of the Charter of Rights? Does he mean a return to the time when they fought against medicare and the initial implementation of other programs? By change, did he mean a change to the past, to that kind of Conservatism?

We did not know what was meant until the financial statement last Thursday. We now know that it is a change to the Arthur Meighen Toryism of the 1920s, to the dismantlement bit by bit of the institutions that have been built up in this country. Although the Government announced $4.2 billion in cuts, it says that more are coming in the spring. We have finally discovered what sort of changes the Conservatives had in mind.

The Conservatives also promised that thousands of jobs would appear immediately after the election. We are now told that they do not have a specific plan at the moment for creating those jobs and that it must be developed in consultation with the provinces, trade unions and business. While that is understandable, why did they not say that before the election? At that time they gave the impression that they already had a plan for job creation. It is now apparent that they had no plan or blueprint for job creation, just a pious hope. Many people would like to see more jobs. I hope the Government is successful in devising a plan through consultation, and members of the Opposition will help in devising that plan.

• (1230)

I hope that in these task forces, special committees and commissions we will have as much input, since we are elected Members of Parliament, as all other Members. They should be listened to but so should we.

The Conservatives made 338 promises which entail specific spending. In other words, as my colleague, the Hon. Member for Saint Maurice (Mr. Chrétien), often says, they were, unlike him, speaking out of both sides of their mouths at once. The Tories were going to cut the deficit and spend, by admission of the Prime Minister, approximately $4 billion on those promises.

With respect to the financial statement of the other evening, a previous debater from the Conservative Party said that the Government would not cut the deficit on the backs of the poor, just as we had said. We said we were interested in curtailing the deficit and doing something about it—

Some Hon. Members: Oh, oh!

Mr. Allmand: It is on the record. As a matter of fact, we were accused just a minute ago of being in favour of that. We are in favour of that, Mr. Speaker, but not in the way the Tories have set out. I have forgotten which Hon. Member opposite repeated a minute ago that he did not want to cut the deficit on the backs of the poor or the unfortunate. When I asked him about the $9.6 million cut in social housing—and for anyone who does not know about social housing, it is housing for senior citizens, for our lower income families, for one-parent families, for mothers who have been abandoned and so on—what did we hear? How does the Hon. Member explain it? Certainly those are the unfortunate in our society. The Hon. Member said he would not support cuts that hurt them, but that procedure will hurt them.

Let us look at some of these cuts. I would like to have an explanation at some stage as to how these cuts will not hurt someone. Even the CBC has a $75 million cut. One might say that we do not really need the CBC that much. But I do not know how one can cut $75 million from the CBC budget without cutting jobs. I wonder if the Tories really believe that people who will be cut by the CBC will be picked up by the CTV network. That is a pious wish that they will be picked up by the CTV.

Some Hon. Members: Oh, oh!

Mr. Allmand: I have a feeling, Mr. Speaker, that what will happen is what happened when the Avro Arrow was cut. A lot of the technicians and a lot of the people from the CBC will go south of the border and will end up working for the ABC, NBC and CBS networks. That will be most unfortunate. The cultural agencies are also involved. We have the National Film Board, the National Arts Centre and the Canada Council. There are jobs in all those entities. People work in arts and culture.

I got a kick out of the Prime Minister during the leadership campaign. He continually referred to those who work in the "real world". His impression was that if you work in the private sector you were in the real world, but those in the public sector like, I suppose, teachers, nurses, and policemen were not in the "real world". They were in some make believe world. Their work was not as valuable as those who worked, let us say, at manufacturing cigarettes or hula hoops. Because they worked in the private sector, their work was real; but for those who work in the public sector as teachers, nurses, correctional officers and so on, their work was unreal. Then he stopped saying this. I guess somebody in his office told him to stop using that expression. However, his basic philosophy that was committed to that kind of thinking carried on because we saw it expressed in the financial document of the other night.

Let me continue with the cuts. I have mentioned social housing, which is $9.6 million. The program for residential rehabilitation assistance is cut $29.4 million. In the document we find the statement: "The planned level of activity will be reduced by 25 per cent". I do not know how many Members

are familiar with this program, but it was to upgrade dilapidated housing in communities, housing that was falling down. Instead of what happened in the past where we saw steam shovels and steam rollers destroying buildings to make room for parking lots, this program was to trying to rehabilitate and restore older housing. This program, however, will be cut by 25 per cent; $29.4 million. I do not know whether the private sector will pick that up for a profit motive, whether it will go into rehabilitation of older housing for those people living there now and not for a lot of trendy people who move into these areas.

I am reminded that my time is rapidly coming to a close.

Some Hon. Members: Hear, hear!

Mr. Allmand: There is so much to be said on the subject, but I suppose I had better get to the final point I want to make.

Some Hon. Members: Oh, oh!

Mr. Allmand: I have tried to make many points with Government Members. We know we will not win many votes in this House, and I say this very seriously, but we do hope to win some of the debates and turn public opinion against what the Government is trying to do. We are hoping people will start to listen and really examine these cuts, and that Tory members will start hearing from their constituents about some of these things—about rehabilitation of old housing, about the cuts in the cultural agencies, about cuts in research and development and about cuts in social housing. Perhaps then the Government will then change its mind.

I will have to make another speech on another amendment to this Speech from the Throne, but now I want to move an amendment to the Speech from the Throne as follows: I move, seconded by the Hon. Member for Outremont (Mrs. Pépin); the following amendment:

That this House regrets that your advisors not only failed to make open government a high priority but also, in their actions, have sought to reverse the direction of previous administrations by severely restricting the availability of information on decision-making in government and by attempting to inhibit access to both the elected and non-elected participants in that process.

Let me refer briefly to some of the things that have happened in the restriction of information. Of course, we have had questions by the New Democratic Party and by our Leader about releasing the figures on jobs that would be lost as a result of the financial program brought in last Thursday. The Conservatives refused to give us that information.

We have other examples. We have the new chiefs of staff, the commissars, who are restricting the flow of information from their departments to Members of Parliament and to the press. We have orders from the Secretary of State for External Affairs (Mr. Clark) that people in his department should not discuss matters of that department with the press. We have an individual in the Privy Council Office who had been giving some information and was told to shut up and not to talk to reporters any more. Then we have the Government Lobby declared out of bounds to reporters. For years and years, even under the previous Conservative government of Mr. Clark, reporters were allowed in. Now for the first time no reporters are allowed in the Government Lobby. We have this excessive restriction on the flow of information. On the one hand the Government talks about consultation and consensus-making, yet the Government refuses to provide the Canadian people and members of this House with the information that is needed.

Mr. Deputy Speaker: Are there any questions or comments?

Mr. Orlikow: Mr. Speaker, the Hon. Member has made a very eloquent appeal for more support for social housing. Where was the Hon. Member in all the years when we had Liberal governments—

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Orlikow: —when such a small percentage of the funding provided by the federal Government for housing through Canada Mortgage and Housing was allocated for social housing, for senior citizens' housing, for public housing and for co-operative housing?

• (1240)

Would the Hon. Member comment upon the fact that in the most recent documents prepared by Canada Mortgage and Housing Corporation for the Liberal government there were proposals for cutting—I am relying upon my memory but I know that I am not far wrong—the allocation of funds for social and co-operative housing by 50 per cent? Where was the Hon. Member when those things were going on in the Liberal government?

Mr. Allmand: Mr. Speaker, I am surprised that the Hon. Member asked that question as he and I have known each other for a long time. He knows that I rose in my place many times and urged the then government to put more money into social housing. In fact, there were occasions when I voted against that government and voted with his Party.

Ms. Mitchell: Come over here.

Mr. Allmand: If the Hon. Member would like me to send him my speeches, I would be glad to do so. I was not satisfied with the amounts of money they were putting into social housing, but at least they were moving ahead. They were not moving backwards. It was not enough in my opinion but at least they were moving ahead. This time we are going backwards.

There may have been situations where, because of the rate of inflation and so on, increases in budget did not do as much as we wanted. However, never did my government bring in cutbacks of $9.6 million or cutbacks in rehabilitation as the present Government has done. The Hon. Member asked where I was. He knows darn well where I was. I used to sit across the way and made many speeches in this area.

He also referred to proposals by bureaucrats to cut programs. He is correct. When we were in government bureaucrats made proposals to cut. They tried to cut a social housing program in my constituency at least five times over the last 10 years. However, when it reached the political level, we said no. I was able to maintain that program in my riding against what the bureaucrats were proposing by approaching the Minister face to face on several occasions and indicating that we should not do that. I hope some of the back-benchers on the Conservative side will take the same approach. I hope they will approach their Ministers and say: "That will hurt in my constituency; it will put people out on the street. Why don't you scrap that? Let's not go ahead with that ridiculous proposal".

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Mission-Port Moody (Mr. St. Germain) has a question.

[*English*]

Mr. St. Germain: Mr. Speaker, it is really a great day. The Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) used to belong to the NDP. It does not surprise me nor anyone in the House—

An Hon. Member: He still belongs to it.

Mr. St. Germain: As the Hon. Member points out, he still belongs to the NDP but sits with the Liberals. They have been bed partners for years and I guess they will continue in that vein.

However, I find it surprising that the Hon. Member would rise at this point and question our approach. From day one during the campaign his Leader and his Party continually said that we were not saying anything. Now he rises and says that we made 338 promises. We will carry out those 338 promises; however, we will phase them in and they will be carried out in a business-like manner. That is how this country will be run. Obviously it will be a shock to the Hon. Member because he does not know how to do this.

An Hon. Member: A day doesn't go by when you don't break a promise.

Mr. St. Germain: Promises will be lived up to. However, the Liberals fought with everyone. They governed through confrontation. They governed through confrontation and cannot understand how people work through consultation and conciliation.

The Hon. Member appears to be knowledgeable and to know exactly what went on in the previous administration. He said that he wanted to wrestle the deficit; he wanted to reduce it. In 1980 they made that promise, and it was a blatant misrepresentation to Canadians because the deficit did not go down; it went up. What recommendations would he now make? The adjustments made by the present Government were made in a humane, understanding way, taking into consideration people first. Obviously the Hon. Member must have some recommendations; I am sure he would not rise otherwise. Where would he have performed the required cutbacks to wrestle the deficit which is destroying the country and bringing about high interest rates?

Mr. Allmand: Mr. Speaker, I have great respect for my hon. friend. He and I, despite our differences in politics, are good friends. However, I want to correct him on his first point. I was never a member of the NDP. I was a member of the CCF. I had to leave that party when it became the NDP because I did not believe in its new philosophy. I found that there was more to satisfy me in the Liberal Party than in the NDP.

He talked about the 338 promises. He said that they will introduce them in due course. I hope we do not hold our breath. As a matter of fact, the reason I pointed them out to him was not because I wanted them to bring them all forward. Some of them are good, some of them are not so good. I referred to them because it points to the credibility of his Party. It made some 338 promises and on its own admission they totalled $4 billion. They also said during the campaign that the deficit was to be $36 billion; then they said that they cannot implement the promises because the cupboard was bare and so on.

With respect to confrontation, there was some confrontation during the last five or ten years. However, we must remember that there was a government elected in Quebec which had the explicit purpose at that time of splitting up the country. There was going to be confrontation. There was no way we would accept any of that. When there were other provinces which wanted to whittle away the federal authority, there was no way we would accept it. The initiatives for that confrontation did not come from the federal Government. The proposal for a referendum on sovereignty association did not come from us; it came from the Péquiste government in Quebec. We opposed it. We confronted it and we will always confront it.

In the Budget last Spring there was a program to deal with the deficit. First it was to eliminate waste and duplication, not whole programs if they were good ones. Also we wanted—and it is a goal shared by him and his Government—to do something about the unemployment rate. We believe in direct employment programs, not just in a private sector approach to it. Something had to be done about unemployment because the greatest cause of the increased deficit over the last few years, if the Hon. Member looks at the figures, has been the drain on the economy through unemployment insurance and programs to deal with unemployment. If we stimulate the economy to the extent that unemployment drops and employment rises, there will be a lesser drain on the spending of government and there will be more money paid into it through income taxes and so on.

We do not believe that the principal cause for the lack of business confidence is the size of the deficit. In Japan there is a higher percentage deficit of Gross National Product, yet it only has 2 per cent or 3 per cent unemployment and inflation rates. The real cause of the lack of business confidence lies elsewhere. It lies partly in national problems and in international problems. The cause is not some of the programs which were cut the other night.

Mr. Deputy Speaker: Debate will now resume on the amendment.

• (1250)

[*Translation*]

The Hon. Member for Richelieu.

Mr. Louis Plamondon (Richelieu): Mr. Speaker, hon. colleagues of the Progressive Conservative Party, Hon. Members of the Opposition. First of all, I would like to take advantage of this opportunity to extend my sincere thanks to the people of the riding of Richelieu, who supported me in such great numbers on election day.

Mr. Speaker, before getting to the main subject of my speech, I would like to say a few words about this vast riding of Richelieu. Some areas are very industrialized, and I am thinking of Sorel-Tracy and Pierreville, while fishing is important at Baie-du-Fèbvre, farming is the major source of income in Nicolet and the Bécancour area is about to experience significant industrial development with the new Péchiney factory.

My riding also wanted a real change on September 4. People in my constituency were sick and tired of the lack of agricultural policies, the appalling uncontrolled frittering away of the La Prade Fund, the lack of measures to initiate genuine economic recovery by creating permanent jobs, and finally the lack of opportunities for our young people. That is why they rejected an aging government without a real policy, which was literally driving the country to ruin.

After Canadians made their decision, in the Speech from the Throne on November 5, the new Government set out the key policies it intends to pursue during its mandate.

The Throne Speech has shown all Canadians that the Government intends to live up to basic commitments made during the election campaign. It reflects the firm resolve of the caucus to end twenty years of petty quarrelling, which created divisions in our society that will be difficult to overcome. The centralist and paternalistic kind of federalism promoted by our hon. friends opposite during the past twenty years, thereby obstructing the legitimate aspirations of the provinces, is now dead and should be buried as deep as possible.

As far as Quebec is concerned, Denyse Amiot, a freelance journalist writing for the Canadian Legion—which certainly cannot be accused of having separatist leanings—said: The Liberals went so far in opposing any initiative taken by Quebec, whatever its merits, that they could no longer, without renouncing their own policies, retreat from an attitude which, after serving them well for a short time in 1980, finally became their downfall. They failed to understand the message voters were trying to give them. Only a few days before September 4, the Secretary of State gave another example of Liberal high-handedness when he tried to circumvent the Province by paying funds directly to Quebec universities. The result: the presidents of the universities protested, and subsequently, the then Secretary of State, now become a symbol of this kind of arrogance, went down to defeat in his own riding.

A few months before, the fisheries industry in Quebec had been unilaterally declared to be under exclusive federal jurisdiction. The ensuing frustration and confrontation led to a drop in the number of landings, bankruptcies and widespread discontent. The result: all ridings where fishing is a major industry turned their backs on the Liberals.

Mr. Speaker, I shall now discuss a subject that is particularly important to the riding of Richelieu. I am referring to the fact that instead of negotiating in good faith with Quebec the redeployment of funds originally earmarked for the construction of the La Prade heavy water plant at Bécancour, the Liberals decided to distribute these funds at will in the towns and villages of central Quebec. The result: all ridings in this area repudiated the Liberals, even if they had apparently benefited from their largesse.

Mr. Speaker, this kind of federalism was not Canadian federalism. It was a travesty of the spirit in which the fathers of the Canadian Confederation drafted the Constitution of 1867.

As for this Government, it has already clearly indicated in the past few days that there will be a complete change of direction. This has already been reflected in a noticeable detente in relations with the various provincial governments.

It is clear that our task will not be any easier as a result of twenty years of incompetence and a $34 billion deficit. However, despite this unfortunate state of affairs, we of the Progressive Conservative Party are facing the future with firm resolve and shall deal with the mistakes of the past.

In his economic statement, the Hon. Minister of Finance (Mr. Wilson) indicated the only possible route, which is to reduce a debt that, today, has a stranglehold on Canadian money markets. Obviously, cutting the deficit will not be easy and some of our projects may have to be temporarily shelved. Members of the opposition can rest assured that I will have special thoughts for them every time that happens. Cutting the deficit means that choices must be made and priorities reconsidered. The economic statement of the Minister of Finance does give us an indication of what those priorities will be. Making that kind of choice is difficult and painful, but I am convinced that he will keep in mind the needs of a riding such as mine which the Liberals have neglected for over twenty years.

Indeed, the riding of Richelieu was once Quebec's metallurgical centre, but it had to cope with declining markets, not to mention the lack of research and development programs in metallurgy. Everyone can see that those vast regions, including Sorel-Tracy where 77 per cent of the industrial labour force works in metal processing and manufacturing plants, need

immediate help. Throughout the election campaign, the party and I said clearly that priority will be given to research and development. Hon. Members can appreciate that a developed country simply cannot look forward to a bright future unless its Government actively supports that vital but often neglected industry. That is why I want to repeat in the House that I will make every effort to secure the metallurgical research and development funding which my riding needs so badly.

Another concern expressed in my riding and in many others throughout Canada has to do with our Government's maritime transport policy and the creation of a merchant marine. As you may know, Sorel has long been famous for its shipyards, but unfortunately the situation has gone from bad to worse in the past ten years because there was no firm policy. All Canadian shipyards are now in that kind of predicament. The party and I are committed to steering Canada gradually towards a clear-cut marine transportation policy. Big though that challenge may be, I firmly believe that this Government will take action, unlike others before us which did little more than rest on their laurels. Again I say to Hon. Members that I am anxious to work actively in drafting that policy.

In a country where marine transportation has been completely ignored by Liberal Governments for more than thirty years, in a country where we still have some ships which were built before the *Titanic*, in a country where more than half of the ships registered in 1983 were at least twenty years old, in short, in a country where the fleet becomes less competitive and less safe every day, now is the time indeed to implement a policy designed to promote the shipbuilding industry in Canada rather than in foreign countries as was the case under the Liberals. Our party has stated clearly that it would support the gradual development of Canada's merchant marine by restoring economic confidence through tax credits.

Other solutions cannot be discounted, quite the opposite. For instance, by applying certain rules to the granting of subsidies under the Petroleum Incentives Program, we could probably promote a substantial recovery in the Canadian shipbuilding industry. Indeed, the Canadian Shipbuilding and Ship Repairing Association did a good job of explaining the situation in a release dated February 24, 1984, where it was pointed out that four new foreign-built ships used for shipping steel were registered in Canada during the first months of 1984 under the previous Liberal administration. These four ships, with a total tonnage of 10,722 tons, serve the oil fields of the Eastern coastline. Three of them were built in South Korea and one in Norway. We must stop purchasing from other countries. Those four ships could have been built in Canada, which would have minimized the slowdown in shipbuilding activities in 1982 and 1983. Such imports will probably continue as long as low cost financing can be found abroad and as long as loopholes in existing Government policies have not been eliminated.

Mr. Deputy Speaker: I regret to interrupt the Hon. Member, but he may continue this afternoon.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

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[*English*]

CHIEF ELECTORAL OFFICER

TABLING OF REPORT

Mr. Speaker: I have the honour to lay upon the table the 1984 Statutory Report of the Chief Electoral Officer of Canada. May I remind Hon. Members that, pursuant to Standing Order 46(4), this report is deemed permanently referred to the Standing Committee on Privileges and Elections.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

CROWN CORPORATIONS

PROPOSED SALE OF CANADAIR AND DE HAVILLAND COMPANIES

Hon. Bob Kaplan (York Centre): Mr. Speaker, something must be said about the early announcement made by the Government that Canadair and de Havilland are up for sale. I rise not only because de Havilland is in my constituency and affects thousands of jobs and surrounding businesses there but because there are dozens of Canadian suppliers for that company who are affected by a decision of the Government which can only be called ideological.

This is a Government that gave the impression during the election campaign that it had a great many of the answers to the questions of how to increase employment, how to strengthen Canadian culture, how to strengthen Canadian ownership, and so on. We have found through the Government's early announcements that it has no answers at all, other than to be nice, to seek consultation, to establish committees to investigate, and so on, except in one area. The only area in which the Government seems to have been prepared to proceed is the putting up of these two companies and others for sale. When we asked for them, we found that there were no studies done, no consultations, and no search for a consensus at all about whether or not these companies should be up for sale.

It is well known that the Liberal Party believes in a mixed economy. We have no ideological commitment to maintaining the aerospace industry in the public sector forever. However, we do have a commitment to maintain that industry. With that

point of view, I would like to raise with the Government and with Hon. Members of the House of Commons—

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

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NATIONAL ENERGY PROGRAM

CALL FOR DEREGULATION OF OIL AND GAS INDUSTRY

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, since 1980 the oil and gas industry has been unable to make its full contribution to the Canadian economy. Declining investment in oil and gas activity has had a direct impact on Canadian energy, security, and employment levels.

Current pricing and fiscal policies have left the industry with inadequate returns. Incentive grants provided by the previous Government to encourage exploration in frontier areas introduced a bias and inefficiency to the exploration and development of Canada's energy resources.

Let us reward success rather than activity. This industry does not want special treatment. This industry wants the same treatment as other industries in Canada. It needs deregulation, a fair tax system, and the immediate removal of the 25 per cent back-in.

* * *

MARINE TRANSPORT

ANNOUNCED INCREASE IN FERRY FARES

Mr. George Baker (Gander-Twillingate): Mr. Speaker, cuts in the operating costs of CN ferry boats servicing Newfoundland as announced by the Minister of Finance (Mr. Wilson) have caused CN Marine to announce a 15 per cent increase in rates charged for the Gulf ferry run. That means that, for a car and one adult, the fare to be charged on the North Sydney to Argentia run will jump to over $100 one way. This is the fare charged to get from one province to another.

The savings in coastal boat services included in a $16.1 million savings package announced by the Minister of Finance has caused a decision to be made to reduce the coastal boat service to Newfoundland and Labrador. The Government, on the one hand, is penalizing persons who wish to travel to and from Newfoundland but, on the other hand, a reduction of coastal boat service and an increase in rates can only be viewed as outrageous since this is the only method of transportation to and from some coastal communities.

To add insult to injury, the Premier of Newfoundland announced that he has to travel to Ottawa to find out what is going on. So much for co-operative federalism. Only co-operative Toryism has saved the Government from the total repudiation by the Premier of Newfoundland that it so justly deserves because of its post-election actions. I hope that the Premier's knee-jerk obedience to his Tory superiors in Ottawa will soon end.

* * *

YOUTH

RESTORATION OF CUTS IN STUDENT LOANS PROGRAM URGED

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I read yesterday's speech by the Hon. Secretary of State for Youth (Mrs. Champagne) with great interest, and I congratulate her on her speech as well as on her important appointment. Clearly both of us are assigned to youth because we have each drunk at the fountain thereof.

I note that the Hon. Secretary of State has promised to be a spokesperson for young people. She has further stated that she believes "every youth must have all opportunities to fully develop his own potential, whether rich or poor, male or female, native or immigrant and so on". She appears therefore to recognize what her colleagues in the Cabinet do not, and that is that prosperity cannot be achieved without social justice. They are inseparable.

Therefore, I look forward to working with the Hon. Secretary of State as we speak for those represented on the Hill today, and youth generally, in urging the Government to act to obtain assured and adequate levels of funding for post-secondary education from both the federal and provincial Governments through the Established Programs Financing Act, rather than consultation to cut funding. We must ensure that federal student aid is adequate, that it encourages part-time studies, and that it helps overcome the particular barriers faced by the poor, by women, and by minorities. That will discourage the provinces from cutting their aid programs as B.C. has done. I hope, as well, that the Hon. Minister will speak for youth in fighting to have the cuts from the Canada Student Loans Program and Summer Canada restored.

* * *

PROSTITUTION

SPEEDY INTRODUCTION OF LEGISLATIVE CHANGES SOUGHT

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, I would like to raise a matter of concern to the people of Niagara Falls and one that I believe is also of concern to the people of Canada. I am referring to the subject of soliciting for the purposes of prostitution. The former Minister of Justice indicated that soliciting was not a national problem, but I can assure this House that it is a persistent and pressing problem to the people of Niagara Falls as well as to those of many other municipalities across the country.

Since the 1978 Supreme Court of Canada ruling, many municipalities have tried to deal with this problem but have had limited success because the previous Government failed, or refused, to act. I have already been requested by the downtown Board of Management for the City of Niagara Falls, and

others, to pursue a quick resolution to this problem. I was therefore very pleased to hear in the Speech from the Throne that the new Government is prepared to act.

I would urge the Minister of Justice (Mr. Crosbie) and my colleagues in the Thirty-third Parliament to move with all possible haste to bring in the legislative changes that are so badly needed. Prostitution as well as pornography represent a form of exploitation of women, exploitation that is unacceptable to the people of Niagara Falls and unacceptable to the people of Canada.

* * *

SOCIAL SECURITY

SUPPORT FOR PRINCIPLE OF UNIVERSALITY

Mr. Neil Young (Beaches): Mr. Speaker, I am alarmed to learn that the Minister of Finance (Mr. Wilson) has hired William Mackness, vice-president and chief economist of the Bank of Nova Scotia, to be his special policy adviser. Mr. Mackness advises the elimination of the principle of universality of Old Age Security and family allowances in order to cut the federal deficit by an incredible 50 per cent. Such a sudden reduction in the deficit will not be felt by bankers like Mr. Mackness; rather, ordinary Canadians will pay for his policy ideas.

It is not surprising that this Government, while extolling the virtues of consultation, goes first to its friends in Canada's fourth largest bank for advice. What havoc will this Government wreak on social programs that benefit ordinary Canadians, in order to please its supporters in big business?

Members of the New Democratic Party fought long and hard for the right of Canadians to pensions and family allowances. We struggled for the principle of universality in these programs to prevent the indignity of a means test. I fear this Government wants to turn the clock back.

We are disappointed and frightened by the changing stand of the Tory Government on the question of universality. Once a sacred trust, universality is now under attack. In this appointment we see further evidence that the Prime Minister's (Mr. Mulroney) reassurances on universality were just an election ploy. We ask for a degree of honesty in this Government that we did not see in the previous Liberal Government.

* * *

NATIONAL REVENUE

NEW APPROACH TO TREATMENT OF TAXPAYERS

Mr. Ken James (Sarnia-Lambton): Mr. Speaker, it is with pleasure that I congratulate the Minister of Revenue (Mr. Beatty) on his project to humanize the tax department. Of all the complaints I have to deal with in my riding, most concern tax issues, tax agencies, tax men and their attitudes. I hesitate to use the word "tactics", although others have.

The Minister has stated that by taking the tax department to the people not as an adversary but more as a counselling agency, it will encourage those who have been holding back to come out of the closet and pay their outstanding balances. I wholeheartedly agree with this approach and, as any parent knows, understanding will work far better than the big stick.

Changing the image of the tax department is a task that has long been put aside, perhaps deliberately. The Government has shown it has the determination and willingness to change rather than prolong a bad system merely because it is there.

This move has other positive aspects as well, not the least of which is the immediate employment of those seeking work. The Minister indicates some 380 person-years will be spent on this change. This indicates the Government's commitment and determination to follow through with the P.C. task force report recommending change to Revenue Canada. This shows the people of Canada that the Government is working for them rather than demanding that the people work for it.

* * *

• (1410)

VIA RAIL

EDMUNDSTON TO MONCTON SERVICE

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, the people of New Brunswick and the Maritime region were heartened by the commitment of the Government to restore VIA Rails' Atlantic Limited. The elimination of the line was opposed by New Brunswickers and maritimers who had no desire to lose that efficient and popular link with Central Canada, nor the wish to see our tourism potential and regional mobility hindered. I am very pleased that the Government has recognized the value of the Atlantic Limited.

I would urge the Minister of Transport (Mr. Mazankowski) to move with speed in re-establishing this transportation system. The frustrations and inefficiency of the present service are well known and well documented. I wish to spare New Brunswickers, and all of those persons travelling throughout the Maritime region, the problems of poor scheduling, overbooking, wasted time, and unnecessary expense.

The reinstatement of the Edmundston to Moncton line was well received and I hope it will again be a permanent part of the VIA operations.

New Brunswickers realize and appreciate the Government is faced with the culmination of a decade and a half of fiscal mismanagement, extravagant waste, and irresponsibility. However, we hope that these factors will not deter the Government from returning to service, as soon as possible, a passenger rail line which never should have been abandoned.

S.O. 21

CITIZENSHIP AND IMMIGRATION

APPLICATION COST INCREASES

Mr. Sergio Marchi (York West): Mr. Speaker, new and would-be Canadians were shocked and disgusted when the Government more than doubled the citizenship application costs for adults, and more than tripled the application costs for minors. An average family of five will now have to pay $155 rather than the previous amount of $54. This unjustified increase is clearly a regressive and insensitive policy direction, one which will discourage rather than facilitate people's entry into the Canadian mainstream.

In its over zealous attempt to increase government revenues, the Conservative Government has abandoned the principle of compassion, undermined the spirit of multiculturalism, and has hit the very people who could least afford it. This policy, Mr. Speaker, is a sad reflection on a new Tory regime.

I urge the Secretary of State and the Minister of State for Multiculturalism to reverse this very unfortunate decision immediately and restore citizenship application costs to an affordable and fair level.

* * *

UNEMPLOYMENT INSURANCE

ADVERSE EFFECT ON FILLING SMALL BUSINESS EMPLOYMENT VACANCIES

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the Canadian Federation of Independent Business has made a thorough investigation and has determined that there are at least 170,000 job openings with small business which could be filled if our current unemployment insurance system did not give positive inducements to those collecting unemployment insurance benefits to stay unemployed.

Indeed, a person receiving unemployment insurance benefits is foolish to take a reduction in pay in order to obtain work because the net benefit, after taking into account income tax and the cost of going to and from work, leaves the person with less money than he would have received in unemployment insurance benefits.

The Government is to be commended for raising the matter of the unemployment insurance system in the financial statement. I call upon the Government, as should all Hon. Members of this House, to move ahead quickly so it can reorganize the present unemployment insurance system in order to create an incentive to those unemployed to upgrade their skills, to obtain training, and to take up jobs even if those jobs pay less.

* * *

ENERGY

COST OF ELECTRICITY IN PRINCE EDWARD ISLAND

Mr. George Henderson (Egmont): Mr. Speaker, Prince Edward Islanders pay the highest electrical rates in Canada, about three times the national average. These electrical rates are detrimental to the economy of our province. Every person and every resource sector are at a distinct disadvantage when trying to compete in the marketplace. As an example, the national average cost of producing a litre of milk, based on farmers using 3,000 kilowatt hours of electricity, is 67 cents. The cost of producing that same litre of milk in Prince Edward Island is $1.41. That is a total of 74 cents above the national average.

Maritime Electric recently announced that, because of the increase in crude oil prices which was introduced in the statement of the Minister of Finance (Mr. Wilson), electrical rates will rise by 4 per cent.

Agricultural production must remain viable in order to ensure the economic security of all Island residents. How can this industry expect to remain viable unless the Government follows through on its promise to reduce the cost of electricity to the islanders? Instead of reducing costs to these people, the Government is raising them. The Government promised to support the farmers and residents of Prince Edward Island, and it is now time that those promises were kept.

ORAL QUESTION PERIOD

[*English*]

EXTERNAL AFFAIRS

INDIA—DETENTION OF CANADIAN JOURNALIST

Hon. Herb Gray (Windsor West): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It arises out of his Government's unfortunate handling of the case of Jonathan Mann, the Canadian journalist who is imprisoned by the Indian authorities. This is a case which has caused concern to Canadian journalists and even to the Foreign Correspondents Association in Washington.

Yesterday the Minister of External Relations said in the House:

> Representations at the highest level have been made to India's Department of Foreign Affairs—

Yet the Secretary of State for External Affairs is quoted in *The Globe and Mail* as saying: "We cannot start the process of interfering with other countries in the application of their law". How does the Minister explain this contradiction? Why is he undermining his Minister for External Relations? Exactly what are the facts here? Why is the Minister acting less vigorously to protect the interests of a Canadian journalist than the French Government acted to protect the interests of the French journalist, Abouchar, and to get him released from Afghanistan?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, let me thank the Hon. Member for the precision of his question. Let me also take the opportunity to

say that in a scrum outside the House I indicated, as I should not have, that Mr. Mann had broken the law of India. He is in fact charged with breaking the law of India. I apologize to the House for that mistake.

In terms of the representations which are being made, they are extensive and are made on a regular basis, following the normal and accepted diplomatic procedures by our High Commissioner, and by way of a conversation between my Deputy Minister and the Acting High Commissioner of India to Canada. I suppose, Mr. Speaker, that the best judge of the effectiveness of the response of Canada to this question is Mr. Mann himself. Mr. Mann himself in recent conversations—yesterday—with our High Commission expresses himself as being highly pleased with the way in which the Government of Canada has responded to his situation.

MINISTER'S POSITION

Hon. Herb Gray (Windsor West): Mr. Speaker, the Secretary of State for External Affairs has apologized for saying yesterday that Mr. Mann broke the law, therefore, in effect, presuming that he was guilty before he had his day in court. Has the Secretary of State for External Affairs personally conveyed his apologies in that regard to the Indian High Commissioner? And has he instructed our High Commissioner in India to convey his apologies to the Indian authorities?

I ask the Minister this question because, if he does not do so, there is no way that the Canadian Government can get the Indian Government to take seriously anything it says because Mr. Mann stands convicted in the eyes of the Canadian Government and of the Minister.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I have not done that, nor do I intend to. I can assure the House of Commons that the Government of India takes very seriously the representations which are being made by the Government of Canada.

DEPARTMENTAL OFFICIALS' RELATIONS WITH MEDIA

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to ask the Secretary of State for External Affairs if his seeming acquiescence in the detention of Mr. Mann by the Indian Government is linked to his own order gagging all of the officials of his Department—even the press officers who are paid to speak to the press—from speaking to the press and the public? This is in contradiction to the policy he himself issued when he was Prime Minister, which required openness on the part of officials. Is there a link here? In fact, is the Minister intending to apply his own gag order to himself?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the short answer is no. The elaboration, Mr. Speaker, is that if the Hon. Member is looking for the missing link, he should turn his eyes to himself.

[*Translation*]

IMMIGRATION

SPONSORSHIP REQUESTS FOR SIX SOVIET PRISONERS HELD IN AFGHANISTAN

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is directed to the Minister of Employment and Immigration.

Further to yesterday's question concerning the six political prisoners being held by the Afghan authorities, it seems the Minister misled the Member for Outremont and this House when she stated that no request had been made on behalf of these prisoners. According to the facts, six formal sponsorship requests for these prisoners were made in June of this year. The reference numbers are: R-11044 to R-11049.

Since she has privately admitted she was wrong, is the Minister prepared to make a public apology today for having misled this House?

• (1420)

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, when the Hon. Member raised the question yesterday there were no names attached, and there had been several groups under consideration. I was speaking of one group and she was speaking of the other, and I very sincerely apologize to her for the fact that I did not clearly indicate the group that I was speaking about. However, having reviewed this situation, having looked at the group she later told me she was speaking about, I can certainly assure her that my predecessor had indeed said there would be applications provided to these people should they meet all the requirements, including medical requirements.

We have not been able to persuade the local authorities in a very inaccessible border area to allow medical examinations to take place. But we have asked for the co-operation of other countries in helping to have this done. We have asked for the co-operation of the International Red Cross, and we are very actively pursuing their case in the hope that they will eventually be brought to Canada.

[*Translation*]

ADMISSION OF REFUGEES TO CANADA—GOVERNMENT POSITION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, Canada has already admitted several hundred Chilean refugees without medical certificates. Does the Minister's reply mean that the new Government has changed course and from now on intends to restrict entry into Canada of refugees especially those from totalitarian countries that are—

Mr. Speaker: Is the Hon. Member ready to ask a question? I am sorry, I heard a preamble at the beginning of her remarks and at the end I heard a question, and I am prepared to hear it again.

Mrs. Pépin: Does the Minister's reply mean that the new Government has changed course and from now on intends to restrict entry into Canada of refugees especially those from totalitarian countries since these are the people who are persecuted the most?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, no, we have not changed our approach. These were the regulations that were laid down, particularly in the case of these six people, by my predecessor.

Mr. Nunziata: That is two apologies. Who is next?

* * *

THE ECONOMY

ECONOMIC STATEMENT—IMPACT ON EMPLOYMENT

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Right Hon. Prime Minister who will know that we have been trying for many days to obtain the direct job impact of his Government's program cuts and tax increases. I am forced once again today to raise that issue, based on his comments last night at the Toronto Insurance Conference black tie dinner where he said, "our economic analysis suggests that this progam, from a quantitative viewpoint, does not impact negatively in terms of job creation in the country". Yet just two days ago his Minister of Finance stood in this House and said quite the contrary, that in 1986 there would be a marginal decrease in the number of jobs in the country as a result of the Government's policy. Would the Prime Minister explain who is it of the two who is really being straightforward with the House of Commons and the people of Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, as I recollect, the Minister of Finance was not at variance with me in his response. He said the matter was statistically insignificant. That is consistent with exactly what I have been saying. As you know, employment in the next fiscal year will increase. Interest rates dropped today almost a quarter of a point further, inflation is at 3.8 per cent, and consumer confidence as expressed by the Conference Board this morning is rising dramatically. Those are good signs.

ECONOMIC PROSPECTS—PRIME MINISTER'S POSITION

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, the Prime Minister indicated in Toronto that quantitatively there would be no particular change, yet he is saying these things cannot be measured. I seek clarification from him. Is he saying that as a result of the program cuts the Government has made, and the fact that taxes have been increased, we can expect more investment to occur in Canada, more growth in the economy, and more jobs created? Is that essentially what the Prime Minister is saying?

Right Hon. Brian Mulroney (Prime Minister): I am saying, Mr. Speaker, that the old policies as articulated and defended by the alliance of Liberals and NDP over many years have resulted in abject failure. The new programs set out by the Minister of Finance, which are meeting with enthusiastic response across the country, will provide Canadians with the kinds of durable jobs on an ongoing basis that Canada requires. That is what we are saying.

* * *

[*Translation*]

POST-SECONDARY EDUCATION

YOUTH—BUDGETARY CUTS

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Secretary of State.

At this very moment, while the Minister is sitting comfortably in his chair, nearly 1,000 students are waiting outside for an opportunity to express to the Government their concern about the budgetary cuts that will affect them. The House is aware that the Government intends to cut summer jobs, student loans and transfer payments for post-secondary education, and now nearly 1,000 students have been standing out in the cold, waiting to communicate a message to the Minister and his Cabinet colleagues. I therefore wish to ask the Minister how he can justify refusing to meet with Canadian citizens who want to express their concerns to the Government and, instead, choosing to ignore this demonstration by young people who want to have a say in the debate on their future.

[*English*]

Hon. Walter McLean (Secretary of State): Mr. Speaker, I thank my colleague for the important question and the important issue he raises. I want to assure him that I take very seriously the situation of Canadian students. He may know that last week, when the Canadian Federation of Students was here lobbying all caucuses, along with the Hon. Minister for Employment and Immigration we met for an hour and a half to discuss the national concern for the Canada Student Loan Program and the funding concerns of Canadian universities. I assure the Hon. Member that I will be meeting with the provincial Ministers of Education in the near future, and I will be beginning the dialogue about the future of post-secondary education.

[*Translation*]

ST. VALENTINE'S DAY CONFERENCE—REQUEST THAT STUDENT REPRESENTATIVES BE PERMITTED TO ATTEND

Hon. Jean Lapierre (Shefford): Mr. Speaker, if I understood the Minister correctly, to him only the national lobby groups are the legitimate representatives of the students.

Right now, there are about a thousand students out there the Minister is refusing to meet. His leader said this Government had to be generous, open and approachable. Could the Hon. Minister give the House the assurance that before any discussion takes place on cuts in funding for post-secondary education, student representatives will be consulted at the meeting on St. Valentine's Day?

In fact, could the Minister give the House the assurance that student representatives will be allowed to attend the meeting as observers, to ensure that their interests are being defended properly?

[*English*]

Hon. Walter McLean (Secretary of State): Mr. Speaker, possibly I should remind the Hon. Member, who was a Member on the government side of the House, that it was not this Party that unilaterally attacked post-secondary education with the six and five cuts that were imposed. It was not this Party which failed to consult the universities, students, administration or faculty. I assure him that I have already met with the administration, the CAUT, and the national student bodies, and we will continue with the process that the Prime Minister has mentioned.

* * *

● (1430)

THE ECONOMY

ECONOMIC STATEMENT—IMPACT OF CUT-BACKS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is for the Right Hon. Prime Minister. A minute ago he said again in the House that the program cuts and tax increases which the Minister of Finance brought in a number of days ago will lead to more jobs in the economy. Both he and the Minister of Finance have said that they will lead to more investment and growth.

My question is quite a serious one. Based on the actual experience of such a program applied to the Province of British Columbia, I would like to ask the Prime Minister to explain the following results to me. I will give him the figures with care, and ask him to treat the House seriously and answer the question. When Ministers of the Government of British Columbia brought in their budget they made a forecast of growth increase of 6 per cent. The result now is minus .1 per cent. They forecast an investment increase of 15 per cent, and the results are minus 5 per cent. Employment growth was forecast to be 4 per cent. The latest forecast is minus .9 per cent. Two days ago the Minister of Finance of British Columbia said that their deficit is now going to be larger than they expected. Why does the Prime Minister expect his program of cuts and tax increases will be good for Canada when it has been an unmitigated disaster for British Columbia?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have no quarrel with the facts as set out by my hon. friend. What is lacking in regard to the question addressed to a national Government capable of influencing fiscal and monetary policy in a real way is the intangible called confidence—investor confidence and consumer confidence.

Some Hon. Members: Oh, oh!

Mr. Mulroney: I know that the socialists do not understand the word "confidence", and with good reason. However, that is a very important factor in motivating the private sector toward the co-operation which we are now seeing between provincial Governments and between the private sector and the federal Government to create those jobs. It is the new climate of fairness, openness and co-operation that is going to bring about the jobs that we require.

Some Hon. Members: Hear, hear!

PROVINCIAL ECONOMY OF BRITISH COLUMBIA

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Prime Minister has talked about business confidence and I, for one, think that the notion has some relevance. However, the very group that he is appealing to, who are now saying that his program is wonderful, also said that Mr. Bennett's program was wonderful when it was first brought in, and they have changed their minds.

I would like the Prime Minister to comment on this. The other day the head of the Business Council of B.C. said, with regard to that program in B.C., that "the economy hasn't recovered". The president of the Certified General Accountants Association of British Columbia, who liked the program before, has now seen the results and has said that "B.C. is heading for hell in a handbasket". He is advising his business clients to get out of the Province of British Columbia. Why should we listen to the Prime Minister when B.C. businessmen see the program as an unmitigated disaster?

Right Hon. Brian Mulroney (Prime Minister): I have always been mystified as to why the NDP delights in being so morose. They take such pleasure in other people's difficulties. British Columbia has a totally resource-based economy. It did go through a recession largely induced by the actions of the Liberal Government, and they went through difficult times, as is widely known.

We are trying, as best we can, to put together the framework which will inspire confidence from the private sector, co-operation with trade unions, and co-operation with provincial and federal Governments to try to harmonize our initiatives to create the kinds of jobs that a strong and united Canada can create. That is what we are going to do.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Mr. Speaker, the New Democratic Party and the people of Canada are not interested in being morose. We simply want some truth from the Government of Canada; that is all.

REQUEST THAT GOVERNMENT CHANGE ECONOMIC PROGRAM

Hon. Edward Broadbent (Oshawa): Mr. Speaker, businessmen, labour movements, women and senior citizens have opposed the program now in B.C. Every group in the B.C. community that has seen the results of the Conservative Government's national economic policy in action see it as not working. Therefore, why is the Prime Minister, who promised positive change, not prepared to look at the evidence and change his program now?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, why would the Hon. Member indulge in such specious reasoning when he knows full well that there is no resemblance between the program undertaken at a given time in British Columbia and the forward looking, positive, private sector oriented program now?

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Mulroney: Why is he so gloomy?

Mr. Broadbent: You should go on the stage.

Mr. Mulroney: The Canadian people did not give him a mandate; they gave him a reprieve on September 4.

There is a mandate for change based on co-operative action with all of the players in our economy. It is based as well on the belief that the private sector, enhanced by thoughtful government action, can create the hundreds of thousands of jobs that we need. That is what we are going to do. We hope that you will co-operate in doing it.

Some Hon. Members: Hear, hear!

* * *

SOCIAL SECURITY

PROPOSED REVIEW

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is for the Prime Minister. This summer, during his campaign, he promised the Canadian public that universality was "a sacred trust that would not be tampered with". Yet, within six weeks of assuming office, he broke that promise.

In last Friday's press conference the Prime Minister said that only bank presidents, all nine of them, should expect to have some cut in their family allowance cheques. However, in his own budget which was tabled here last Thursday evening, it states that Canadian families earning between $20,000 and $30,000 a year, and that is the average Inco worker, can expect cuts in benefits to their children, and to their grandparent's pension cheques. Will the Prime Minister confirm to the House that average Canadian families earning between $20,000 and $30,000 a year will be subject to this review of social security?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think it would be helpful if the Hon. Member could give us the page and read it out, because there were at least three serious, no doubt inadvertent, misstatements of fact in his question. The fact of the matter is that the Government has not tampered with universality and has not changed it.

Mr. Tobin: Not yet.

Mr. Gagliano: What happened to the sacred trust?

Mr. Mulroney: We have not even considered going so far as the finance critic of the Liberal Party did. When he was running for the leadership of that Party he asked that they all be scrapped. So there should not be any great declarations of ideological purity coming from the other side. All we are trying to do is ask, in what we think is a mature way, without affecting the universal nature of medical care and without at any time having a means test, whether we cannot, as a mature society, explore ways in which we can put more dollars into the hands of those underprivileged in our society who need them most. That is the question.

Some Hon. Members: Hear, hear!

OPERATION OF TAX SYSTEM

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, none of us in this Chamber would be opposed to review in that manner.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order.

Mr. Frith: Why has the Government chosen to put the burden on the backs of the families of this country who earn between $20,000 and $30,000 a year, rather than on the banks and the people whom we have all talked about, who earn over $50,000 a year and have not paid their fair share of taxes? That is the question I would like the Prime Minister to answer.

Right Hon. Brian Mulroney (Prime Minister): As I think the hon. gentleman knows, the tax system operates in such a way that those in higher brackets, $20,000, $30,000, $40,000, receive less because of the operations of the tax system in many ways. However, in some programs they receive more than people who earn under $10,000. We are trying to get more money into the hands of people in this country who need it. That is the object of the exercise. I was delighted to see that the Hon. Member, speaking on behalf of all his colleagues, joins in this process of review.

• (1440)

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

PIPELINES

MONTREAL-QUEBEC NATURAL GAS PIPELINE—CONSEQUENCES OF HALTING BRANCH LINE CONSTRUCTION

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is directed to the Hon. Minister of Energy, Mines and Resources.

The Government has announced its decision to halt branch line construction on the Montreal-Quebec natural gas pipeline. This move will eliminate thousands of possible job opportunities for construction workers in the province of Quebec.

Could the Minister explain why this decision was made without consulting the communities concerned and without taking into account the commitments given by Progressive Conservative Party candidates during the recent election campaign?

[*English*]

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I would like to take this opportunity to congratulate my critic from the NDP, on his appointment. I look forward to a cordial relationship with him.

Some Hon. Members: Oh, oh!

Miss Carney: Of course his question deals with the issue of the Quebec laterals program which was not cancelled but deferred in the economic statement last week.

I want to assure the Hon. Member that I met with the Quebec Minister of Energy last week before the cuts were announced to discuss the priorities of the Quebec Minister of Energy. The issue of the pipeline will be the subject of further discussion about when we can resume the timing.

Mr. Waddell: As to that relationship, I assume that the Minister is speaking for herself.

ACCESS TO INFORMATION

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my supplementary question, which is directed to the Prime Minister, concerns getting information about jobs with respect to this pipeline and other topics. I have before me an affidavit sworn in 1977 by the Minister of Regional Industrial Expansion in a law case against the Attorney General of Canada, suing the Government for information—

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

Mr. Waddell: In the affidavit, it is said that—

Some Hon. Members: Question.

Mr. Waddell: The Conservatives said to the court in their affidavit that their opposition in the House of Commons had been "frustrated and stultified" because they could not get information from the previous Government. Why is it wrong for us to ask for that information about unemployment and other matters that went to the Government?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, not only are the NDP morose, they are unfriendly in this case.

Some Hon. Members: Hear, hear!

Miss Carney: I do not believe that that question was supplementary to the first one. I can only reassure him that the information that he requests about the deferring of the Quebec laterals program is in the economic statement and the material tabled by the President of the Treasury Board.

* * *

[*Translation*]

ENERGY

REQUEST THAT CHAMBORD-DOLBEAU PIPELINE BE COMPLETED

Mr. Clément M. Côté (Lac-Saint-Jean): Mr. Speaker, my question is also for the Minister of Energy, Mines and Resources but it does not deal with cuts.

Under the agreement for the construction of a lateral between Grand-Mère-Chambord-La Baie, there was a commitment of some $240 million. Since the productivity is excellent in our region, it seems that the costs will rise to some $210 million, a saving of $30 million. Can the Minister assure the House that those $30 million will be used to complete the Chambord-Dolbeau system? If it is not done now, it may never be completed.

[*English*]

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I would like to congratulate the Member for raising the issue. Again, as I said to the previous questioner, those laterals were deferred, not cancelled. I would also like to congratulate the utility for the work it has done to date. The project has proceeded on time and under budget. As I indicated earlier, the future timing of the laterals is under review.

* * *

MARINE TRANSPORT

CN MARINE—FERRY SERVICE FARES

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is directed to the Minister of Transport. He knows that under the previous administration's six and five

program, CN Marine had prepared early this fall a request to Cabinet for a 4 per cent increase in its fare charges on the Gulf and ferry coastal boat system in Atlantic Canada. Would the Minister confirm that, subject to last Thursday's financial statement, this request to Cabinet for a 4 per cent increase in fares has been withdrawn and that a submission to Cabinet for an approximate 15 per cent increase has been prepared for implementation, subject to cabinet approval?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am not aware of the Cabinet document of which the Member speaks. It is true that there is a proposal to increase the fares on ferry services up to 15 per cent. However, there is also allowance for a reduction of 10 per cent for those who are regular users. It will give CN Marine some flexibility in applying a new fare structure in order to generate some more revenue.

Mr. Tobin: In any case it is an increase for everybody.

IMPACT ON TOURISM

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, in light of the Government's stated commitment to tourism in Atlantic Canada, will the Minister tell the House if an analysis has been made by his Department or that of his colleague, the Minister of State for Tourism, to assess the negative impact on tourism in Atlantic Canada as a result of increasing rates to consumers by 300 per cent more than had been anticipated under the post six and five program?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the Hon. Member is exaggerating the point. The fact of the matter is that there is a certain amount of flexibility that can be taken into consideration. I am sure that flexibility will be taken into account to reflect the considerations of the tourist industry. I will be meeting with my counterparts from the Atlantic provinces to discuss ways and means to implement those increases in a fair, orderly, and equitable manner.

* * *

ENVIRONMENTAL AFFAIRS

UNITED STATES—ACID RAIN RESEARCH PROGRAM

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my question is directed to the Minister of the Environment. I hope that my relationship with that Minister will be every bit as cordial as my relationship with my former nemesis in the House, the former Minister of National Health and Welfare, who was one of the few Liberals to depart this scene with honour.

Some Hon. Members: Hear, hear!

Mr. Blaikie: My question concerns reports that the U.S. Government is cutting back on its acid rain research program while pretending to give the problem a high profile. Does she intend to look into this cut-back on the part of the American Government? While doing so, would she also take steps to reverse the cancellation announced by the Minister of Finance of the Herring Gull Egg Project for the surveillance of toxic chemicals and wildlife in the Great Lakes, which is part of the Great Lakes Water Quality Agreement with the United States, so that whatever protests she may make to the United States would have some credibility because we in Canada are doing our part with respect to the environment?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I hope indeed to have cordial relations with all Hon. Members. Ours is a cordial Government.

Like the Hon. Member, I have seen a news report of a labour union reference to the reduction by the United States of acid rain research funding. After I have reviewed the matter and determined whether this is a fact or simply a labour union strategy I will be in a position to answer.

With respect to the jobs that we have eliminated in research on certain aspects of wildlife, those cuts are rather minor, in view of the $27 million my department is still putting in toxicological research and the $150 million put in by the Canadian Government.

• (1450)

[*English*]

CANADIAN WILDLIFE SERVICE

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, the cuts are not minimal. The Canadian Wildlife Service has been savaged by the Government. Does the Minister of the Environment intend to sit idly by and allow this inauspicious beginning to her career as Minister of the Environment by allowing the Minister of Finance to cut out the toxicology research centre, to savage the Canadian Wildlife Service, and basically to start out as the Minister of the Environment in a way that sends out completely wrong signals to people who are concerned about the environment? Will the Minister of the Environment speak to the Minister of Finance about the cuts which destroyed all the credibility that she ever had to begin with?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I am being subjected to the worst predictions because the credibility I have not been able to establish in this House so early in my mandate is already undermined, completely destroyed. Be that as it may!

The Hon. Member will be interested to learn that out of the 2,846 person-years involved in Ontario, including in the area of wildlife, 34 jobs have been eliminated. I would not that this is the end of the world.

ENERGY

BUDGETARY CUTS AFFECTING PHASE III OF NATURAL GAS PROJECT—GOVERNMENT POSITION

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is directed to the Minister of Energy.

According to the press, the federal Government intends to make budgetary cuts affecting phase III of the natural gas project.

Could the Minister clarify her position on this subject, since the gas pipeline is of vital importance to our area, in terms of economic spinoffs and development?

[*English*]

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, in reply to the Hon. Member's question, I think I have adequately explained that that project has been deferred, not cancelled. We will be looking at resuming some of that work when the economic conditions permit.

* * *

[*Translation*]

AIR TRANSPORT

REQUEST FOR DETAILS ABOUT CLOSURE OF AIR SAFETY OFFICE IN MONTREAL

Hon. André Ouellet (Papineau): Mr. Speaker, my question is directed to the Minister of Transport, whom I want to congratulate on becoming a Member of Cabinet, a Cabinet that says it is willing to consult.

I would like to ask the Minister why no consultations were held with the authorities of the City of Montreal when the Government decided to close the air safety office in Montreal.

Second, could the Hon. Minister inform the House whether this decision was made by Cabinet, with the approval of the Prime Minister, or whether the decision was made unilaterally and personally by the Minister of Transport?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, may I first congratulate the Hon. Member on his re-election? It was a squeaker, but it is nice to have him back.

Mr. MacKay: Another week and he would have been gone.

Some Hon. Members: Oh, oh!

Mr. Mazankowski: Another week and he would have been gone, right.

In reply to the Hon. Member may I tell him that my colleague, the Minister of State for Transport, in fact had some discussions with the Board of Trade and others interested in this issue in the City of Montreal, before the decision was taken.

In answer to the second part of the Hon. Member's question, of course the decision was made with the concurrence of Cabinet.

[*Translation*]

EFFECTS OF BUDGETARY CUTS ON MONTREAL

Hon. André Ouellet (Papineau): Mr. Speaker, I have a supplementary for the Minister of Transport. Since he has confirmed that the decision was made by Cabinet, is the Minister aware that his leader made a promise during the election campaign in Montreal, at Place Ville-marie, that he would make Montreal a metropolis again? In light of this promise, is the Minister prepared to review this decision which is at direct odds with the Prime Minister's objective, and also the cutback announced with respect to VIA Rail, which will result in a significant loss of jobs since the VIA Rail maintenance centre in Montreal will be scrapped in favour of the centre in Toronto?

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I certainly would not want to base the commitments of the Prime Minister on the interpretation of the Hon. Member, because there could be some variance in that, I am sure.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Broadbent: I would not rely on either one of them.

Mr. Mazankowski: This issue was thought through very clearly. It is very plain that the logical place for the Canadian Aviation Safety Board is Ottawa-Hull, or the National Capital Region, from the basis of working with other Departments, such as the NRC, the RCMP, National Health and Welfare, and other flight organizations. From the standpoint of efficiency, economy, and effectiveness, it was felt that it was in the best interests of all concerned to re-establish the Safety Board here in the National Capital Region.

* * *

[*Translation*]

CULTURAL AFFAIRS

BUDGETARY CUT-BACKS—CONSEQUENCES FOR CULTURAL COMMUNITY

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, my question is directed to the Minister of Communications.

First I would like to congratulate the Minister on his appointment in a field that is of great significance to this country.

Mr. Speaker, during the election campaign, the Progressive Conservative Party promised the cultural community that if it

formed the government, it would maintain existing financial support at levels commensurate with increases in the cost of living. However, the economic statement shows cuts and reductions in the budgets of cultural organizations. These cuts are proportionally greater—

[*English*]

Mr. Speaker: With great respect to the Hon. Member, does she have a question, please?

[*Translation*]

Ms. McDonald: Why is he asking this community, this sector of our economy, to accept these cuts? Why does he want an even larger proportion of people in the arts to live below the poverty line?

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, following the statement on economic policy by the Minister of Finance (Mr. Wilson), I informed the heads of the principal agencies or corporations connected with the Department of Communications of the objectives the Treasury Board has laid down for the future budget. These agencies and corporations are being asked to submit to the Department proposals commensurate with these objectives by the end of November.

In my forwarding letter I have asked these authorities to see to it that budgetary reductions or restrictions are applied mainly, if not exclusively, to the administration or organizational aspect of the arts, thus shielding the arts community itself from the impact of these budgetary restrictions.

[*English*]

ARTISTS' INCOME

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, would the Minister give his assurance to the House, to this community, and indeed to all citizens to whom the promises were made, that there will not be cuts in actual living income to artists, and that, if the cut-backs cannot be made entirely in the domain of administration, those cut-backs will be rescinded?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, since in these discussions between agencies and departments we must mutually respect the other's jurisdiction, I cannot, since I do not have the authority to do so, inform the House to what sector these budgetary restrictions will be applied. However, I can assure the Hon. Member that as soon as the programs or plans are submitted to me, I shall examine them very closely to ensure that Canada's arts community is not exposed to cutbacks owing to budgetary restrictions and that on the contrary, funding allocated for creative work and production is increased.

[*English*]

PETITIONS

TABLING OF REPORTS OF CLERK OF PETITIONS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Wednesday, November 14, 1984, meet the requirements of the Standing Orders as to form.

* * *

Mr. Speaker: Perhaps if there are more Members who wish to congratulate Ministers, may I ask that they do it tomorrow so that we can simply use Question Period for questions and answers in future.

* * *

• (1500)

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, what are the plans of the Government House Leader respecting business of the House for the coming week?

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, it is my intention to continue with the Address in Reply to the Speech from the Throne tomorrow, Monday an Tuesday, which will bring the debate to its conclusion. Tuesday will be the eighth and final day of the debate.

I would like to designate next Wednesday as the first allotted day for the supply period ending on December 10, with the usual caveat that this line-up of business is subject to change in the event that circumstances, exigencies and priorities of the Government change.

Tomorrow I anticipate that the Striking Committee will report. There have been discussions among House Leaders and it has been agreed that the concurrence motion will be received tomorrow. There is an understanding among House Leaders that that concurrence report will be dealt with tomorrow and that there will be a maximum of one speaker per Party before the motion for concurrence is put to the House.

With respect to business of the House for Monday, there have been discussions among House Leaders concerning the procedural difficulty which we anticipate by virtue of the possibility of a deferred vote taking place at the end of that day. Accordingly, I ask the House for its unanimous consent to the following draft order:

That on Monday, November 19, 1984, notwithstanding any deferred division or divisions, if the Order of the Day for the consideration of the Address in Reply to the Speech from the Throne is called, the business to be considered shall be the motion of the Hon. Member for Sarnia-Lambton.

I think Mr. Speaker will find that there is an inclination on the part of the House to accept that as an order of the House.

Mr. Speaker: I take it that there is unanimous consent.

Mr. Gray (Windsor West): Mr. Speaker, I should like to ask my hon. friend whether he is ready to give us the business at the House for Thursday next week.

Mr. Speaker: Perhaps the Hon. Government House Leader could answer that question in a moment. Either we treat these motions when they are put or I have to defer them to motions. I will simply ask if there is unanimous consent to the suggestion and, there being unanimous consent, is it the will of the House that the matter relating to business of the House for Monday be adopted?

Some Hon. Members: Agreed.

Mr. Speaker: Agreed. The Hon. Member for Windsor West asked a question concerning Thursday of next week. Perhaps the Government House Leader could answer it.

Mr. Hnatyshyn: Mr. Speaker, I am still considering the possibility of business. As the practice has developed, I should like to consult fully with my colleagues, the House Leaders, with respect to business. We did not have an opportunity to meet today. We meet on a daily basis, which is the joy of my existence; there is nothing more exciting than having an opportunity to discuss the future deliberations of the House with my colleagues. Seriously, I hope to consult with them and put forward a proposal with respect to the business of the House for the last two days of next week. I hope we can get on with the business of the House of Commons in an expeditious manner.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I assure the Hon. Government House Leader that there is still a couple of hours left; we could cram in a meeting today. Would he be in a position to indicate to the House whether the Government is intending to establish a committee to deal with the questions directly relating to women? He knows that I raised this question with him previously and he indicated that he was taking the matter under advisement. Since the Striking Committee will report tomorrow on the structure and composition of committees, I was wondering whether we might know something about that in advance of the report of the Striking Committee.

Mr. Hnatyshyn: My colleague, the Secretary of State (Mr. McLean), early on in our mandate raised with me this question concerning the very important suggestion of the House Leader of the New Democratic Party. I believe my colleague is in the process of considering a variety of options, which I am sure he will want to discuss with the critics in each Party. I know I speak on behalf of the Government and the Secretary of State when I say to the NDP House Leader that we appreciate his suggestion and that of the Hon. Member for Vancouver East last week. We consider this to be a very important topic. We want to ensure that whatever we do is done in the full spirit of consultation and to the best effect of parliamentary deliberations on matters relating to the women of Canada.

Mr. Speaker: May I just say to the Hon. House Leaders that I allowed that question because it was in the tradition of a question by one of the Party House Leaders. However, the Hon. Member for Hamilton Mountain put me in some difficulty. I should advise him of that because we ruled out a question of the same kind about 10 days ago as it was anticipatory. I let it go today because of the traditions of House Leaders, but I would ask him to consider what I said at that time about anticipatory matters.

ROUTINE PROCEEDINGS

[*English*]

PETITION

CALL FOR REINSTATEMENT OF CAPITAL PUNISHMENT

Mr. Norman Warner (Stormont-Dundas): Mr. Speaker, it is an honour and privilege to present to the House a petition on behalf of the residents of Stormont-Dundas. They believe in the reinstatement of capital punishment for the conviction of first degree murder. Punishments are set to fit the crime and in cases of premeditated murder the supreme crime merits the supreme punishment.

* * *

[*Translation*]

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mr. Ken James for an Address to Her Excellency the Governor General in reply to her Speech at the opening of the session; and the amendment thereto of Mr. Allmand (p. 252).

Mr. Louis Plamondon (Richelieu): If I may, Mr. Speaker, I should like to conclude the speech I began this morning and which I had to interrupt for the one o'clock adjournment, when I was talking about the merchant marine and the shipbuilding policy.

Since capital costs cannot be reduced through grants under the Petroleum Incentives Program, most oil companies lease tankers rather than have them built in Canada. It should be noted that our foreign competitors provide low cost financing and other direct or indirect grants, whereas the Canadian Government refunds up to 80 per cent of the applicable excise tax to the importer.

January imports are the last of a long and depressing list of foreign imports into Canada. Those four ships represent a loss of about $55 million for Canadian shipyards and related industries. In 1983, Canada imported 38 ships, for an over-all 198,743-ton capacity. That represents the largest number of

ships and the highest tonnage ever imported by Canada in a single year. The new shipbuilding government policy came into force last June 30, but there are still some loopholes—PIP grants, among others—which nullify the positive aspects of that policy.

The Government must earmark PIP grants exclusively for companies which buy their equipment in Canada or which maximize Canadian contents. That suggestion does not fly in the face of existing international trade agreements which we have signed since GATT Section 19 does authorize lifting special import barriers when a national industry is threatened.

Canada's shipbuilding industry is seriously threatened. Should we fail to make changes to boost that sector in Canada, then the very survival of our shipbuilding industry will be at stake.

Mr. Speaker, I conclude on that subject by saying that all my efforts will be directed towards the preparation of an effective merchant marine policy which will spell prosperity for our shipyards.

In another vein, I would be remiss if I failed to talk about those who have been most severely affected by twenty years of inertia—young Canadians. Twenty years during which the best the previous government could come up with to solve the unemployment problem was to make them even more dependent on a paternalistic and patronizing government which would force them to wait for handouts from their Liberal MP. Once they realized they had failed miserably, some former Liberal Ministers had the nerve to claim that they had been unable to correct the situation because of the lagging economy for which they were responsible in the first place.

Mr. Speaker, I want to say that I am glad to belong to a government which has decided to create permanent jobs for young Canadians. It is now up to us to take action.

The constituents of Richelieu are also looking forward to a new federal-provincial agreement concerning the creation of industrial parks in the regions of Bécancour, Nicolet and Sorel-Tracy.

In the agricultural sector, our producers are delighted to hear about the reform advocated in the Speech from the Throne, especially with respect to the legislative provisions designed to ease the transfer of family farms and others concerning the tax rebate on gasoline.

Mr. Speaker, I am grateful to you for allowing me to speak in this House and, in conclusion, I want to say again that, for me, it is a great honour to belong to this Government and, for the people of Richelieu, there is renewed hope to see workers walking proudly again, businessmen looking forward to the future, young people regaining their dignity, and the elderly knowing that they are secure.

The Acting Speaker (Mr. Charest): Questions or comments. Debate. The Minister of Transport (Mr. Mazankowski).

• (1510)

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I want to say what an honour it is for me to participate in this debate on the Address in Reply to the Speech from the Throne and to associate myself with the many others who have expressed sincere congratulations to you, Mr. Speaker, on your elevation to a very high office, one which I know you will fulfil with all the distinction and honour that is customary to this enobled position.

I also congratulate the Deputy Speaker and Chairman of Committees, the Hon. Member for Verchères (Mr. Danis); the Deputy Chairman of Committees, my good friend and colleague, the Hon. Member for Edmonton Centre (Mr. Paproski); as well as the Assistant Deputy Chairman of Committees, the Hon. Member for Sherbrooke (Mr. Charest).

Above all, I congratulate the mover and the seconder for their very distinct contribution in moving and seconding the Speech from the Throne. They certainly have distinguished themselves in an exemplary manner. They have not only brought pride to themselves, but indeed they have brought pride to their constituencies, to those who elected them, and they have certainly brought honour to their regions and districts. I must say it is very refreshing, after having been in this place for more than 16 years, to hear the eloquent words of the mover and seconder and the eloquent words of those who have spoken in this debate.

I enjoyed with interest the person who spoke earlier about his conviction regarding the need for adequate policies to foster the gradual development of a merchant marine and the need to create an economy which would establish permanent job opportunities. It is encouraging to note that throughout this whole country we have people speaking in the Chamber who are echoing the same sentiments. The conviction and the clarity with which these new Members have spoken is indeed an inspiration to us all. They clearly have a lot to offer. I know that this will be one of the most productive Parliaments in the history of this country.

I also want to take this opportunity to express my sincere thanks and appreciation to the electors of Vegreville who have placed their confidence in me for the sixth consecutive time. It has been an honour and a privilege to serve the constituency of Vegreville. For those who may not be aware of where the constituency of Vegreville is, it is east of the City of Edmonton. The western boundary is within 20 miles of the City of Edmonton and the eastern boundary is the boundary of Saskatchewan and Alberta. I have the City of Lloydminster, which is shared with my colleague and good friend, the Hon. Member for Kindersley-Lloydminster (Mr. McKnight), who looks after the Saskatchewan side of Lloydminster. I try to look after the Alberta side.

Then there are some very important communities such as St. Paul, Wainwright, Vegreville, Vermilion and Elk Island Park. There is an army base at Wainwright. It is a very mixed economy, primarily agriculture and small industry. The energy

resource industry is very important. Essentially all the business activity is related to the activity surrounding agriculture, mixed farming, the energy sector and light industry.

The economic conditions are not healthy. The impact of the National Energy Program and the devastation that was heaped upon our part of the country as a result of the odious policies of the National Energy Program have inflicted irreparable harm. It will take a long time for many of those industries to recover. The small business sector directly associated with agriculture and the energy sector exists in an uncertain climate. There have been many bankruptcies, many failures.

In the farming community we have had our share of bankruptcies. Farm incomes are the lowest since 1938. Last year net farm income fell by roughly 40 per cent in western Canada. These issues clearly need addressing. I am pleased that the Speech from the Throne and the economic statement have gone some distance in addressing the concerns of agriculture.

We are an exporting nation, particularly with respect to our agricultural products. We are not a price setter, we are a price taker. Therefore, we must do everything we can to reduce the input costs of our agricultural products. We have addressed that by addressing fuel costs. Interest rates are coming down. That certainly is a very major cost component. We hope to address the issue of the chemicals we spray and the fertilizers we use. Those are very expensive input costs. We must do everything in our power to bring down the cost of farm inputs. Only in that way can we alleviate some of the cost-price squeeze pressures that are inflicted upon producers.

In listening to the debate up to this point, I find that there has been a lot of rhetoric floating around and very little substance flowing from the Opposition. What puzzles me is that they tend to forget that there was an election on September 4. There was an election where the Canadian people clearly voted for change, an election which gave the Progressive Conservative Party a clear national mandate to set this country on a different course. Yet we hear the same old rhetoric from the socialists and the same old rhetoric from the Liberals, all of which has been rejected by the Canadian people. Will they ever learn?

On September 4 Canadians voted not only against the Liberal government of the day. They voted for a Progressive Conservative alternative. There is no question about that. I might say that they voted against socialism. They voted against a brand of socialism that is depicted by those two Parties which sit close together mollycoddling. They have not changed and they will not change.

• (1520)

I see the former Member for Oshawa sitting in the gallery. The Hon. Michael Starr was a very distinguished Member who served this place with distinction and honour. He visited my office earlier today and reminded me that even the Leader of the New Democratic Party (Mr. Broadbent) almost lost the election this time. His majority was cut from 12,000 to 2,000. I suppose that if the election campaign would have lasted another week or so, we might have got him too.

Not only did the Canadian people vote against the Liberal government but they voted against the Liberal-NDP brand of socialism. They voted for something positive. There is no question about that.

Mr. de Jong: The election is over; tell us what you are going to do. Come on, tell us.

Mr. Mazankowski: There will be lots of opportunity to do that. I think it is very important to set the record straight. The Canadian people voted against a Party which left a legacy of broken promises and hidden agendas. We know what the legacy of that Party was. It was crippling interest rates, massive unemployment, burdensome debt and a weak Canadian dollar. It was a Party which killed the entrepreneurial and creative spirit of Canadians. That is perhaps the biggest disaster that was inflicted on Canada by the alliance of those two Parties. Those two Parties destroyed investor and business confidence. They turned optimism into despair and anxiety. As a matter of fact, their legacy is a legacy of heartbreaks and broken dreams, a legacy of business bankruptcies and farm bankruptcies.

It is amazing that members of the NDP get so irritated. They know that they were a part of this action. They were a part of the action taken on the NEP.

Mr. Waddell: How were we part of it? Name one.

Mr. Mazankowski: Yes, I will name one right now. Members of the NDP across the way supported the National Energy Program.

Mr. Waddell: Nonsense! That is not true.

Mr. Mazankowski: That is absolutely true.

Mr. Waddell: That is a lie.

Mr. Mazankowski: It cost the people of Ontario 90,000—

Mr. Waddell: Mr. Speaker, I rise on a point of order. The Minister should not lie to this House—

Some Hon. Members: Order!

The Acting Speaker (Mr. Charest): I would like to remind the Hon. Member for Vancouver-Kingsway (Mr. Waddell) that he should not use the term that he just used, if I heard him correctly.

Mr. Waddell: Mr. Speaker, I would be pleased to withdraw the word "lie" because it is unparliamentary and replace it by saying that the Minister obviously knows, if he follows the votes, that we did not vote for the National Energy Program. He is a sensible and good Minister and an honourable man. He should not mislead the House.

The Acting Speaker (Mr. Charest): I would like to recall to the Hon. Member for Vancouver-Kingsway that, first, the

House does appreciate the fact that he has substituted the word, and second, that his point is not a point of order. The Hon. Minister of Transport (Mr. Mazankowski) was making a speech and I would ask him to resume.

Mr. Mazankowski: Mr. Speaker, it is rather strange that they get so irritated over there. The truth always hurts. The National Energy Program which the NDP supported cost Ontario 90,000—

Mr. Waddell: We did not support the NEP.

Mr. Riis: Mr. Speaker, I rise on a point of order. I believe I misheard the Hon. Minister of Transport (Mr. Mazankowski). Once again I think he said that the New Democratic Party supported the National Energy Program when in fact, on every single vote regarding the National Energy Program, members of the NDP voted against it.

Mr. Mazankowski: There again we see the hypocrisy—

The Acting Speaker (Mr. Charest): Of course, this is a point of disagreement; I would not think it would be a point of order.

Mr. Mazankowski: Mr. Speaker, we again see the hypocrisy of the gang over there. They have not changed and they never will. The fact of the matter is that the National Energy Program, which was supported by members of the New Democratic Party, cost the Ontario economy—

Mr. Waddell: Mr. Speaker, I rise on a point of order. The Minister is deliberately misleading this House. He has been told and he knows very well—

Some Hon. Members: Order!

The Acting Speaker (Mr. Charest): Order. I believe the Hon. Member for Vancouver-Kingsway once again used an expression that may be unparliamentary. Does the Hon. Member wish to—

Mr. Waddell: No, Mr. Speaker. The truth is the truth. He is misleading the House. We never supported the National Energy Program. He knows that very well. He can check the record. He is deliberately misleading the House. Perhaps the Minister is prepared to temper his remarks. He is an honourable man. He knows that I was the energy critic for three years. He knows that I know about the votes. I think he is an honourable man. There are plenty of other targets that may be used against us. Why does he not use the real ones? If he is prepared to temper his remarks, I will—

The Acting Speaker (Mr. Charest): Order. I understand very well that the Hon. Member for Vancouver-Kingsway disagrees with the remarks. He has made his case quite clear on that point. However, I would also like to recall that the expression used by the Hon. Member for Vancouver-Kingsway is not permitted in this House and is considered unparliamentary. Taking into account the fact that his point was sufficiently made and that the Hon. Member has been very well understood up until now, I would once again reiterate the demand I have just made and ask the Hon. Member to please re-state the phrase.

Mr. Waddell: Mr. Speaker, I am prepared to change the phrase by saying that he has perhaps inadvertently misled the House. I expect that the Minister will do the honourable thing and recognize that we did not support the National Energy Program.

The Acting Speaker (Mr. Charest): Order. The Chair feels very much obliged to the Hon. Member for Vancouver-Kingsway.

Mr. Mazankowski: Mr. Speaker, if the Hon. Member is acknowledging the fact that members of his Party have just done another flip-flop, then I will temper my remarks accordingly. However, the fact of the matter is that according to a recent study done by the Ontario Government, 90,000 jobs were allegedly lost as a result of this odious measure, the National Energy Program, and 70,000 jobs were lost in the Province of Alberta. It affected many other regions. It affected our balance of payments. It created a massive outflow of Canadian investment capital and destroyed generations of entrepreneurs and businessmen. There is no question about that. I am really happy to note that members of the NDP now recognize that it was a bad measure.

Those were some of the things that the people voted against in the last election. They also voted against a government which really divided this country. The National Energy Program was one issue which divided the country. The people also voted against a government which proclaimed that federalism was dead and said that it was not a workable unit. It pitted region against region, West against East, business against labour. The bitterness and strains of acrimony were clearly reflected in the outcome of the election that was held on September 4.

I could speak of the hidden agenda of the Liberal Party, which included the National Energy Program. I could discuss the unilateral way in which it wished to amend the Constitution, an action which again was supported by members of the New Democratic Party. They were going to treat western Canadian provinces as second-class provinces. Members of the NDP cannot weasel out of that one. Those were things that were never talked about during the 1980 election campaign. There was never any mention of the dismantling of VIA and of the dismantling of the Crow rate during the 1980 election campaign. Not a word was uttered. Therefore, we had that massive rejection.

As well, Canadians voted for a new government under the dynamic leadership of the current Prime Minister (Mr. Mulroney), a man who must be the most exciting political figure in Canada today. There is no question about that.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: The Prime Minister was able to put together a team that is competent and compassionate, one which came forward with sensible policies and was able to

capitalize on the reservoir of goodwill, talent and character of the Canadian people. And so Canadians supported us because we committed ourselves to putting the economic house in order; to attacking the economic problems on two fronts; and to bringing fiscal responsibility back into the realm of good management. We committed ourselves to creating a climate of confidence for both the consumer and business, a climate of investor confidence and a climate of growth where ingenuity, initiative, creativity and the entrepreneurial spirit of Canadians can once again be unleashed. We committed ourselves to tackle the unemployment problem, not simply by creating more government programs but by encouraging the private sector to create those permanent jobs. We committed ourselves to addressing the interest rate problem.

• (1530)

We talked during the course of the election campaign of the four pillars; the need to address the interest rate problem; the need to address the training and re-training problem; the need for new technology; and the concentration on research and development and on trade, because this country as a nation must trade to survive. Thirty-five per cent of our Gross National Product is dependent upon international trade. We talked about scaling down the scope and size of government. We talked about building upon our natural strengths and revitalizing those basic industries which have carried us through good times and bad.

What are those basic industries? One is agriculture. This country has the potential of being a superpower in agriculture. Even today agriculture is a $19 billion annual megaproject. When we consider that 40 per cent of our economic activity is related to the agri-food business, 18 per cent of our labour force, that we generate $5 million worth of exports, and yet individual farmers are hurting, we see that we must do something to help that particular sector. We are doing that by addressing the cost-input side.

The energy sector is another tremendous engine of economic growth and activity. The CPA has indicated that there are at least 300,000 new jobs which could be created by revitalizing the energy sector. There is the potential of 100,000 jobs in the petro-chemical industry alone through to the year 1990.

There is also the importance of the forest industry. It is a $27 billion annual industry which has $11 billion worth of exports. We must concentrate and ensure that that is a viable and vibrant industry. The fisheries industry is another one of our natural strengths, $3 billion worth. Mining has $12.2 billion worth of economic activity. Tourism is worth $17 billion. We must, therefore, provide a better deal and framework for these industries in order that they may continue to grow and to generate the kind of new wealth which we need in this country.

Yes, Canadians voted for those kinds of programs and they voted for new ideas and new solutions. They also voted for a new way of governing through the process of consultation, co-operation and working together; renewing our political and economic partnership; and working through consultation and co-operation rather than confrontation and alienation. Yet today we hear the same misleading rubbish from my friends in the New Democratic Party which we heard throughout the election campaign.

I heard the Hon. Member for Yorkton-Melville (Mr. Nystrom) who said the other day that our Government has done nothing for agriculture. Let me go through a litany of things which have been done since this Government assumed office. On October 1, the Minister of Agriculture (Mr. Wise), together with his provincial counterparts, announced a $60 million federal-provincial drought assistance program for western Canadian farmers. On November 5, the Minister of Agriculture announced a suspension of farm foreclosures by the Farm Credit Corporation until January 15. It is a very distressing situation, and this decision gives us time to analyse the situation to see what we can do in a very constructive and meaningful way. On November 2, the Minister of State for the Canadian Wheat Board (Mr. Mayer), announced a $123 million payment under the Western Grain Stabilization Act. This is something for which this Party has long campaigned. Over a year, $123 million, for a total of $223 million, has been paid out.

Initial prices for barley have been raised from $2.39 to $2.72. On October 26, I announced the freezing of the seaway tolls, which were scheduled for an 8 per cent to 10 per cent increase. This will be a saving of some $2 million for the farmers of western Canada. In the economic statement there was the removal of the 9 per cent sales tax, the discontinuance of the collection of the federal excise tax of $1.5 cents a litre—the 9 per cent sales tax is three cents a litre—and relief from the increase in the petroleum compensation charge. All this amounts to a total reduction of 6.3 cents a litre for farmers, fishermen and people engaged in the forestry industry. That is almost 28 cents a gallon, Mr. Speaker, and these guys across the way say we have done nothing for the farmer. Well, if we have done nothing for the farmer, let us take it away, and then we will hear the yelping and screaming coming from over there, because those Hon. Members do not know what they are talking about.

Furthermore, with respect to capital gains—

The Acting Speaker (Mr. Charest): Order.

Mr. Mazankowski: —and things of that nature, those are items which are going to be referred to and dealt with.

The Acting Speaker (Mr. Charest): Order. Are there questions or comments?

Mr. Benjamin: Mr. Speaker, while avoiding rhetoric, I would like to ask the Minister if he will finally get around to talking about his own Department, which got hit for $288 million in cut-backs, which is additional to $32.5 million which farmers are going to have to pay in user fees. I remind the Minister of how he spoke against the Honourable Otto Lang's user pay program. He was one of the leading spokesmen against it.

However, let me go to a matter about which the Minister at that time was the most prominent spokesman, certainly in the Opposition. I hope the Minister who said on September 13 last year:

I have to tell you, Mr. Chairman, that on the basis of our candid assessment this country is clearly not ready for the dismantlement of the Crow.

He went on to say:

—the goal of our amendments will be to maintain the existing Crow rate for the producers of Canada—

And guaranteed in its present statutory form until at least 1985-86. The Minister went on further to say:

We are of the opinion that on the evidence that has been presented to this committee it is clearly in the best interest of the producer to retain the Crow.

Would the Minister mind reporting to the House about the position and policy of his Party which concerns his Department, and tell us if he is going to put the Crow rate freeze on? And will he make it retroactive to August 1st last?

Mr. Mazankowski: Mr. Speaker, I am glad the Hon. Member asked that question, although it was sort of convoluted.

Mr. Benjamin: I just quoted the Minister. If that is convoluted, tough.

Mr. Mazankowski: Well, that was not the policy which was stated during the last election campaign, and the Hon. Member knows that. So he should not try to mislead, distort and manipulate.

Mr. Tobin: You are too sensitive.

Mr. Mazankowski: No, the Minister is not sensitive at all.

Mr. Tobin: Yes, he is.

Mr. Mazankowski: No, certainly not. I have ten minutes. I can take more time. I am trying to handle as many questions as I possibly can.

Mr. Tobin: You have a thin skin.

Mr. Mazankowski: No, I do not have a thin skin, either.

The Acting Speaker (Mr. Charest): Order.

Mr. Mazankowski: The position of our Party was that the Government would freeze existing freight rates paid by producers from any further increase pending the results of the legislation's review mechanism and the producers' ability to pay. The stated freight rate at that time was the one which was announced on April 27, 1984, which was set for the 1984-85 crop year.

Mr. Blaikie: Mr. Speaker, I have a question for the Minister of Transport with respect to the railways. The Minister will know very well of my concern, which is shared with a great many others, with respect to the issue of caboose less trains. I hope he will be following up the request of the Hon. Member for Regina West (Mr. Benjamin) with respect to holding hearings, not only in Vancouver, Winnipeg, Moncton and Ottawa, but also in those other cities in which the Minister himself earlier requested the CRTC to hold hearings.

My question pertains, Mr. Speaker, to a comment made by the President of the CNR with respect to the future possibilities of manufacturing programs at the CN shops in Transcona. The President of the CNR, Dr. LeClair, is reported to have said that the construction of coal cars there—and the Minister will remember this program—was an accident and that it was a one time occurrence and not likely to recur. Does the Minister know, first of all, that it was not a one-time occurrence? There was a wood chip program there and at least one other manufacturing program, so it is not a one-time occurrence. Those of us concerned about Transcona did not understand that it was an accident; we thought it was a new step forward in manufacturing for western Canada where this kind of work could be done on site. Is the Minister taking an interest in this and will he try to ensure that manufacturing possibilities are indeed distributed fairly across the country and that Transcona will continue to be taken into consideration as the site for future programs of this nature.

• (1540)

Mr. Mazankowski: Mr. Speaker, in answer to the first part of the question, I think it is fair to say, with respect to the hearings on the pre-testing of the caboose less trains, that that was an initiative taken by myself and my colleagues, and I appreciate the support of the Members opposite. I just want to make it very clear that the initiative was taken by myself and by Members on this side. There have been requests for additional hearings and I have communicated that request to the CTC and await its response.

Regarding the second part of the question, I have to confess that I am not familiar with the statement to which the Hon. Member referred. I would be very pleased to look into that matter and take the Hon. Member's submission as a representation. I can tell him that because CN is a national railroad system owned by the people of Canada, it is important that the contracts for supplies, materials and equipment should be reflected in a purchasing plan which will take into consideration all regions of the country, and the Transcona shop should not be excluded.

Ms. Mitchell: Mr. Speaker, I would like to ask the Minister a question regarding shipping, although I know he comes from an inland riding. He will recall that his former short-lived Government had some fairly positive proposals to do something about Canadian shipping. I would like to know whether he and his Government have any plans or suggestions that would help to stimulate Canadian shipping. In addition, what are his views on a Canadian merchant marine?

Mr. Mazankowski: As a matter of fact, we have a number of initiatives to stimulate the shipbuilding industry, and part of the rationalization for the upgrading of the eastern ferry system involves very intricately the acquisition of new vessels. There will be four new vessels coming on stream, one of which

is already built. They will, among other things, provide more capacity, faster service, greater flexibility and, equally important, provide the shipyards with some needed activity.

Ms. Mitchell: What about western shipyards?

Mr. Mazankowski: As far as the West is concerned, naturally we will not overlook the West. As I said, this Government has representation from all regions of the country and we are reminded of the regional strengths and opportunities every week when we meet in caucus. Being a westerner I would certainly not want to overlook the West.

Notwithstanding the fact that I come from an inland part of Canada, I am very interested in marine activities and have always been. I am one who personally favours the gradual redevelopment of a deep sea fleet. There are some difficulties in that and there are different schools of thought on the subject, but we are going to have the benefit of a task force which is going to be bringing down some recommendations. I hope that when that is presented, perhaps the Government will be able to respond with a policy paper.

The Acting Speaker (Mr. Charest): There are only a few seconds left in the question and comment period, so I will recognize now the next speaker in the debate.

Mr. Les Benjamin (Regina West): Mr. Speaker, I want to begin by congratulating you, Sir, and all your colleagues in the chair on your appointment in this new Parliament. I want to say how pleased I am to be back here and especially to be sitting straight across from my good friend, the Minister of Transport (Mr. Mazankowski). For most of the last 16 years we have sat on the same side of the table in committee and the same side of the House here. However, now that he is over there, I expected that when he got up to speak in this debate he would have something to say about what is going on in his Department; not what is being done with it or for it but what is being done to it. I was hoping we would hear some explanation about the, as I add them up, $288 million worth of cut-backs in his Department. I would like to have had an explanation as to what the Government's plans are regarding branch lines. Does this mean it is just delaying rehabilitation or does it mean it cancelled rehabilitation?

I would also like an explanation about more user-pay charges. My colleague, the hon. gentleman from Vegreville, led the criticism in this House of a former Minister of Transport who inaugurated user-pay. We had a continuation of that policy under the short-lived Tory Government in 1979, and we have a continuation of Liberal policy under this Government now. User-pay means another $34 million in airline taxes. The Minister carefully tried to get himself off the hook on the Crow rate. I should remind the House, Mr. Speaker, for those who were not here at the time, that the Minister, as transport critic for the Conservative Party, took something like 40 minutes to make a major policy statement last September 13 dealing with one of his amendments to Bill C-155. He laid it on the line and made it very clear where his Party stood on that legislation and what his Party would do with it when it got a chance. He was unequivocal about his partisan stand on it. He said, "The goal will be to maintain the existing Crow rate for the producers of Canada and at least ensure that it is guaranteed in the present statutory form until the review process is completed in 1985-1986". The Hon. Member for Assiniboia (Mr. Gustafson) was sitting there that night. He heard him. I will call him to be one of my witnesses. My colleague, the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) will also bear witness, as will everyone else who was there that night. The Minister made a superb presentation on why the statutory grain rate should be kept for western grain producers. Too bad he was not as superb today, or anywhere close to being superb.

I also want to say that this Government has more first priorities than anyone I have ever heard of or seen in the years I have been here or anywhere else. I have heard all kinds of statements and press releases for the last number of months about first priorities and sacred trusts. There was a first priority on unemployment. It was a sacred trust. Then it turned out there was another first priority and sacred trust in reducing the deficit. There were other first priorities such as women's rights and aboriginal rights. Members opposite have a lot of first priorities. They are still trying to figure out which ones should be first, although I think they decided that last Thursday night. The first priority for them is the deficit. Well, Mr. Speaker, a deficit is a debt.

Mr. Fraser: This one is a growing debt.

Mr. Benjamin: One acquires debt for positive and constructive reasons. You acquire a debt to buy a home, a tractor, a combine, a fishing boat or some nets. You acquire a debt to expand your business. In the acquiring of those debts people go to work. Any part of a deficit which is acquired for those things, whether by individuals, a private company or a government, is a positive and self-liquidating debt. Any debt or deficit acquired for productive purposes is a positive debt. The Government should stop being so hypnotized by that part of the deficit.

• (1550)

If you reduce the deficit, you automatically increase unemployment. The measures announced last Thursday night are going to increase unemployment. We can argue about whether it will cost 20,000 or 100,000 jobs, but it is going to increase unemployment, especially if you reduce deficits for positive investments in our economy which create jobs.

A major portion of the $93 million that is paid to VIA Rail is for the implementation of projects promised in the past seven years, new transcontinental passenger equipment which would put people to work in Thunder Bay, Trenton, Sydney or at Bombardier at La Pocatière outside of Montreal. It would put people to work for something which is needed by the nation, which is the responsibility of the national Government. The private sector is not involved in operating VIA Rail. The private sector would be involved in building new equipment for VIA Rail, which puts people to work, but the Government cuts

back on that kind of legitimate increase in deficit for the constructive purpose of creating jobs.

I did not originate the idea, Mr. Speaker, but let me remind the House that by bringing unemployment down to 7 per cent or 7.5 per cent, the deficit would be wiped out in three years or less. Let us not worry about chickens and eggs. I submit that to borrow now for positive investments in things that are the responsibility of the public sector, whether shipyards, railroad passenger trains or a host of other things, would create jobs. Mr. Speaker, when you invest borrowings in productive increases in our economy, you put people to work and keep business busy. They pay taxes and you liquidate the borrowings. Being a simple, ordinary country boy, that has always made sense to me.

Reducing deficits as carried on by this Government and the late unlamented Liberal government has increased unemployment. There are no ifs, ands or buts about it, and it was not the NDP that came up with those figures.

I think the matter of interest rates is at square one. It would be dumb for a businessman to borrow money at 12 per cent, 13 per cent or 14 per cent to expand his business, increase his inventory or re-equip his plant. He would be dumb to borrow money at those rates. Why should small and middle-sized businesses borrow money? The Prime Minister (Mr. Mulroney) and all the rest of them over there talk about confidence. Well, confidence does not make jobs. You cannot eat it, you cannot borrow it, and you cannot lend it. If you lower interest rates, Mr. Speaker, those who are willing to borrow and invest will have the confidence to do it. Farmers and fishermen who have to borrow in order to survive are borrowing at rates of interest which will ruin them. It will ruin them because the price they get for their produce is below their cost of production. The Hon. Member for Assiniboia can tell you about that in spades. Yet his Government compounds the felony.

We should put a handle on interest rates. We should not worry about increasing the deficit for productive purposes. In that way, most of the deficit would not go to pay interest on old debts; the deficit would be for productive purposes. At the end of World War II the national deficit was three times as high as it is now in real dollars. With a high rate of production and employment during the 1950s, we got rid of the entire deficit.

The other problem is the paranoia of the Members of the Government and the members of the financial institutions about the value of the Canadian dollar compared to the American dollar. Mr. Speaker, as the man said in *Gone With The Wind*, "Scarlett, frankly I don't give a damn". Who cares? What does it matter what our dollar is worth compared to the American dollar? The question is what our dollar is worth to us here and what it is doing for us here. To be perfectly honest, I would not mind if it went down some more compared to the American dollar, because that is great for grain sales, as the Hon. Member for Assiniboia can tell you. It is great for potash and forestry sales. It is great for the tourism business and the fishing industry. It makes our imports a little more expensive, but then maybe more of our manufacturers will have more sales.

But the people from the financial institutions in our country are running around wringing their hands saying how terrible it is that our dollar is down compared to the American dollar. Well, what the hell, it is down compared to the Fiji dollar, the Pango Pango dollar, and I do not know what other dollars. It may be up compared to the British pound. It may be up or down compared to any currency. It is like the fellow who asked his friend how his brother was and his friend replied, "Compared to what"?

The Government must get over that nonsense and do what Louis St. Laurent did after World War II and what John Diefenbaker did. We did it for only a year or two at a time and three or four years during the war. We did not give a damn what our dollar was worth compared to the American dollar. We pegged the dollar and the interest rates. We put on foreign exchange controls. By that I am not referring to the $200 or $300 that the Minister of Transport (Mr. Mazankowski) might spend on a weekend in the United States.

Mr. Mazankowski: Are you jealous because I have not invited you?

Mr. Benjamin: Yes, you have not invited me to go with you yet.

If they get over that nonsense and do our thing, they will find that there are billions of dollars of investment capital available to Canada from Canadians and from foreign investors. For many years we have brought in billions of dollars of foreign capital for investment in this country, but it was not ownership capital, it was loan capital. A classic example is the Saskatchewan Power Corporation. In eight years it borrowed over $600 million, almost all of which came from New York, Switzerland, or somewhere else outside of Canada. It was foreign capital. We brought electricity to 60,000 farms and every town, village and hamlet in the province. The experts said it could not be done. We increased our generating capacity. We paid off those loans and we own the Power Corporation. That was mostly done with foreign investment, Mr. Speaker.

The investment from outside of our borders does not have to be equity or ownership investment. We had enough of that under the Liberal government. At one point, our economy was almost 90 per cent owned outside of our borders and we were not masters in our own house. I am not anti-American, I like my relatives, but I do not want all my relatives moving into my house, with me having to pay the mortgage and live in the garage.

● (1600)

The Government should take the first step to reduce interest rates and not worry about any borrowings or deficits which are productive and put people to work in areas that are the responsibility of the Government. I believe that the Government will find that would restore the confidence of the private investor. Lower interest rates would mean that tens of thou-

sands of people would borrow money to build a new home or repair their existing homes.

Every city in this country has long waiting lists for senior citizens homes and chronic care beds, but the Government is more concerned with reducing the deficit. Thousands of people could be put to work in this area to meet a genuine need that is the responsibility of the entire public. Instead, the Government sits here like the Liberals did with their nineteenth century concepts on how to solve problems. They sound like R.B. Bennett, Herbert Hoover and Mackenzie King all over again. Why should we not declare a state of national economic emergency and challenge the nation at every level including the private sector, the agricultural industry and the trade union movement to take action as we did during the Second World War? We have done it before and it can be done again.

It is not necessary to sit here and worry about what is happening with the American economy. I am not concerned about what is happening with the American economy. I am concerned about what we do with our economy. History has shown that we can take care of our own affairs. The Government should not simply cut deficits for the sake of cutting deficits just to please the head of the Bank of Canada or any other bank. I am not concerned about how they feel. In fact, I would rather that they felt worse, because whenever they feel bad usually most of the country is working.

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

Mr. Mazankowski: Mr. Speaker, it is quite obvious that the Hon. Member has never met a bottom line or a payroll. I doubt very much if there is anyone on that side who has met a payroll. It is quite obvious from their type of rhetoric. That is the kind of irresponsibility one gets from people like that.

Mr. Althouse: You never borrowed money when you were in business?

Mr. Mazankowski: Yes, I did, and I met a payroll too.

Mr. Althouse: So have we.

Mr. Mazankowski: The Hon. Member talked about user pay. I take it from his comments that he is implying that the public Treasury should pay an increased share of the costs of transportation relative to what is being paid today.

I ask him in all honesty if he could enlighten me as to how he would handle, for example, the cost recovery in the Canadian air transport administration, which was at 58 per cent in 1980 and is now down to 34.4 per cent. How would he handle the marine sector, which has a cost recovery of roughly 26 per cent; the surface transport, at 17 per cent; CN Marine, at 19 per cent; VIA, at 23 per cent; and the Coast Guard, at one per cent?

I am not trying to belittle the point. I want to get a forthright answer from the Hon. Member, because the fact is that the percentage of cost recovery is on a continual decline and worsening. Does he not consider it to be a responsible move to do everything we can to reverse that trend by getting greater productivity, efficiency and utilization on the one hand while looking at the options of increased support from the users of those systems?

Mr. Benjamin: Mr. Speaker, I appreciate the questions of my friend. I will endeavour to answer each one specifically, beginning with ferry services. I have always believed, as has my Party, that the ferry service is part and parcel of our national highway and rail system. If it were logical to charge tolls for a ferry system, it would be equally logical to have tolls for the use of part or all of the Trans-Canada Highway. Those ferry services should be considered part of the road network.

Mr. Mazankowski: What about the recovery on the Trans-Canada?

Mr. Benjamin: I do not know if we have ever had full cost recovery on the Trans-Canada Highway, or any other road for that matter.

Mr. Mazankowski: But 19 per cent?

Mr. Benjamin: It seems to me that something which is a full public responsibility should be shared by the entire nation through our tax system. We all share in the cost, whether we use it or not.

Mr. Mazankowski: Are you saying there should be no tolls?

Mr. Benjamin: I say that the ferry services should be toll free because they are part and parcel of our highway system. That is not a new idea on my part and does not happen to be part of some socialist ideology.

Mr. Mazankowski: Why did B.C. not do it when the Hon. Member's Party was in government?

Mr. Benjamin: That is a good question. Many of us asked them why they bothered raising the fares.

With respect to airports, if there was full cost recovery or the cost of recovery was substantially increased, what would that do to the users, particularly small users? If there was full cost recovery, we might as well make the airlines build, maintain and operate the airports. However, I do not think that there would be very many airlines in business.

Mr. Mazankowski: Is 58 per cent too high?

Mr. Benjamin: I do not think it should go any higher.

Mr. Mazankowski: It is now 34 per cent.

Mr. Benjamin: At 58 per cent, not only will the airport tax increase, airlines will have to increase fares, because they will not give that money to the Government without trying to recover it. Therefore, it is self defeating. It is either an essential public service or it is not. If the Government does not see it as an essential public service, it should go for broke for a 100 per cent cost recovery and make the users pay the entire shot. At the same time, let the truckers and bus companies

build and maintain their own right-of-way. They would then be in an equal fight with the railroads and the airlines. Of course, the taxpayers have already built and maintained the airports for the airlines.

The fact of the matter is that every mode of transportation, going back to the invention of the wheel, has always been subsidized.

We have the situation where governments are hypnotized by user pay to the extent where these cease to be a public utility and become examples to be compared with private enterprise. It would be illogical for private enterprise to buy out the ferry business unless it operated only once a year, otherwise it would go broke.

The same situation is true for airports or highways. They would go broke without applying tolls to recover those costs, plus a reasonable return on their investment. This cannot be done in areas that are properly and logically a public responsibility as a public utility.

The nation has never objected to deficits. I have not heard the voters in an uproar—except editorial writers—about a post office deficit or a deficit on ferry services. These are things which everyone must use directly or indirectly. If it were logical to apply tolls for these services, there should be tolls on pedestrians because they walk up and down the sidewalks for nothing and the ratepayers pay the property taxes to build the sidewalks. Why not have a toll of 25 cents for every six blocks? It would be logical if we are considering tolls as a means to achieving full cost recovery of public utilities for public use.

• (1610)

Mr. Mazankowski: Mr. Speaker, we are not talking about full cost recovery. The Hon. Member has said, yes, there should be selective cost recovery. He said there should not be any tolls on ferry services, notwithstanding the fact that his own NDP government in B.C. did not choose that particular route. I would like to get some idea from the Hon. Member what he considers to be a fair and reasonable cost recovery. As I said in the case of the Canadian air transport administration, in 1980 there was a 58.1 per cent cost recovery. That has now gone down to 34.4 per cent.

Can I ask the Hon. Member whether he considers 58 per cent too high, too low, or just right? Does he consider 34 per cent too high or too low? Or does he consider that it should be less than that or more than that?

Mr. Benjamin: Mr. Speaker, I do not think the costs should be any more than they are now. The Minister's additional $34 million for an air tax is that much more for consumers.

Mr. Mazankowski: On taxpayers. If the consumer is not going to pick it up, the taxpayers will.

Mr. Benjamin: Again, Mr. Speaker, transportation is something we all have to use both directly and indirectly. I repeat my argument. I am sure that if you slapped $5 a year on every taxpayer in Canada just for that one thing, you would probably have more money left over in the operation of airports.

Mr. Mazankowski: What is the magic figure?

Mr. Benjamin: We used to have no airport tax.

Mr. Epp (Provencher): We used to have no airports.

Mr. Benjamin: Now it is up to over $23, and it is going to go up to $30. We used to have no airport tax. In real dollars the deficit was no worse then when there was no airport tax than it is now. What has it accomplished? I suppose it provided some additional money for Ministers of Transport to make some airport improvements. There is no doubt about the fact that that is what they did. However, I would have taken the amount out of general tax revenue and used that money.

Mr. Dick: The deficit.

Mr. Mazankowski: You would let the poor little pensioner pay.

Mr. Benjamin: I would charge a fee to people owning executive jets, to private airline charter companies, and to scheduled airlines. I would charge them a fee. Anybody who rented space in my building or in my house I would charge rent, the same as I would charge people for renting space in an airport. Even now the Minister is trying to drive a Canadian car rental company into bankruptcy with the kinds of regulations and policy he is following. But I am not talking about the latter. If you rent space in the building, of course, you charge for it. But that would not anyway near begin to cover the cost of the operation of a modern airport. I believe that continually raising the user fee is self-defeating.

Mr. Mazankowski: Is 34 per cent too high or too low?

Mr. Benjamin: I would say, leave it where it is, Mr. Speaker. I would say, this far and no further. Leave it at 34 per cent cost recovery. The Minister can get the money. Everybody uses airlines one way or another. The Minister will get the money back some other way which will be more fair and equitable instead of picking on each sector in his Department.

Mr. Mazankowski: You are going to charge the pensioner.

Mr. Benjamin: And the pensioners, Mr. Speaker. The Minister is going to raise the airport tax from $23 to $30 for the pensioners. This is fine for those who are rich and can afford to travel. But what do you do when a whole family has to attend the funeral of another family member, or an old age pensioner—

The Acting Speaker (Mr. Charest): Order, please.

PROCEEDINGS ON ADJOURNMENT MOTION

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Charest): It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for York Centre (Mr. Kaplan)—Auditor General—Auditor's access to Crown corporations; the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin)—Transport—Ferry services in Atlantic Canada. (*b*) Government subsidies; the Hon. Member for Winnipeg North (Mr. Orlikow)—Canadian Radio-Television and Telecommunications Commission—Long distance telephone hearings. (*b*) Telecommunications policy—Request for Committee review.

* * *

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mr. Ken James for an Address to Her Excellency the Governor General in reply to her Speech at the opening of the session; and the amendment thereto of Mr. Allmand, (p. 252).

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, my first comments are to you and to your colleagues in the chair. I want to wish you well to thank you for the positions you have taken and for the dignity that you bring to the Chamber. Our best wishes go with you.

I also want to take this opportunity to express my thanks to the residents of the riding of Provencher for re-electing me to this House of Commons. It is an a honour that is afforded very few people. I think all of us are humbled by the fact that we receive that confidence from our fellow citizens.

It is important to understand, as we start this thirty-third Parliament, that Canadians gave this Government a mandate, a mandate for change, to change that which was not working but to change it with fairness, equity and sensitivity. That will be the central theme of my contribution to this debate.

My colleague, the Minister of Transport (Mr. Mazankowski) has outlined for those of us who come from rural Canada the advantages that have already been given to the farming community in terms of initiatives, prior to this House being opened and subsequently. Those of us in rural Canada are very much aware that we cannot isolate the farm community from the rest of our population. I would suggest also to our urban friends that it is important, as we take stock of what is happening in the farm community, that we build on the strengths that have been created largely by private and personal initiative. But we must be cognizant of what is happening in the farming community, because if the farming community does not only survive, grow and strengthen, all society will suffer. One cannot isolate what is happening on the farms today in rural Canada from the general well-being of the country.

I am pleased by the initiatives that have been taken, especially in the area of fuel costs. No matter how good a manager might be in a farming situation, he or she cannot do anything about reducing the price of fuel that farmers need for the production of food. I heartily commend the initiatives taken Thursday last.

It is also important that the basic industries that form the backbone of Canada, such as mining, pulp and paper, industries that are represented in my riding and which also form a vital part of the economic well-being of other parts of the country, show strength and growth. I say to you, Mr. Speaker, that the change we were asked to make and the mandate we were given are important. There is an important hallmark that I want to point out with respect to the responsibilities I have taken as Minister of National Health and Welfare. Let me outline them. Yes, Canadians have voted for change. We want to bring about that change in the manner in which I have just described. But I do not believe that Canadians have voted for revolution, that is, to revolutionize everything that they have come to hold dear or which they feel is part of the social fabric of the country. I want to address that as well.

The Government has now committed itself formally in the Speech from the Throne and again in the statement of the Minister of Finance (Mr. Wilson) to an approach and to principles that we articulated in the election campaign. The first principle is that of consultation. In contrast to the ways of the past, we believe that Canadians have the right and obligation to be involved in the determination of public policy. We are not afraid, we are not worried, and we are not concerned about what Canadians will say in that determination of public policy. In fact, we welcome it. If we were content simply to manage the affairs of national government, then consultation would not be so important. But we are not content merely to manage. We want to move ahead, and that requires the involvement of Canadians and the governments they elect.

The second principle is that of co-operation. It would be fine if everyone were agreed on where we should go and, as a result of that consultation, we would know exactly where we should go. In the challenges which are before our country, implementing change and moving ahead will require more than agreement. It will take joint action, joint initiative and a pooling of our resources. Despite the partisan nature of the House of Commons, I trust that this will be the character of the House. I also trust that such will be the character of federal-provincial relations. I especially want to emphasize that such must be the pattern if our economy is to be renewed and developed.

• (1620)

The third principle is building upon what the Prime Minister (Mr. Mulroney) has called "the genius of Canada". It is the farmer, the man or woman running a small business, or the entrepreneur who has a vision or a dream who provide jobs in the country. It is the family and commitment to community which guarantee stability in our social fabric. It is my role as Minister of National Health and Welfare to put forward signals and initiatives which will strengthen the role of the

family and give it more prominence in society than I feel it has been given before.

The Government must at all times turn to Canadians in their homes, at their jobs and at their leisure for our source of inspiration and creativity, because it is that creativity which builds nations. I take real satisfaction as a Manitoban and as a Member of the House in finding a commitment to these vital principles in the Speech from the Throne. I know that my commitment and that of my colleagues in Government to work with all provincial governments, including my own, is real. We are optimistic about the first steps.

The strategy of encouraging investment and private sector job creation is practical. Though others might feel that we over-emphasize it from time to time, there is no question that in past years, either inadvertently or directly, there has been a downgrading of the importance of the private sector. That must be changed.

As I want to address the House today on issues within the Department of National Health and Welfare, I should like to take a moment to express publicly that I feel I am most fortunate as Minister in having the Parliamentary Secretary whom the Prime Minister appointed, the Hon. Member for Brome-Missisquoi (Mrs. Bertrand). She not only has compassion, she comes with much experience having lived and contributed to the public sector in her province. I am most fortunate in the fact that she is working with me.

The determination within our social programs to guard stability and fairness in our social policy is genuine and non-negotiable. I repeat that, to guard stability and fairness in our social policy is genuine and the views that it is not negotiable is shared by all Members of the House. Those are the underlying principles which must be met as to whether or not social policy should be part of our larger social fabric.

My remarks are devoted to certain aspects of the social policy of the Government and of Canadians generally. It is by now a truism that we in Canada have a social system of which Canadians are proud and with which most Canadians are secure. No fair Canadian would deny that all Parties in the House have contributed to the design and the creation of this system—the Liberal Party in office, the New Democratic Party in Opposition and our Party in both roles. I return to the first Bill passed by the Defienbaker government which addressed social policy or to the first Bill, which the administration of the present Secretary of State for External Affairs (Mr. Clark) passed in 1979, that is, the extension of the spousal allowance. As Hon. Members will know, in the present Speech from the Throne there is a further step in the area of pension reform for widows and widowers. That being the Canadian record, no fair Canadian would claim that we have finished the job. Those who say that we must not tamper with the social system are not only arguing against eroding our social system—and that is not my intention in any way, shape or form—but too often are falling into the trap where they argue against improving the social system. That is important. If the job is unfinished, the debate about social policy is unfinished. If there is more to be done, this Parliament must get on with the job of furthering that act. This is what the Minister of Finance had in mind when he said the following in the House a week ago:

> —we must ensure that growth will be for the benefit of all Canadians and that the costs of change will not fall on those least able to bear them. To provide this assurance, we must make certain that those who really require social assistance receive it. We must also ensure that our social support systems encourage self-reliance rather than create a dependency on government.

It would be foolishness or dishonesty, or possibly both, to suggest that we can more effectively meet the needs of the most disadvantaged without giving a thought to the source of resources or the best means of putting those resources in their hands. Such a careful look at the design of social programs has as much to do with good social policy at any time as it does with husbanding resources in a time of economic crisis.

Going back into the history of the development of social policy in the country, in the postwar period legislators were concerned that if changes were not made, we might sink back or slide back into a depressed economy such as we had experienced in the 1930s. It has been built up gradually and carefully, but always one has had to keep in mind the fact that good social policy is best protected when there is economic growth. Too often, I would suggest, the two solitudes in society have tried to separate that—those who put stress on the economy on the one hand arguing the economic factors and those on the social policy side stressing that side. While that is natural—and I understand it—the time has come that both groups and both views are melded so that we can develop further coverage in social policy.

I can only assume that this is what the Right Hon. Leader of the Opposition (Mr. Turner) had in mind when he said in the leadership race for the Liberal Party that he would reduce the federal deficit by some $15 billion in seven years. I assume that a concern with equity and with effectiveness of taxpayers' dollars is what motivated the Hon. Member for Saint-Henri-Westmount (Mr. Johnston) to argue the very same during the leadership contest when he said that a re-examination had to take place.

Canadians are understandably and justifiably concerned with any debate on the comprehensiveness of social programs or the level of resources committed to them. I believe it would be helpful to reaffirm what the Government has said in this regard. First, the Government talked about a review of two of our social policy programs, that is, the child benefit system and the elderly benefit system. Today in Question Period I was pleased to note that the spokesman on social policy for the Official Opposition said in his question that he supported a review. I welcome not only his comments but also his input.

• (1630)

Second, these systems were designed to support all Canadians who fall into the categories of having children, that is in the case of the family benefits program, or those who are over the age of 65.

The third principle behind the design of our programs has always been that the benefits of these programs should be

greatest for those most in need and lowest for those least in need. Surely no Member of the House of Commons and no fair Canadian would argue that principle. I can tell the House categorically that those principles are inviolate. Our goal is not to abolish or erode anything. It is to improve the progressivity of what is already in place.

All the talk I have heard in the last few days has been about universality. To describe what the debate should focus on, let me offer two possible definitions of universality with which I think most Members of the House would be familiar. One definition might be that all social program should be available to everyone, regardless of need. The defenders of that definiton, if there are any, must realize that they are not defending universality since no such thing presently exists. The guaranteed income supplement and the spousal allowance are two programs that are not universal, but available to those who meet certain tests.

Another definition of universality might see our social programs providing the same level of after-tax benefit to all recipients. Defenders of that definition must surely realize that there is no such thing as universality to meet that definition. The progressive tax system, which is not open to serious question so far as I know, ensures that benefits are taxed at a higher rate for high income earners than for low and middle income earners. There as well the definition needs clarification. I say tangentially that the present Leader of the Opposition has taken certain steps with regard to the progressivity of the tax system, so I do not have to outline that for Liberal Members opposite.

Canadians, therefore, have never had a version of universality in which the theory and the reality are absolutely the same. For example, the old age exemption in the income tax system and the child exemption are theoretically universal, but in fact benefit only those with enough income to pay taxes. Those obviously who are below the taxable income level do not benefit.

When one looks at the program, obviously care has to be taken. There are Canadians who have planned their future. They are retired, close to retirement or hope to retire. They would fit one of those three categories. There has been a commitment made by the people of Canada through subsequent governments that those plans remain in place. It is for that reason that I say I have no intention of eroding that social contract.

Surely there can be only one workable definition of universality that is also consistent with the principle of fairness, that is, that all individuals in the group designated for assistance should receive benefits. At the same time, however, the value of those benefits should surely be greatest for those with the greatest need and least for those whose needs are the least.

I say to the House, and I am simply repeating what the Prime Minister said, that we do not contemplate means tests. I think the definition of a means test is best brought to mind when one recalls the time when we had those types of tests in the country. They were described not as a means test, but the meanest test. That obviously is not progressive social policy.

We are contemplating no trade-off between social and fiscal responsibility. I can give no better proof than what appeared in the Agenda for Economic Renewal, and I quote:

> Social responsibility dictates that wherever possible, and to a greater extent than is the case today, scarce resources should be diverted to those in greatest need. Fiscal responsibility suggests that Government expenditures must be allocated to provide immediate employment opportunities and better ensure sustained growth.

The Acting Speaker (Mr. Charest): Order. The Hon. Member's time is up. Questions or comments?

Ms. Mitchell: Mr. Speaker, I have two questions for the Minister. I congratulate him on his new post. He certainly showed today that at least he is a philosopher. What most people would like to know is, what will be the practical application of this philosophy?

My first question goes back to the point that he made with regard to strengthening the role of the family. Is he in favour of maintaining and also increasing family allowances, particularly in view of the great increase in Canada of single parents, many of them mothers raising children on their own with very low incomes, very often on welfare, and the number of marginal income families with children? Also, there are the millions of people who are unemployed who have children. That is my first question.

The second question has to do with benefits for older people. I am very glad to see the Hon. Stanley Knowles in the Chamber.

Some Hon. Members: Hear, hear!

Ms. Mitchell: The Minister will recall that for many, many years Mr. Knowles advocated pension reform, particularly for those in the 60 to 65 age group. We support the idea of increasing benefits for widows and widowers in this group. As Mr. Knowles often asked, why should this be based on marital status? I asked the Minister whether this is only being targeted to married people or those who were formerly married. What about single people, particularly single older women in the 60 to 65 age group who are suffering greatly in this country?

Mr. Epp (Provencher): Mr. Speaker, I thank the Hon. Member for the question. From philosophy I was obviously going to go to practical expressions of what we intend to do. If the Hon. Member has read the Throne Speech, which I am sure she has done every night because it is good reading, she will know about the initiatives on the spousal allowance which we intend to bring forward. I take from her comments that the New Democratic Party is going to support that Bill. I thank her for that initiative.

We are addressing the very question that she put forward, and I thank her for the question. The gist of the first question had to do with family allowances and family benefits, the total family benefits package. We have to look at family allowances, the tax exemption per child as well as the child tax credit. If I understood the question correctly, the bias or the tilting that

the Hon. Member demonstrated was for granting it to those more in need than to those who do not need it nearly as badly.

That is the gist of the debate. That is what I was trying to put forward to the Hon. Member and to Canadians. Surely it is within our imagination that, having those resources and having those considerations, we can only benefit the family by strengthening the family position by looking at the program at the present time, taking a look at if it were to be changed, which families would benefit and which income group would benefit most. That is the kind of debate and review to which we look forward. I also look forward to receiving the Hon. Member's input.

With regard to the reference she made respecting a Manitoban, Mr. Knowles, who is sitting at the table today, all of us from Manitoba take pride in the contribution that he has made to public life.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): We have had pension reform discussions for 10 years now. I hope that during this Parliament we can move the discussion to the point of the practical. As I said earlier, we have built our benefit system step by step, I think carefully, trying to respond to need.

● (1640)

We can see what we have not done by taking a look at the task force report on pension reform. What we must do is to give either more incentives, more encouragement or a combination of the two so that Canadians will invest more of their own resources for their retirement period. Surely that is a responsible step for this Parliament to take today for the future of Canada.

When looking at the demographics of the group of Canadians who are over 65 today and looking at the possible numbers of Canadians who will be over the age of 65 by the turn of the century, a time when some of us might be approaching that age ourselves, it is important for us to note that the numbers will grow dramatically, and obviously with that the dependency factor grows. We must address that today. We cannot wait to address it 10 years from now when we suddenly have a situation on our hands which is hard to handle. Let us do it today. That is why we are putting these considerations quite openly on the table. Let us have that review. Once having had that review, which I do not think need be all that long, let us close the books and get on with the best social policy we can put together.

Mr. Waddell: Mr. Speaker, I would like to comment on two issues and put a question to the Minister. I have heard two western Ministers speak on oil and energy. If those Ministers would take a close look at what was said in the Throne Speech and the economic statement, they would see that they did not give the oil industry anything except for a change in the threshold of the PGRT from $250,000 to $500,000. Basically, however, they really did not give the industry much of anything.

Perhaps it takes a member of the New Democratic party to say this, but it is interesting to note that no one has picked up on the fact that the Government has not really got off the backs of the industry. It has made some promises for the future about world prices but it did not give the industry anything. It just took more taxes from the consumers. I simply want to make that point after having heard these Ministers say how great the Government will be for the oil industry in the West.

I would like to ask a question of the Minister of National Health and Welfare (Mr. Epp). A man who was 62 years of age came to my office last Saturday. He was a real estate agent until he went blind in one eye. He is now going blind in the other. He has to go to the food bank in Vancouver along with a great many other people because he does not receive enough money. I would like to ask the Minister if there is a food bank in the City of Winnipeg. Where does the Minister stand on the question of food banks? Does he believe that Canada should continue to have food banks? I ask this seriously. Is that the kind of private sector welfare that the Minister believes we need, or does the Minister believe we should do away with food banks and replace them with adequate pensions from the Government?

Mr. Epp (Provencher): Mr. Speaker, it almost goes without saying that my responsibility, which I am sure is shared by everyone in the House, is to see that we have an economic climate in which people will receive pensions which will allow them to live in dignity. I really do not know why that must be re-stated. I would think that that was a given. to me at least, it is a given.

If I could draw from my background just a bit, I would say something else to the Hon. Member. I do not think we serve people by placing every reliance on the state. Let me be practical. I am not defending poverty, but some of the best service that has been given to those who are less fortunate than you and I, Mr. Speaker, has been given by voluntary organizations, churches, service clubs and ordinary Canadians who have used those vehicles to help their fellow man. I do not discourage that; I laud it. That does not take away any of our responsibilities as public people for improving the public pension system.

Let us not deprecate the work of ordinary Canadians. Although I am a Minister of the Crown, I do not believe that the state does a better job than the individual. The stage changes; the individual can show compassion. Individuals show love to others; the state sets up programs. While I accept that the two must be meshed, let us not ever work under the assumption that one can work without the other. When looking at social policy, let us never forget that compassionate component in society, because the state can never replace it totally.

The Acting Speaker (Mr. Charest): Order. I call on the Hon. Member for Mount Royal (Mrs. Finestone) to make her speech.

Mrs. Finestone: Is the Hon. Minister finished?

The Acting Speaker (Mr. Charest): The 10-minute period for questions and answers has expired.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, with your permission, I will change directions. Perhaps if the Hon. Minister stays, we could have that exchange later. Mr. Speaker, Hon. Members of the House of Commons, I am honoured to have this opportunity to address the House as we debate the Speech from the Throne. As I begin my tenure, I would like to express my deepest appreciation to the electors of Mount Royal for placing their trust in me.

At the outset, Mr. Speaker, I want to add my personal congratulations and sincere best wishes to you on your new responsibilities. Yours will not be an easy task but you will have the confidence and respect of all Members here. I also wish to pay a special tribute to the other 26 women elected to this Parliament. Ours is the largest number ever elected in Canadian history.

Some Hon. Members: Hear, hear!

Mrs. Finestone: Our numbers have confirmed a more acceptable and nobler meaning to the cliché, "a woman's place is in the house". I wish us all wise counsel in this House as we add our particular perspectives to those of our partners.

In speaking of a woman's place in this House, let me congratulate the Government upon its selection of a delightful young woman as the seconder to the Speech from the Throne. As well, let me offer my felicitations to the mover.

In a sense, the riding of Mount Royal needs no introduction in the House. It has a long and honourable history of sending outstanding Members to this Parliament. In the last 35 years, two men have sat in this Chamber on behalf of the people of Mount Royal. Alan MacNaughton was the Member from 1949 to 1965. He sat in your chair for three years, Mr. Speaker, and served with great distinction. The Hon. Member for Mount Royal prior to the last election was, of course, well known to all Canadians. He was the Right Hon. Pierre Elliott Trudeau, one of the outstanding Canadians of this century. His passion for Canada, its unity, its diversity and its future, was matched only by his passion for world peace and stability. With this tradition and legacy of leadership from Mount Royal, I am both humbled and challenged by the prospect of succeeding representatives such as these two outstanding Canadians.

My riding mirrors much of what is great in this country. The riding is composed of four sectors: Côte St. Luc, the Towns of Mount Royal and Hampstead and parts of the Montreal Districts of Snowdon and Côte-des-Neiges. About 88,000 people make their homes there, and one out of every five is over the age of 65. The Hon. Minister can understand my concern.

The major cultural group in Mount Royal is Jewish, accounting for 48 per cent of the riding. We are indeed proud that our riding is almost 60 per cent bilingual and is enriched by many diverse ethnocultural communities, weaving a wonderful multicultural tapestry. As for mother tongue, 52 per cent are English while 21 per cent are French. As for ethnic origin, people from the four corners of the world, from the Caribbean Islands, Chile, South Africa, southeast Asia, the Middle East and Europe, all make their homes here.

• (1650)

[*Translation*]

In the best of Canadian traditions, cultural pluralism and social commitment are at the forefront in Mount Royal. Human rights here and throughout the world are a major concern for the members of this well-informed and generous community.

[*English*]

Internationally, the respect of the Canadian Government for human rights has been expressed in many ways; in its assistance to political refugees in Central America and to those suffering from famine in Ethiopia; in its support for Soviet Jewry; and in its support for the security of Israel. It is our voice as well in the United Nations. It is my sincere hope that the new Government maintains and enhances these vital initiatives in support of international human rights.

At home our concerns with human rights have been just as strong. Here our concerns with the rights and opportunities of individuals have properly focused on two groups of society of particular importance to my constituents and myself, women and youth. This focus must continue. There must be a continuity of purpose and action. In recent weeks, government Ministers have repeatedly talked of "sending new signals" to different groups in our society; signals to the private sector; to labour, to the Americans; to our NATO Allies; and to the world with respect to peace. I want to look to this Throne Speech to see what signals the Government is sending to the women, to the youth of Canada and to the cultural communities.

The evolution of the role of women in Canada, their growing awareness, strength and constructive action is most important. I am pleased to see that the apparent willingness of the Government to address the concerns of women is manifest. However, I must warn the Government that Canadian women—and men—will not be satisfied with words alone. Only three things are needed to follow up on the rhetoric of the Throne Speech, action, action and action. Under the Liberal government women have made great progress. This Government has a really tough act to follow.

[*Translation*]

Women can and must become full partners in our society both economically and socially. They will reach that goal not only through legislative changes, but also through changes in attitude on the part of the Canadian people and the business sector.

However, economic independence is the very basis of women's equality. We challenge the Government to follow in the footsteps of the previous Liberal Government and at least keep up the pace at which it defended the rights of women.

[*English*]

Change, Mr. Speaker, must begin at the very centre of government decision-making, in Cabinet's own Priorities and Planning Committee. It seems incongruous that the Minister responsible for the Status of Women is not a bona fide Member who participates directly in the discussions and decisions of this key group. The Government risks the charge that its attention to the significant concerns of Canadian women is little more than tokenism, for it excludes them from the heart of policy-making.

Thus far, the gaps between campaign promises and the reality of the Throne Speech are troubling, Mr. Speaker. First, employment; the promise was for mandatory affirmative action in the public sector and for implementing equal pay for work of equal value. The promise was for contract compliance in the case of companies seeking federal government contracts. The Throne Speech now tells us that the reality is further study of equal pay for work of equal value. The reality is silence on contract compliance.

Second, child care is a basic right for women in their struggle for economic independence. It is a cornerstone of their right to work. The Government has sent a confused and alarming message to Canadian women in its overly cautious decision to send these questions to a parliamentary committee when the recommendations of an independent childcare task force are to be tabled this December. Before trying to reinvent the wheel and waste public monies, this parliamentary committee should examine the reports available from these experts whose work on the childcare task force is about to be ended, and then make the decision as to whether it really needs to continue the study.

[*Translation*]

Third, there is the crucial issue of the pension system. Must I remind this Government that only one third of Canadian working women have a pension plan? Will they be added to the poorest group in our population, women aged over 65? The necessary studies and consultations have already taken place under the previous Government. What Canadien women ask this Government is that it act now.

[*English*]

Fourth, the concern about pornography is a matter of urgency. When the Fraser report is tabled, swift action by Government must follow. Similarly with the important Badgley Commission report on sexual abuse of children in Canada. We must work with the courts, the provinces, and with medical and community groups to prevent child abuse. There are helpful steps to take at once, sending a signal of hope.

Fifth, we should not forget single elderly women. Community responsibility, which was alluded to in the Speech from the Throne, gives reference to community-based health care, which is a genuinely laudable notion. The Government should assure elderly citizens of appropriate financial, social and medical care so that they can remain in their homes, continuing to be active and contributing members of society. Do not tamper with the universality of certain programs which form the base of their sense of security.

[*Translation*]

In this regard, the decision of the Government to extend the survivor's allowance to widows and widowers aged between 60 and 64 is a step in the right direction. However, the fact remains that the Government should have a more comprehensive view. Such a proposal discriminates against single senior citizens. Among them are 200,000 women who would not be eligible to pension before the age of 65.

[*English*]

These are the women's issues which were addressed in the Throne Speech, Mr. Speaker. I regret to say that the signal to women in the Throne Speech is a "blue alert". What has the Government really told us it would do? It will re-examine the concept of equal pay for work of equal value; back off on affirmative action; procrastinate on contract compliance; study rather than act on child care; discuss rather than act on pension reform; take no major action in agriculture which affects so many farm women; cut $9.6 million in social housing. These things are all crucial to the life of millions of Canadians, particularly Canadian women, be they single parents, those with large families or the elderly. These are not encouraging signals, Mr. Speaker. This really is a Government of broken promises.

What signals is the Government sending to the young? It does not give them the crucial hope of pursuing their studies or finding a good job to see them through this winter and the forthcoming summer. It gives them a Minister of State for Youth who is responsible for furthering the International Year of Youth and has only the power to advocate in their interests, in other words, a Minister who cannot protect their potential for jobs now. Where is this Government's promise of jobs, jobs, jobs? The Government abolishes the Summer Canada Program and freezes the level of Canada student loans to save $5 million. Among other cuts, it eliminates totally the Young Workers' Exchange Program, which I find particularly ironic in this International Year of Youth. The discussion paper on training announced by the Minister of Employment and Immigration (Miss MacDonald), by which she hopes to promote consultation with the provinces, may develop a good long-term plan. Nonetheless, this must not constrain short-term action and direct job creation to avoid a very bleak winter.

• (1700)

Besides providing direct job creation programs, the previous Government made major strides in the area of training. For all its talk of giving hope to Canadians, this Government offers obscure promises in some dim future. To ignore the immediate needs of unemployed youth is short-sighted and a mockery. This is not the change they voted for.

While my official position is that of critic for women and youth, I cannot let this moment pass without a comment on our cultural minorities. The Canadian idea is complex. It is our native people, it is French and English. It is the wealth of cultures that more recent Canadians have brought us. To this

wealth the Speech from the Throne gives a dismissive nod in three lines. There was no promise to reintroduce the Multi-culturalism Act. Cultures in exile from their home soil need nurturing. This Government does not seem to feel this. If the Government does not perform, it will let Canada's rich cultural tapestry grow threadbare, and we really must fight this.

To conclude, Mr. Speaker, I am pleased the Government has acknowledged that the legitimate concerns of women and young people deserve a place at the top of the national agenda. However, I am disappointed, as are so many, that it has failed to follow up on the acknowledgement with any evidence of immediate action. The Government has sent the signal all right; it has sent an alarm signal that said "stop" to all those efforts under-way to remove the barriers and to extend an opportunity for women and young people. For this reason the Throne Speech has fallen short of expectations of Canadians for change. In the months ahead we will demand more than signals. We will expect action; action on contract compliance, affirmative action, pension reform, child care, pornography, prevention of family violence as well as the reintroduction of the Bills on divorce and multiculturalism, on jobs, education and training for youth. Along with my colleagues I plan to be the "porte-parole" of the grass roots in this House.

[*Translation*]

We are warning the Government because we take its goodwill for granted. However, we make the firm commitment to remind the Government constructively of its promises to the Canadian people. We want priority to be given to the urgent needs of all Canadians, to their economic and social rights. We shall give prompt support to any constructive legislative proposal.

[*English*]

Women's issues and youth issues cannot be dealt with in isolation from larger economic and social decisions. Rather, they must run to the very core of what governmental decision making is all about. Will that constant awareness prevail at senior levels of government? Mr. Speaker, Hon. Members: We will be vigilant in seeing that it does prevail in order to uphold a tradition of social action and commitment that speaks to the very best of Canada and Canadians.

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

Ms. Mitchell: Mr. Speaker, I would like to congratulate the Hon. Member for Mount Royal (Mrs. Finestone) for her excellent maiden speech and also for her very important position as critic responsible for the status of women in her Party.

I would like to ask her if she is familiar with the proposal made particularly by some of the women parliamentarians in this House in the last Parliament. This was supported by many women's organizations across the country. The proposal was to establish a standing committee of the House of Commons which would be responsible for the status of women. Our Party initiated that proposal some time ago and it was supported by some Progressive Conservatives in the last Parliament. Unfortunately, it was obstructed by the that Minister responsible for the Status of Women.

We saw this committe as being tri-partite with an equal balance in its representation from all Parties so it would not be a partisan kind of decision making. It would the watchdog of all legislation as to its effect on women. It would look at women's programs under the Secretary of State and groups such as the National Advisory Council on the Status of Women. It would be generally concerned with the place where a network of women across the country could report.

Does the Hon. Member now support this porposal and will her Party support it?

Mrs. Finestone: Mr. Speaker, I thank the Hon. Member. Her reputation for interest in women's issues and for her commitment and involvement in this House precedes her.

As to the question, I must say I heard the Hon. Member make that recommendation the other day. My immediate reaction was: My goodness, what a marvellous idea. Then I sat back and thought for a few minutes. I cannot give a concrete response but I can tell the Hon. Member what my thoughts were. I place this before her and I would be happy to speak with her later.

Women have lived for a very long time in isolation from the mainstream of decision making. We have fought long and hard for equal representation as partners in today's society. We are finally making it. We are now 26 in this House. Every issue which touches humanity, our concern, are men and women issues. Therefore it is my feeling that, when it comes to the legislative process, I personally—I cannot speak for my colleagues because I have not discussed it with them—wish to sit with my partner, the man in my life, the men with whom I live, the men who are going to share the society which we will build, to make what would seem to be the best decision for society as a whole.

This does not in any way, in my view, remove the need for a concerted effort on the part of women in a separate kind of place to look at the issues. If the Hon. Member is saying to me, let us have a standing committee, I would say no, because the tendency in society is then to dump everything there that concerns women. I do not want to isolate women in that way. What happens to them touches the whole world.

If we want to vet all legislation coming through covering farmers, fisher ladies and fishermen, all legislation, then yes, but in an unofficial way, then I would be happy to join her and on that I might agree with her. I think in a sense I have made a decision while talking to the Hon. Member.

Mr. Friesen: Mr. Speaker, I want to compliment the Hon. Member for her election to the House of Commons and to congratulate the people of Mount Royal on the dramatic improvement in the representation that they receive.

Some Hon. Members: Hear, hear!

Mr. Friesen: We would have welcomed her to this House ten or fifteen years ago if she had come here then. I might add that the former Prime Minister said last night—and I thank my friend here for reminding me—that if the members of the Liberal Party cannot stop their sniping, he might be tempted to come back. I want to ask the Hon. Member if there is a secret arrangement made for her to step aside. He has been known to try to shuffle off the stage before and then change his mind. Is there a secret arrangement between the former Prime Minister and the Member that maybe he will come back and plague us again?

● (1710)

Finally, I would like to add my agreement to the point of view that she has just expressed. Sometimes there are questions in my mind as to why people who call themselves part of the women's movement want, on the one hand, to decry the historical ghettoization of women, and then, on the other hand, want to create another ghetto for them. I compliment the Member on the insight which she has provided on that particular issue.

Mrs. Finestone: Mr. Speaker, I would like to thank the Hon. Member for his observations. The next time I speak with Mr. Trudeau I will have an exchange with him with regard to what the Hon. Member had to say. I have the feeling that he will stay where he is, by his choice.

I would like to take advantage of this opportunity, if I may, to comment on the Hon. Member's observation with regard to what is the perceived women's movement. I would like to suggest that anyone who calls herself a feminist is really someone who is concerned with the best interests of her daughter, her sister, or the people around her with whom he or she lives. As the mother or father of daughters I am sure you can understand that. If you are to give equal education and equal training, you therefore want to give equal opportunity, and you therefore would expect them to get an equal salary, work under equal conditions and be subject to equal promotion. That is their right and their choice. If you want to enjoy the joys of grandparenthood, as I do, you want to know that your grandchildren are going to have that equal right to choice.

I am blessed with four sons, one of whom is in the Gallery, and I am delighted to note that. Some of my sons have chosen to marry, some have not. Some of my daughters-in-law have chosen to have children, some have not. Some choose to pursue a career, some do not. However, all these women and these men qualify as femininsts. When I told my father he was a feminist, he nearly fainted. Then, when he acknowledged that he wanted me to complete medical studies, he also realized he was a feminist. I hope that that answers somewhat the Hon. Member's observations as to who and what a feminist is, or who belongs to the movement that promotes women.

The Acting Speaker (Mr. Charest): I will recognize the Hon. Member for Bow River (Mr. Taylor), and I would just like the Hon. Member to take note of the fact that there are only two minutes remaining.

Mr. Taylor: Mr. Speaker, I would also like to congratulate the Hon. Member for Mount Royal (Mrs. Finestone). I was a little disturbed, though, when she said that the Government is not doing anything for women in the Speech from the Throne. I do not know whether there are any bankruptices and receiverships in Mount Royal, but during my lifetime I have seen people kicked off farms and out of their homes. That is hardest on the women. They are the ones who take it the hardest. It is tough on the men and the kids, but it is really heartbreaking for the women.

In that connection, I want to say that the Government is doing the ultimate thing because if we continue to increase the deficit, increase expenses, not pay our bills and live on borrowed money, the time will come when this country will go into bankruptcy the same as other countries have. So what this Government is doing is really the greatest thing for women, because we are going to save them that agony and pain which would come when and if Canada went into bankruptcy. We are determined it will not go into bankruptcy, and with our program it will not.

The Acting Speaker (Mr. Charest): I will recognize the Hon. Member for Mount Royal. She only has two minutes remaining.

Mrs. Finestone: First of all I would like to say that I was trying to be very serious and as non partisan as possible, and I really resent the Hon. Member politicising my remarks.

Second, I would like the Hon. Member to know that I did not fully describe Mount Royal, but I come from a most fascinating riding. I pointed out that over 20 per cent of the people are over 65. By the way, over 20 per cent of the people in Mount Royal live below the poverty line, so we are not so—

[*Translation*]

—privileged, as you have said.

[*English*]

Third, I would like to point out that the heartbreak for women would be if the Government did not carry through on the promises which, if the Hon. Member had listened to my speech he would have known, were sincerely meant. I look forward to the Government's bringing forward the kind of propositions and laws which will enable women to reach the equality which we want for our daughters and for ourselves.

[*Translation*]

Mr. Gilles Bernier (Beauce): Mr. Speaker, first I would like to congratulate you and your staff on your new appointments. I am sure the people in Sherbrooke are delighted with the decision made by the Right Hon. Prime Minister (Mr. Mulroney).

I would like to say a few words about the two Hon. Members who spoke before, and first of all I would like to congratulate the Hon. Minister of National Health and Wel-

fare (Mr. Epp), the Member for Provencher, on his clear and concise statement, and also the Hon. Member for Mount Royal (Mrs. Finestone) on her balanced and sincere comments that were certainly worth listening to.

"La Beauce" has chosen me as its elected representative, and I therefore wish to express my gratitude to the people in my riding and thank my constituents for their confidence and trust. I can assure them that I shall perform my duties to the best of my ability. I intend to be fair and to help everyone in my riding, irrespective of their past political affiliations. It is a great honour for a citizen to be elected to the Parliament of his country.

It is the first time I have had the honour of addressing this House, and with its Members, both experienced parliamentarians and those who are new to this Chamber, I intend to behave with the dignity that befits a Member of Parliament. I have the privilege of being the first Progressive Conservative Member to be elected in Beauce in exactly 100 years. I wish to pay special tribute to all parliamentarians who in the past have taken up the cause of the people of Beauce in this House. The people of Beauce have pride, dignity and courage, and I intend to be an effective and also demanding spokesman in defending their interests.

Mr. Speaker, the federal riding of Beauce is quite large, covering 4,215 square kilometers. At the last census it had a population of 82,000. There are about 55 towns. The geography of this area is quite distinct from that of other ridings in Quebec and reflects the warmth of its people. The economy is based on agriculture, forestry and a host of small industries. In Quebec, my riding is described as a paradise for small- and medium-sized businesses. A diversified economic base has helped this area to avoid industrial concentration in one specific sector, and the attendant risks. The energy and creativity of the people in this area have helped to create what is referred to as the "miracle beauceron". Mr. Speaker, these people nevertheless have problems and sometimes have to go to the Government for assistance. However, their attitude is best described by the following saying: God helps those who help themselves. The people of Beauce are often referred to as the Japanese of Quebec. We are indeed honoured!

In Quebec, there are two kinds of people: those who are Beauceron and those who would like to be. In the House, we have Progressive Conservatives and a couple of others who would like to be Progressive Conservatives. If only the rest of the country had the same vitality we find in the people of Beauce, the same spirit of entrepreneurship shown by our business people, our skilled and conscientious workers and our 3,700 productive farmers, the same desire to compete with regions that have a lot more resources!

I am sure the former President of the United States, John F. Kennedy, was thinking of people like the people of Beauce when he told the Americans:

• (1720)

[*English*]

"Don't ask what your country can do for you but ask what you can do for your country". Agriculture is vital. It was Canada's first, and for many years, chief economic lever. Today, although farmers are fewer in number, they have learned to produce bigger and better harvests.

[*Translation*]

Generally, "la Beauce" is a rural area that is rather well structured. The Hon. Minister of Agriculture (Mr. Wise) will have to understand the farmers in my constituency. I trust him to do this.

"La Beauce" is also a world-renowned maple-sugar area. The maple-sugar industry is extremely successful there. Indeed, our maple syrup production accounts for 30 per cent of the world market. However, that industry will have to be subsidized as far as the processing, marketing and export of that seasonal product are concerned. Also, good forest management could help the economic growth of this area.

The Hon. Member for Beauce, like 170 other Conservative Members, does not yet have the privilege of being a Minister. But I would like you to know, Mr. Speaker, that in our party there are no backbenchers, no rank and file Members, but Members of Parliament who already have a prime role to play in Government decisions. Our action will be a positive one. In the Conservative caucus, Hon. Members can get action on issues. Our views will be respected. We belong to a great political party, an open and generous party where co-operation is felt between French- and English-speaking Members, a truly national party.

Let me say also that this country has a role to play on the world scene, and we will make an international contribution. The position upheld by this Government concerning monetary, food and technical assistance to the victims of drought in Ethiopia has been a great joy to me. The Right Hon. Minister for External Affairs (Mr. Clark) and the Hon. Minister for External Relations (Mrs. Vézina) have set up a national aid committee for that country. Mr. Speaker, let me emphasize that Third World countries which soon will include three quarters of the population, will also obtain financial help, because, according to the findings of the Commission on International Development under the chairmanship of Mr. Willy Brandt in 1980, the global income is shared unequally between the various nations, and there is a wide gap between industrialized and poor, developing countries. Per capita income is 32 times greater and the average life expectancy is thirteen years longer in richer countries than in Third World countries. The gap between nations and peoples has reached such proportions that it is seriously endangering the global economy. It is one of the major factors that make the global crisis more acute and affect the political climate.

[*English*]

Shortly before his death, the great American scientist, Robert Oppenheimer, said that when the vast numbers of people living today on the verge of famine and utter hopelessness become aware of what their situation is and what our situation is, "I am afraid to think what will happen".

I want to stress that social and economic development in the Third World is not only a condition for the prosperity of the industrialized nations, it is an irreversible movement.

In its Throne Speech the Conservative Government traced the broad outline of the action it plans to take. We will not hesitate to innovate as the session continues. We are responsible for the future of the country's economy. We are discarding outworn dogmas and we intend to pursue a new strategy of national development that will free Canada's economy from the dead end in which it is currently trapped. The new economic order will ensure prosperous and continuing development.

[*Translation*]

Therefore, we must adopt a new perspective and do away with those old-fashioned ideas in order to grasp the spirit of an ever changing world.

The often bitter comments of our friends opposite will not hinder our efforts and prevent Government Members from thinking, acting and carrying out our great objectives for the well-being of every Canadian.

The former government, in fighting inflation through restrictive monetary and budgetary means, slowed down the economic growth during the last decade to an average rate of 2.3 per cent. Because of this, unemployment had reached a critical level when we came into power.

As Peter Drucker, the eminent journalist of the *Wall Street Journal*, says in his book "Towards A New Economy": "We must acknowledge the need to go back to making difficult choices. Politicians must deal with a number of difficult structural and political choices, hence the need for proceeding with budgetary cutbacks."

Here are the questions the Government must ask itself. "What percentage of the national income should be transferred from producers to non-producers, in other words, from those who create employment and those who depend on the State? What limits should be set on public spending? What percentage of national income can be allocated to funds available for remuneration of employment rather than capital, without increasing unemployment and economic depression? What tax bonuses and financial stimuli are necessary to build the requisite capital?" Our Government is demonstrating great courage and determination because . . . "These are not popular questions. Any answer is bound to lead to controversy, and there is a risk involved because it is a constant reminder that there is a price to pay for everything. It is a matter of facing up to reality and the need to make choices. Economics has again become a sinister science, a science of limits, risks and choices. This was in fact the opinion of the famous economist, John Maynard Keynes: "It is not enough to understand new ideas. We must also escape the old ones that have extended their ramifications in every nook and cranny of our minds."

Mr. Speaker, I want to stress the fact that from now on, a new vision of the world will be necessary, a global and system-oriented vision, because every economy is dependent on other countries. The need for a new vision is particularly great in view of the close and increasing interdependence of the world's countries in their economic and financing activities. As a result of this interdependence, the problems of a single country become international problems, and their solution must therefore be solved within the international context.

For instance, developing countries are in great need of our goods and services, and industrialized countries, like Canada, will need these countries more and more in order to operate at full production capacity, which will help us fight unemployment.

It would be useful to consider some of the new ideas set forth by Professor Angelo Angelopoulos of the Academy of Athens, in his book "A World Employment Plan", which contains a foreword by the Nobel Prize winner Lawrence Klein.

Mr. Speaker, I feel the Conservative Government is on the right track. If they take a closer look at the Throne Speech and last week's economic statement by the Hon. Minister of Finance (Mr. Wilson), I am sure Canadians will appreciate the proposed measures.

• (1730)

My constituents in Beauce will never suffer financially as a result of the decisions made by this Progressive Conservative Government. We shall protect programs and vested rights. The Hon. Minister of Finance (Mr. Wilson) has explained to Canadians the precarious economic situation of this country and, as a first step, proposed a plan to restructure our expenditures, a plan that has already been endorsed by the vast majority of Canadians. By creating a new climate of confidence across Canada, this plan will promote productive investment which will bring the growth rate of our economy up to 3.4 per cent by 1990.

We are committed to building a national consensus. The economic summit will determine our objectives, as the Right Hon. Prime Minister said. In Beauce, I shall try to encourage and support investors, those who create jobs and are prepared to take investment risks for the benefit of the community.

The Speech from the Throne also refers to a new responsiveness of the Government vis-à-vis the provinces. I am particularly pleased with the co-operation offered to Quebec. Quebecers have felt frustrated as a result of a long period of difficult

negotiations with Ottawa. Since September 4, a day of national liberation, the results have been swift and effective. The federal machine is no longer set to seek confrontation and jurisdictional disputes. Harmony is the order of the day, Mr. Speaker. Personally, I am convinced that the leader of our Party and the leader of this Government has had a great deal to do with it. His talents as a mediator, his flexibility and his desire to put an end to these federal-provincial quarrels have been an important factor in creating this new climate.

Mr. Speaker, together we are starting a new era, and these men and women who form our new Government deserve the confidence and support of Canadians. I live in and represent a marvellous part of the country: "la Beauce". I shall be making a constant effort to help my constituents. I shall defend their claims and try protect their vested rights and fulfil my mandate with fairness, equity and common sense.

Mr. Speaker, the Member for Beauce wishes to thank you for your attention and assure you of his co-operation.

Mr. Deputy Speaker: Questions or comments on the Hon. Member's speech? The Hon. Member for York Centre (Mr. Kaplan).

Mr. Kaplan: First, Mr. Speaker, I congratulate the Hon. Member on his maiden speech. I know he comes from the Beauce area, one of the most prosperous in Canada, with a good many expanding industries. With that in mind, I would like to ask him a question related to a sentence which appears at page 2 of *A New Direction for Canada*. It reads that the government, meaning the former government, has all too often hampered rather than helped change by protecting, at taxpayers' expense, those enterprises which have been too slow to increase productivity or unable to seize new market opportunities. I want to ask him which industries the government had in mind when stating that? Which industries too often were protected by the previous government?

Mr. Bernier: I thank the Hon. Member. I will surely have an opportunity to consider that question and to provide an answer, perhaps with figures. I think that the business community is indeed quite satisfied to see this government in office and it has faith in us. As to the documents referred to by the Hon. Member, I must say that I did not have time to read them all, but I have faith in the people who wrote them and contributed to the preparation of new policies which the Canadian people will surely endorse. I am not the financial expert of the government, of course, and I have nothing to do with job creation.

However, I will answer those questions after I am given a few responsibilities. It is unfortunate that the Minister responsible is not in the House, but I hope the question will be forwarded to him tomorrow morning.

Mr. Waddell: Mr. Speaker, I have a question for the new Member.

This is the first time I hear the new Member from Quebec, a Conservative. Hopefully the Hon. Member will give me an answer. During the Quebec referendum, three or four years ago, did he support the yes or the no option? Would he like the Province of Quebec to have the right of veto if there is agreement between Canada and his province?

Mr. Bernier: Mr. Speaker, it is unfortunate that the Hon. Member heard only one Conservative Member since the beginning of this session. Naturally, I deplore the fact that some Members are too often away from the House for long periods of time, because several of my colleagues, almost ten, have already made a speech in this debate on the Address. Perhaps the first thing to do would be to improve the climate in the House, because the interest shown by some elected Members is often minimal.

In answer to the question, I voted yes in the referendum. I was even a vice-president in my riding, and I am glad to say so because at that time in Quebec—fortunately, the situation is altogether different now—we were in a state of never-ending confrontation with the federal government then in office and we were aware of what we were doing when we voted yes. We were not asking for the independence of Quebec, quite the contrary, we wanted to have the power to negotiate and I think that, with the advent of a Conservative government, we can forget about the past and still not feel any regret about what we did then.

Mr. Deputy Speaker: The Hon. Member for York Centre (Mr. Kaplan) has a question.

Mr. Kaplan: Mr. Speaker, I wonder if the Hon. Member or, for that matter, the Hon. Member who has just raised the issue are aware of this, but there was, if I remember well, at least one Member of his own caucus who was also very active on the 'yes' side during the referendum campaign.

Mr. Bernier: If the Hon. Member would kindly remind me of the question that was put at the referendum, I should be delighted to give him another answer to that question this afternoon. So, go ahead with the referendum question as it was formulated four or five years ago, and I will gladly answer it.

Mr. Deputy Speaker: Had the Hon. Member for Beauce completed his remarks? Fine. The Hon. Member for Bourassa has a question.

Mr. Rossi: Only a comment, Mr. Speaker. I am glad that the Hon. Member for Beauce (Mr. Bernier) referred to the quorum in the House, for I have just counted 21 or 22 Conservative Members out of a possible 212.

Mr. Deputy Speaker: I would like to remind Hon. Members that they should refrain from mentioning the presence or absence of their colleagues in the House. This applies to all Hon. Members. I believe this is the third time something like

this has occurred over the past two days. The Hon. Member for Vancouver-Kingsway on a question.

[*English*]

Mr. Waddell: Mr. Speaker, I just want to continue that line. I asked the Hon. Member, not to make cheap political points, as I normally try not to do. I genuinely wanted to know for my own interest as a western Member about the change in Quebec. I appreciate what he said. It was very interesting. However, can the Hon. Member answer the second part of my question? Does he see an accord with the Province of Quebec which will incorporate the veto over constitutional change by the Province of Quebec?

• (1740)

[*Translation*]

Mr. Bernier: Mr. Speaker, this question has already been discussed and it will be discussed further, especially at the First Ministers' Conference. At that time, our own views will certainly be heard and we shall be happy to keep you informed about our decisions. As for the veto, I believe that each of us will be asked for his opinion since the caucus of the Progressive Conservative Party is so big, so generous and so open. However, I believe that the fact that the Premiers led by Mr. Lévesque for Quebec, came here to Ottawa yesterday, says a lot about the decision that the Progressive Conservative Party will have to make about what Quebec wants from the federal Government.

Mr. Deputy Speaker: The Hon. Member for Ottawa-Vanier (Mr. Gauthier) has a question.

Mr. Gauthier: It is a point of order rather than a question, Mr. Speaker.

A while ago, you told the Hon. Member for Bourassa (Mr. Rossi) that we should not refer to the number of Members present in the House. I wonder whether you would reconsider because to my knowledge no provision in the Standing Orders forbids us to comment on the number of Members present as long as there is no call for quorum. At such a time, you would have to make a decision. Personally I believe that we can say that there are 20, 25, 30 or 40 Members present. I know of no rule which forbids this, Mr. Speaker.

Mr. Deputy Speaker: I take note of the comment made by the Hon. Member for Ottawa-Vanier (Mr. Gauthier). I should however remind him that the rulings of the Chair are not subject to appeal.

[*English*]

Is the Hon. Member for Vancouver East (Ms. Mitchell) seeking the floor on a question?

Ms. Mitchell: No, Mr. Speaker, on debate.

Mr. Deputy Speaker: Are there any further questions? If not, then we shall resume debate with the Hon. Member for Bow River (Mr. Taylor).

Mr. Gordon Taylor (Bow River): Mr. Speaker, it is always a pleasure to take part in the Throne Speech debate, particularly this year because the Speech from the Throne will have tremendous significance in Canada for years to come. When I was in Opposition, it was nice to speak to the Address in Reply to the Speech from the Throne because it provides a wide scope and I could deal with almost any topic. However, today I will confine my remarks to the underlying theme of the Throne Speech.

I am quite amazed by some of the things I have heard from the Liberal Opposition, particularly its outcry about our trying to reduce the deficit or public debt. The people in my country—

Mr. Keeper: Our country.

Ms. Mitchell: Your country, which country is that?

Mr. Taylor: —think that the deficit is the number one priority today. They believe that if we do not get control of our debt, we will go into bankruptcy. If we go into bankruptcy, all this nice talk about social services will simply be useless. Unless we have productivity in the country, we do not have any social services. Bankruptcy would eliminate social services. We do not want to eliminate social services. I have heard the Liberal Members say they want universality, whatever they mean by that. I suppose they mean that everybody wants everything they can get.

Ms. Mitchell: Your Leader said that.

Mr. Taylor: Whatever universality means, I will take their meaning for it. They say they want universality, and then at the same time they say we should continue borrowing. They say that we should borrow ourselves out of debt. They are doing away with social services. The aged, the veterans and the widows who depend upon social services are not dumb, to use street language. They know that social services depend upon the productivity of the country.

This Government is determined to increase productivity. The more we increase productivity, the better social services we can give to our people. It is as simple as that.

The Liberals borrowed and borrowed and borrowed. They kept up social services with borrowed money. Generations to come will now have to pay interest on it for many, many years; today we are paying $1 out of every $3. How wonderful it would be if we could give that $1, instead of to the moneymongers of the world, to the hard-pressed widows who have three or four children to look after, to the farmer who will lose his farm or to senior citizens, the crippled or mentally retarded. These are the people for whom we have compassion. We are determined that the sick, incapacitated and mentally disturbed will receive the best in this country. Our Leader will ensure that they get the best because we are reducing the

deficit. Then we will be able to increase our productivity and provide more social services all the way around.

Those Hon. Members talk about borrowing themselves out of debt, which is what some other countries in the world tried to do. I ask them to stop and think where they are going and what they are doing to the country. No wonder there is such a handful of Members in the NDP and Liberal Party. Canadians were sick and tired of their borrowing themselves out of debt. They know that it cannot be done. They might as well try to pull themselves up by their bootstraps. Let us see anyone do it. It cannot be done. The NDP has been trying to do it for years. The Liberal Party tried to do it all the years it was over here. What happened? We paid more and more interest, so that now there is a legacy of debt around the neck of every baby born in the country. Every baby boy is born with a $6,000 of debt, brought about by the Liberals and supported by the NDP.

Ms. Mitchell: Mr. Speaker, I rise on a point of order. I wonder whether the Hon. Member knows that he is using sexist language and discriminating against baby girls when he makes statements like that.

Mr. Taylor: I will talk about discrimination, Mr. Speaker. The NDP and the Liberals are the ones who discriminate against baby girls, because baby girls are being born with a debt of $6,000 around their necks too. We are the ones who are looking after the baby girls, the baby boys, the mentally retarded, the crippled and the aged. We intend to do it. The policies in our economic statement and in the Speech from the Throne will increase productivity and jobs and will give us greater amounts of money to provide social services to those who need them, not to those who do not need them.

The people of Canada saw the light at the end of the tunnel. They put their *X* beside the names of 211 members of the Progressive Conservative Party because they wanted change. They wanted a new government and a new look at things. They wanted to do away with borrowing ourselves out of debt. They wanted us to start paying our bills like any respectable family.

I cannot understand the philosophy of the NDP and the Liberal Party. They think they can continue borrowing, borrowing, borrowing. That cannot be done by individuals. They would get to the point where they would lose their homes, their farms, everything. We cannot borrow ourselves out of debt, and we will not try. We will increase productivity. We will have more work for people. We will pay our debts and eventually be rid of that deficit or public debt. That is the heritage we want to give the boys and girls, the men and women of the country. Our Leader has a vision. Progressive Conservatists have a vision of a new country, working together from the Atlantic to the Pacific, from the forty-ninth parallel to the Arctic, with everyone of all colours and creeds happy. It will be a buoyant economy in which we share what we have with the helpless of the world. I admire this philosophy.

I would like to deal with one or two local problems. I was absolutely amazed at how the Liberal Government, month after month, did nothing about the importation of beef. It did nothing. It just sat on whatever it sits on and did nothing for eight months. Look at the amount of beef that came into the country in the meantime, 145.1 million pounds of beef, mostly from Ireland. It did not come in on a fair market basis. It was subsidized to the point of 38.5 cents per pound by the Irish Government. This subsidy came out of the pockets of the poor Irish people in order that this beef could be dumped into Canada.

• (1750)

Our Government sat here and took it. What did that do to our industry? It almost destroyed our cattle industry. What did it do to our neighbours to the south and to Australia which should have had a share of that quota? We have built up a terrible record.

The Americans have every right to say that we want to export into the United States, but we will not allow imports of U.S. beef into Canada. No, we let it all be dumped in at a subsidized rate. It hurt our industry and hurt our best neighbours, the United States and Australia.

What machinery did the Government have to deal with this? They cannot say that nothing could be done. Several of the Members of this Party spoke to the Government when we were on that side of the House. We urged the Government to do something under the anti-dumping legislation. The then Government did not do a thing until August when the then Minister of Agriculture saw the light. He said that something had to be done because we were destroying our relationship with our good neighbours as well as destroying the cattle industry in Canada. That is what we were doing. He went to the Anti-Dumping Tribunal and asked them to look at the situation.

Let me deal for a moment with the Anti-Dumping Tribunal. Many people do not know that we have this tribunal or the Anti-Dumping Act. That Act was passed in 1969 for the sole purpose of keeping our industries from being ruined by subsidized products from other countries. That is why the Act was established. It takes into account a number of factors, including a share of the market profits, prices, export performance, productivity and employment. It takes in all of those things. Finally, after eight months, the Minister referred it to the Anti-Dumping Tribunal. Who is on the Anti-Dumping Tribunal? I have to tell you because it is important that Members know who they are. The Chairman is Robert Bertrand, the Vice-Chairman is Howard Perrigo. The Members are Raynald Guay, A. L. Bissonnette and Margaret R. Prentis. They could appoint as many as six. I do not know any one of them personally, so I do not speak personally. I am speaking about the principle.

If that tribunal had said, yes, it is hurting our industry in Canada, it is hurting our relations, hurting our employment, hurting our cattle industry and hurting our markets, then the Deputy Minister could have imposed a penalty on the beef being imported from Ireland to the amount that it was being subsidized, namely, 38.5 cents a pound. If that had happened,

there would be no imports. They would have stopped immediately.

That is what the Liberal Government should have done. That Government let it go on and on until the whole quota was taken up. At that point our new Government was left helpless. The quota has been used up.

This PC Government will not permit that to happen again. Never will that happen again. I cannot understand how the Anti-Dumping Tribunal could say that this was not injuring the cattle industry in Canada, not injuring our markets and not injuring our relationships. As far as I am concerned, that Anti-Dumping Tribunal should be thrown out. They did not do their job. When they said there was no injury done by the dumping of that beef into Canada, they were not doing their job. If I had the say, they would be out of there right away. I would put somebody in there who understands the different industries of this country.

As a result of imports and a few other things, such as drought and grasshoppers, the cattle industry across Canada is in pretty bad shape. In my own province, in my constituency, the cattle industry is pretty worried, as are many grain farmers, because the drought stopped the wheat, rye and barley from growing. It stopped the growth of feed. Our cattlemen have no feed. Governments are now coming to their aid. Our Minister signed an agreement to provide some help. Help is forthcoming.

If Members opposite do not think that grasshoppers can do a lot of damage, they should have been in southern Alberta this summer. When I was electioneering, the front of my car was completely green with grasshoppers. When I was a kid, I liked to find green grasshoppers. I always caught bigger fish with green grasshoppers. This year you would not have had to hunt for them. There were millions of them. They even attacked a house. They would eat a garden in no time at all. They came almost like a cloud. Don't laugh, people had to move out of their houses. As a result, the cattle industry is in bad shape.

This money will help. They will have enough money to buy feed for 40 to 60 days. However, these cattle will have to be fed for 100 to 120 days. What will happen? They will have to sell some of their cattle. Normally, they would have to pay income tax on the sale of the cattle.

I have a suggestion for the Minister of Agriculture (Mr. Wise). Along with making proper use of the Anti-Dumping Act, and because of the terrible situation on the farms in southern Alberta, the recommendation of the cattle industry should be accepted. If a farmer has to sell some cattle in order to feed the rest, he should have a deferral of taxes on that income. They do not suggest a forgiveness, but a deferral. Cattlemen are not asking for forgiveness, they are simply asking for a deferral. In two or three years when the situation returns to normal, they will be able to buy back their cattle and pay their taxes.

Cattlemen are independent. They want to pay their way. They want to build this country. However, they do not like to be destroyed by beef being dumped into this country.

An Hon. Member: What about grasshoppers?

Mr. Taylor: We can handle grasshoppers and we can handle a Liberal Government too. We handled it just the way we handled the grasshoppers, by wiping them out. We had to use poison on the grasshoppers. The people put the Liberals out where they should be. If the people knew all the facts, there would not be one Liberal sitting over there.

I ask the Minister of Agriculture to look at this tax deferral. Let us give our farmers a chance to help themselves. Defer their taxes for two or three years until the situation returns to normal. Then they will pay their taxes. They will be able again to contribute. Their herds will be back to full strength. They will help build this country the way this Government wants industry to build it. Hundreds of thousands of small independent entrepreneurs will be making their own decisions. That is what will build Canada.

That is the way this Government is tackling the problem right from the grass roots. It is not using band-aids, not at all. We are taking out what is bad and building from the grass roots up. In that way, we will help our entrepreneurs. Productivity is what our Leader has in mind. When we have great productivity, we will have great social services. The crippled, the lame, the senior citizens and the widows will not have to worry. They will receive better treatment from us than they ever received under a Liberal Government.

I see it is six o'clock. May I call it six o'clock Mr. Speaker?

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION—LONG DISTANCE TELEPHONE HEARINGS. (B) TELECOMMUNICATIONS POLICY—REQUEST FOR COMMITTEE REVIEW

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I am somewhat surprised because I was told that I would be the third on the list tonight. However, I am ready to proceed.

On November 13, I addressed a question to the Minister of Communications (Mr. Masse). I pointed out to him that the CRTC was considering an application made by the CN-CP Telecommunications System to permit them to enter into the long distance telephone business. I asked the Minister whether he would consider suggesting to the CRTC that it should not

issue any statement on this application until a telecommunications policy had been set by the Government. To my amazement, the Minister refused to agree to that suggestion.

I say that I was amazed because on August 17 of this year, the present Prime Minister (Mr. Mulroney) addressed a telegram to the Telecommunications Workers Union of British Columbia in which he said the following:

> The Progressive Conservative federal caucus has been examining and consulting widely on the serious implications of this application. We have identified as the first problem the absence of a comprehensive telecommunication policy for Canada, within which this question could be fairly assessed.
>
> We believe that the first step must be the development of a comprehensive policy which includes a clear understanding of consumer needs, historical relationships, technological opportunities, and impact on federally and provincially-regulated telephone services.

He went on to say:

> In the absence of a clear federal policy, including any vision of how future consumer and business needs and opportunities should be balanced in Canada, it will be difficult for the CRTC to assess the application for de-regulation of long distance telephone services, in hearings scheduled for autumn, without a policy framework.

That is precisely what I was urging the Minister to do. I did so because we know from studies which have been done that if CN-CP Telecommunications is permitted to enter into long distance service in competition with the existing telephone systems, like Bell Canada in Ontario and Quebec, B.C. Tel in British Columbia, the three publicly-owned provincial systems in the prairie provinces and the systems in Atlantic Canada, 600,000 users across the country would give up their telephones, because telephone rates would increase by between 70 per cent and 125 per cent. Many people would find it extremely difficult to absorb that increase. The winners would be the large corporations of the country, the major users of long distance service. The banks, insurance companies and other large corporations use the telephone system frequently and even daily. They would be the real gainers.

I suggest that it is wrong for the CRTC to proceed for another reason. Under our legislation, the CRTC has the right to monitor and set rates for Bell Canada, which services Ontario and Quebec, and for B.C. Tel, which services the Province of British Columbia. However, it does not have the legal right to set the rates for the systems which service Manitoba, Saskatchewan and Alberta. Yet, Mr. Speaker, these three provinces now benefit from this present system. These three provinces with their telephone systems receive a large part of their revenue from the long distance calls which are made not only from within their provinces but from calls, for example, from British Columbia to Toronto or Montreal. If those calls provide a profit for the telephone system, those profits are shared with all of the systems, and the prairie provinces receive a large part of their revenue from those long distance calls. Because of the money they receive from long distance calls, they have been able to keep the rates as low as possible for the ordinary home owner, the farmer and the small business person. For that reason they have had almost 97 per cent usage among potential telephone customers.

• (1805)

If CN-CP is permitted to enter into the business in competition with the existing system, naturally it will get part of the business and, naturally, the existing systems will have to reduce their long distance rates to compete. Revenues will go down and the losses suffered will have to be made up by increasing the rates to the present user.

I agree, Mr. Speaker, with what the Prime Minister said when he was the Leader of the Opposition, that this question should not be settled at this time by the CRTC but should be a policy decision by the Government. I know the legislation says that the CRTC has the authority and responsibility for dealing with the application. I am not suggesting that it should not deal with it. I am saying, Mr. Speaker, that it ought not to release its decision until the Government has worked out a telecommunications policy.

It may be that when the Government does that, Mr. Speaker, many people in Parliament and groups and organizations outside of Parliament will disagree with the telecommunications policy of the Government. However, that policy will have been established by a Government which is elected by the people and not by a quasi judicial agency which, in my view, has not the right to make that kind of decision. And the CRTC will be doing that, Mr. Speaker, if it permits the CN-CP Telecommunications to enter into the long distance telephone business.

Mr. Geoff Scott (Parliamentary Secretary to Minister of Communications): Mr. Speaker, I welcome this opportunity to discuss the issue of interexchange competition and the proceedings being conducted by the Canadian Radio Television and Telecommunications Commission on this matter. As the Hon. Member will know, considerable debate has been generated in connection with this proceeding and there exists a great deal of confusion with respect to the issues which are now being considered by the Commission. For example, some parties believe that a decision by the Commission in favour of CN-CP Telecommunications would result in a U.S.—style deregulation and the introduction of local measured service. On the contrary, CN-CP contends that it is prepared to pay compensation for the use of telephone company facilities which would be used to offset increases in local rates.

In the course of the proceedings there have been various estimates made regarding increases in local telephone rates. Similar estimates relate to the number of people who would be forced to drop off the network—give up their telephone—if local rates were to be increased. Most of these estimates are based on experience in the United States.

The fact of the matter is, Mr. Speaker, that there is no application before the Commission to provide local measured service or to deregulate telephone rates. In the United States there are a number of factors simultaneously at play which are affecting telephone rates in that country. For example, the break up of the Bell system has resulted in a massive restructuring of the telephone network. It has also resulted in the need to develop new regulatory and costing procedures. These

factors and others are generally referred to as "deregulation". However, most of the U.S. telecommunications sector remains subject to regulation.

• (1810)

We all know, Mr. Speaker, that our proximity to the United States can often expose us to the effects of that country's policies. Over the years we have learned to develop unique Canadian solutions to deal with such eventualities. The proceeding that is underway before the CRTC is part of that process. The proponents and opponents of the CN-CP proposal have submitted evidence to support their points of view. There is also the opportunity for cross-examination. Out of this orderly but time-consuming process will come a solid factual record, based on which the CRTC will render its decision on the merits of the CN-CP case. The Government, in developing its policies for the telecommunications sector, will draw on that information base as well.

The telephone network has served Canadians in all walks of life for more than 30 years. In the past 20 years, it has become much more than a telephone system. The network now connects computers, terminals, and word processors on a worldwide basis. It is now more than ever an indispensable tool of modern business. At the same time, the policies and regulations applying to the industry are rooted in the past.

It is therefore appropriate that the Government should review telecommunications policy. The Department of Communications is currently engaged in this task. Public submissions have been received, and discussions are being held with interested parties. The CRTC hearings will also provide an important input to the Department's review.

The Government is fully aware of the importance of the telephone service to Canadians and is very mindful of the social benefits which they derive from it. Therefore, while the Government is of the view that Canada's telecommunications system and the regulatory structure must undergo adjustments in order to respond to changing needs and new requirements, it is also firmly committed to preserving affordable, universally available telephone service in all regions of Canada.

MARINE TRANSPORT—FERRY SERVICES IN ATLANTIC CANADA. (B) GOVERNMENT SUBSIDIES

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, over the last two days I have had an opportunity to address questions to the Minister of Transport (Mr. Mazankowski) regarding the $37 million in cuts announced Thursday last by the Minister of Finance (Mr. Wilson) affecting the Department of Transport, and in particular the gulf ferry services of Atlantic Canada.

The people of Atlantic Canada regard the ferry services in their province, particularly those in Newfoundland and P.E.I., both island provinces, as an extension of the Trans-Canada Highway. When we are talking about gulf transport, whether it be between North Sydney and Port aux Basques, or North Sydney and Argentia, between P.E.I. and Nova Scotia, we are not talking about an alternate means of transportation or the scenic route by the sea. For the average Canadian living in those island provinces, and for the average small businessman operating in those island provinces, we are talking about the only economically viable means of moving goods and people for the people of Atlantic Canada.

The Minister today admitted in this House that the increase proposed by CN to Cabinet will be triple that submitted as of early September. That is an increase of 15 per cent to be imposed in the next few weeks, versus an increase proposed as part of the proposed mandatory six and five program of 4 per cent. The Minister told us that we should not feel too badly; after all the Government is going to put a new ferry on the service which will be much better. It is called the *Caribou*. I beg to inform the Minister that the *Caribou* has been under construction for a year. This is nothing new. There are an additional two boats coming into service and they have been underway, as the Parliamentary Secretary nods his head knowingly, for the last couple of years as well, in terms of planning. So you cannot justify 15 per cent cost increases simply on the basis that we are going to have new vessels which are more efficient, bigger and therefore, folks, you are getting a better service and you should pay more.

The fact is that when one looks at the increased cost to users of the facilities currently offered anywhere in this country by Crown corporations in the transport business, nowhere else in Canada other than Atlantic Canada are increases of the magnitude of 15 per cent being imposed. The Minister has indicated that we should not worry, that the rate is 15 per cent but that for regular users there is going to be a discount, and it will only be 5 per cent or 6 per cent. Mr. Speaker, I would like to ask the Parliamentary Secretary what a regular user is.

• (1815)

Will the discount apply to small business people who use the ferry services, not to move luxury items up the Labrador coast or on the south coast of Newfoundland or between P.E.I. and Nova Scotia or Nova Scotia and Newfoundland or New Brunswick and P.E.I., but to move basic foodstuffs, the basic necessities?

Will the additional freight charges which I am told will also be in the order of 15 per cent, apply to food and to those companies which bring their supplies in by way of ferry or gulf boat service? If that is the case, Mr. Speaker, not only are consumers in Atlantic Canada going to be asked to pay 15 per cent more when they avail of CN Marine, because they are not regular users, but they are going to be asked to pay 15 per cent more on the transportation portion of the cost of a tin of spaghetti, a loaf of bread, eggs, or fresh milk, every time they go to the supermarket. Mr. Speaker, for those island provinces in particular, that would be totally unacceptable. That will set up two systems of citizenship in this country.

There is another matter about which I am very concerned. Over the last day I have had the opportunity to speak to union representatives of railway workers and people working on the Gulf and Coastal Ferry Services and the employees of those

agencies. To this point they have not been consulted. The Parliamentary Secretary comes from Atlantic Canada and knows about the 25 per cent levels of unemployment in North Sydney and Port-aux-Basques. Perhaps he can tell us what the job loss will be. Perhaps he can tell us when the Minister will get around, in this new age of consultation and co-operation, to discussing this with the people most directly affected by cutbacks and rate increases. How many jobs are going to be lost? What frequency of service is going to be introduced? What kind of reductions are going to be imposed?

In closing I would like to say that I am pleased with the choice of the gentleman who has been named as Minister of Transport (Mr. Mazankowski). He is a very knowledgeable man. There is no one in the Government Party who can hold a candle to the kind of experience and knowledge that he has in this field. I want to wish him every good luck in his duties. Over these last few years I have heard him speak eloquently about the regional sense of frustration and the resulting disunity in western Canada. The seeds for that kind of divisiveness exist in Atlantic Canada. They exist in particular when actions are taken without consultation and without regard to the kind of hardships they can impose, in particular on people in island provinces who have no alternate means of transportation to resort to.

I have had the pleasure of knowing the Parliamentary Secretary since 1980 and I know that he will ensure that the Minister has an Atlantic view. I hope he will begin today by telling the House and the people of Atlantic Canada that he is going to ensure that food and basic necessities being moved on those ferries and on the gulf run will not be subject to a 15 per cent increase which is a double tax on everyone in Atlantic Canada. I hope he will tell me as well that either himself or his Minister will begin tomorrow to consult the people who will be affected first and perhaps most; the employees of CN Marine in Atlantic Canada.

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, there is certainly no question that the Minister of Transport (Mr. Mazankowski) is probably the most knowledgeable man in this Chamber and one of the most knowledgeable men in Canada with respect to transport matters in this country. I can assure the Hon. Member that he does have an Atlantic view.

Ferry and coastal services in Atlantic Canada constitute an area of very substantial federal Government expenditures. It constitutes $178 million to $180 million, not including some $13 million to $14 million invested in CN Marine this year to support its current program of new facilities and the construction of the Motor Vessel *Caribou*.. The users of these services contribute in fares and tariffs about 22 per cent of the over-all costs.

The Government has made decisions which will reduce substantially its expenditures in 1985-86 and beyond, while at the same time increasing the efficiency of the services through the provision of new and more productive vessels and support facilities.

The modernization of the Newfoundland ferry and coastal fleet will improve service to passengers and freight customers through the introduction of fewer but larger and faster vessels. Changes in rates and levels of service in the CN Marine Altantic ferry network will be implemented following consultation with regional interest groups and others affected.

Users of all the services will be asked to contribute more to the costs in order to reduce the burden on all Canadian taxpayers for services provided. Government officials will therefore be discussing with the operators measures that can be taken to increase their revenues by 15 per cent, effective April 1, next year. Frequent users of the services, as the Member has pointed out, will also be afforded an opportunity to apply for reduced fares. Hopefully, after consultation, these matters will improve what the Hon. Member was talking about.

An increase of 15 per cent in CN Marine rates would represent four one-thousandths of a cent per pound for a tractor trailer with a 40,000 pound payload travelling in these services. I have used the Prince Edward Island service as an example. We will assess the ability of CN Marine's St. John-Digby ferry service, and the Hon. Member has raised this, to handle truck traffic diverted from the *Bluenose* during the winter months. Until the fall of 1985, the *Bluenose* service will operate year-round between Yarmouth, Nova Scotia and Bar Harbour, Maine. Afterward, it will operate for six months a year in the tourist season as a money saving measure.

The addition of modern ferry vessels on the Newfoundland Gulf and Coastal Service will have an extremely positive impact on the people of our particular part of the country.

I see the gentleman at the Mace, so I will conclude.

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

At 6:18 p.m. the House adjourned.

HOUSE OF COMMONS

Friday, November 16, 1984

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

SOCIAL SECURITY

INQUIRY ON WHY PENSION MODIFICATION CONFINED TO WIDOWS AND WIDOWERS

Mrs. Lucie Pépin (Outremont): Mr. Speaker, the throne speech pronounced on November 5 of this year contained a number of glowing and vague promises, but the likelihood of their ever being kept became more than uncertain when the Minister of Finance (Mr. Wilson) made his economic statement three days later.

Let me give an example. In the Speech from the Throne the following was said, and I quote:

My government is determined to ensure that social justice in Canada keeps pace with the changing needs and circumstances of our people.

In the economic statement, however, the Conservative Government announced that it would extend the allowance program to spouses between ages 60 and 64, but only to widows and widowers.

One may well ask why only widows and widowers. What about separated and single individuals who are in need?

If we look at the figures published by Statistics Canada in 1981, widows and widowers constitute only 4.7 per cent of the Canadian population, while people who are separated, divorced or single make up 36.9 per cent.

The Government will have to revise its position and take into consideration the groups it has overlooked. Apparently, the Conservative Government does not have all the facts.

* * *

[*English*]

POLITICAL PARTIES

LIBERAL PARTY OF CANADA—ELECTION AFTERMATH

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, the dog fights and recriminations between members of the decimated Liberal Party are wondrous to behold. Having been justly turfed out of office by the Canadian electorate, they now seem bent on destroying what remains of that Party by internal bickering and in-house squabbles such as that between the former Prime Minister (Mr. Trudeau) and the present Leader of the Opposition (Mr. Turner) over which of the two were more directly culpable for their crushing defeat.

All of this would be rather humorous were it not for the fact that the parliamentary system of government requires a responsible Opposition, something which we, unfortunately, do not have at the present time. In all likelihood the Liberal Party will, over the next few years, disappear as a political force with which to be reckoned. Those few remaining Liberals, however, can find some solace. They will all go down in the history books as the last living fossils of a species which has outlived its usefulness.

* * *

EXTERNAL AFFAIRS

NICARAGUA—CANADIAN POSITION

Mr. Dan Heap (Spadina): Mr. Speaker, a *New York Times* story exposes the falsity of Canada's policy toward Nicaragua. It reported that a Canadian naval ship is taking part in a 19-day exercise in the Caribbean, with 25 U.S. naval ships, infantry, airborne and helicopter troops of the United States, as well as two Dutch, one German, and one British ship.

Canada professes neutralism, objectivity, and support of the Contadora peace negotiations. Yet Canada is silent about Reagan's flights over Managua, Reagan's invasion of Nicaraguan territorial waters, Reagan's funding of the Contras, and Reagan's lying story about the alleged MIGS.

Against their protests, Canada directs Canadians living in Nicaragua to register with the U.S. embassy, the embassy of the country which will invade Nicaragua. Canada sends a Canadian warship to join in manoeuvres in the Caribbean to intimidate Nicaragua, or to help prepare for the invasion by Reagan. Shame on Canada's two-faced foreign policy!

* * *

ENERGY

CONVERSION OF MOTOR VEHICLES TO PROPANE FUEL USE

Mr. Allan Pietz (Welland): Mr. Speaker, I wish to address the House today on a matter which I feel is of importance to consumers as well as producers of sources of energy. That subject is alternate fuels. I, like many Canadians, was encouraged by the tone and direction set out by the Minister of Finance (Mr. Wilson) in last week's economic statement.

S.O. 21

Deficit reduction and sound fiscal management are the first steps toward economic recovery, and management of our energy resources is of major import in that recovery.

I encourage the Minister of Finance to continue the present subsidies for conversion of automobiles to alternate fuels. In my riding of Welland propane fuel is used exclusively by the Niagara Regional Police Force in their police cruisers. In the City of Welland 90 per cent of all taxi cabs have been converted to propane as an alternate fuel. Many of my constituents have converted their private automobiles, and I personally have 14 vehicles in my family business on propane. The savings in all cases are in excess of 40 per cent. Propane is readily available to the public at an increasing number of service stations in my riding of Welland and through southern Ontario. It is proving to be a reliable and economic source of fuel.

I would therefore invite Members of the House to encourage their constituents to examine the benefits of alternate fuels such as propane and natural gas, and would encourage the Minister of Finance to continue and, when appropriate, to increase the subsidies for alternate fuel conversions.

This action would increase the opportunity for an increasing—

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

* * *

• (1110)

[*Translation*]

TRANSPORT

PAY BOOTH ON CHAMPLAIN BRIDGE, MONTREAL—STUDY OF IMMEDIATE ABOLITION URGED

Hon. Jean Lapierre (Shefford): Mr. Speaker, the Minister of Transport must be aware that the Quebec government has abolished highway tolls; he must be aware that the abolition puts an end to unfair treatment in the regions of the south shore and the Eastern Townships; finally, he must be aware as well that this demonstration of equity towards autoroute users is not yet generalized since motorists still pay tolls to cross the Champlain bridge. I am convinced that the Progressive Conservative Members from the south shore and Eastern Townships ridings will echo my representations urging the Minister to consider the possibility of dismantling immediately the Champlain bridge toll booths which constitute discrimination towards and cause delays to motorists travelling to the south shore and the Eastern Townships.

ENERGY

FUEL PRICE INCREASE—EFFECT ON LAC-SAINT-JEAN REGION OF QUEBEC

Mr. Clément M. Côté (Lac-Saint-Jean): Mr. Speaker, like most Canadians, the people in my riding applauded the statement made by the Hon. Minister of Finance (Mr. Wilson) on our country's economy and finances and the direction the present Government intends to take. One of the Government's priorities is a more equitable redeployment of public funds, which will be done through consultation on ways of regulating, for instance, the price of oil. In the past, distant areas like mine have often been neglected. We believe it is time for a change. As the Member for Lac-Saint-Jean, it is my duty to ensure that this new approach has no adverse effects on the people of my riding. There is certainly a way to meet the needs of Canadians while taking into account the regional dimensions of Lac-Saint-Jean.

For instance, the increase in the price of fuel is a distinct disadvantage. Almost everything is shipped in and out of this area by road transport, and transportation costs are already 25 per cent higher because of weather and road conditions. I would appreciate receiving your suggestions in the next few weeks, so that I can then express the views of all my constituents.

* * *

[*English*]

CULTURAL AFFAIRS

IMPACT OF ECONOMIC STATEMENT

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, the Minister of Communications (Mr. Masse) has made flagrantly contradictory statements on the subject of arts cut-backs. Neither he nor the Prime Minister (Mr. Mulroney) are in the House today to answer to them.

During the course of the election campaign the position of the Party was very clear—no arts cut-backs in real terms and consultation with the arts and cultural community. Further, in opposition, the Conservatives were very strong on the arm's length relationship between government and the cultural agencies. Yet the economic statement broke all three promises.

To complicate matters, the Minister said in answer to a question yesterday that he would ensure that there would be increased funding for creative and productive work in the arts, yet he could not assure the House that cut-backs would not be confined to administration because of the arm's length relationship. However, a story in today's *Globe and Mail* says that there will be further interference with our major cultural agency, the CBC.

Where do we stand? Nobody knows. I suggest that the way out of this incredible muddle is for the Minister to go back to square one with no arts cut-backs, consultation with the arts

community, and a strict respect for the arm's length relationship between government and that agency.

* * *

YOUTH

EMPLOYMENT PROGRAMS' GUIDELINES

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I rise to ask the Minister of State for Youth (Mrs. Champagne) to intervene on behalf of the young people who are being discriminated against in the hiring guidelines for federal works programs released yesterday by the Minister of Employment and Immigration (Miss MacDonald).

The Minister of Employment said that we have the highest number of young people in our history without work, and that this is a short-term make work measure on their behalf. I would ask the Minister responsible for youth to examine these guidelines. She will find that preferentrial hiring is given to unemployment insurance exhaustees, then to those drawing social assistance, and then to those who are drawing unemployment insurance. It means that a young person who has not worked before and who is not on social assistance is not allowed to go to work in any of these federal works programs called Canada Works or Section 38.

I am asking the Minister of Youth to intervene, and do whatever she must, to get the Minister of Employment to drop these discriminatory hiring regulations that discriminate against all of our young people in this country who are out of work.

• (1115)

ORAL QUESTION PERIOD

[*Translation*]

CONFLICT OF INTEREST

ALLEGATIONS CONCERNING MINISTER

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, my question is directed to the Right Hon. Prime Minister.

According to a story published in the press today, the Minister of Regional Industrial Expansion owns a company; he has a 50 per cent interest in a company that manufactures shoes, and since he is responsible for the Anti-dumping Tribunal and for setting quotas on footwear, and the president of the company said that the company was having problems because of imports. Did the Right Hon. Prime Minister take the necessary precautions when appointing the Minister of Industry, Trade and Commerce or the Minister of Regional Industrial Expansion by asking him certain pertinent questions, and did the Minister inform the Prime Minister of the potential conflict of interest that existed at the time, and if the

Prime Minister was aware of the situation, how could the Member in question become the Minister of a department where he must make daily decisions that may affect the financial position of a company in which he has a 50 per cent interest?

Right Hon. Brian Mulroney (Prime Minister): I am disappointed and surprised at the Hon. Member for asking such a question. However, I can assure him that all legal requirements were met before anyone was appointed, including the Minister in question. The Hon. Member is no doubt aware that from time to time, Canadian citizens, including Members of this House who have worked in the business world, have been faced with certain problems, and I must say I have received every assurance that all legal requirements have been met, and I am confident that the Hon. Member in question has the integrity and competence required to perform his duties as Minister.

[*English*]

RESPONSIBILITY QUERY

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I just wanted to ask the question because it is a very important problem. It is not the integrity of a person, I do not put that in question, but a Prime Minister has an obligation that, when he appoints a Minister, he must make sure there is no conflict of interest and no appearance of conflict of interest.

How is it that since September 17 one person in this House, being the owner of a shoe factory, becomes a Minister and remains a Minister until the end of October, owning shares of a company and having the responsibility during that time to make decisions that can affect quotas and the future of this company?

I think the Prime Minister had a duty to make sure when he appointed that Member of Parliament that there was no conflict of interest. He could have appointed him to a different portfolio but not to a portfolio in which he makes decisions about a business in which he has a personal interest, a very important interest because he owned 50 per cent of that company.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member seems to presume bad faith and dark motives on behalf of the Minister.

Some Hon. Members: Oh, oh!

Mr. Deans: No, that is a different matter.

An Hon. Member: If the shoe fits, wear it.

Mr. Mulroney: I can assure the Hon. Member that all of the provisions of the statutes governing conflict of interest were discussed with the various Ministers by me, and they were all fulfilled to the letter within the time frames stipulated to ensure precisely that there would be no conflict of interest.

That included following, as I understand our predecessors did, provisions in regard to blind trusts and so on.

If there is a suggestion or an indication of impropriety I would be happy to look at the matter again and report back to the House and to the Hon. Member. But I want to give the Hon. Member the assurance that I exercised vigilance and care with regard to all of the nominations, and I was thoroughly satisfied that these matters had been properly dealt with, as well as the competence and integrity of the Minister involved.

Some Hon. Members: Hear, hear!

Mr. Chrétien: Mr. Speaker, I am happy that the Right Hon. Prime Minister intends to look into the matter.

• (1120)

OWNERSHIP OF SHARES—PRIME MINISTER'S KNOWLEDGE

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I should like to ask a very precise question. Was the Prime Minister made aware at the time of forming his Cabinet that that Minister owned 50 per cent of the shares of a shoe company? Did the Minister inform him precisely that he had these shares? If the Prime Minister knew, why did he appoint him to his job while for at least a month and a half the Minister was in a position to make decisions in relation to this industry? The blind trust in that matter cannot work because everyone knows that the company exists and that the Minister has shares. A blind trust cannot work; the company is his.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not think it is a crime for anyone to hold shares or to hold directorships in companies prior to their holding high public office.

Mr. Waddell: Did you know?

Mr. Mulroney: One either divests oneself or one complies with the full requirements of the blind trust and other reporting arrangements which are quite properly required by Parliament.

Mr. Chrétien: Did you know?

Mr. Mulroney: I was aware that the Minister and others had financial holdings with which they were obliged to deal pursuant to statutes of this House. I have received the assurance that all provisions of the Act have been complied with. However, as I indicated to my hon. friend, I will be happy to look at it again with care to ensure that there has been full and absolute compliance, not only with the letter but with the spirit of the law as well.

THE ECONOMY

ECONOMIC STATEMENT—PROJECTIONS OF EFFECT ON EMPLOYMENT

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is directed to the Minister of Finance. It was reported this morning by Informetrica Limited, an economic forecasting firm, that, as a result of the budget cuts announced on November 8, 50,000 jobs will be lost next year and real economic growth will be reduced by .5 per cent. In refusing to give the House the Government's figures on the jobs to be lost by these cuts, the Minister said that they were insignificant and that in any case there would be an increase in jobs in 1985.

Considering the contradiction between his answers and the report of Informetrica, would the Minister tell us whether the loss of 50,000 jobs is to be considered insignificant? Is this new 1984 Tory newspeak? Would he now release the job loss figures calculated by his forecasting model? Will he respect the Conservative commitment to open government and let the House judge what is significant or not?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, what I said was that the job loss was not insignificant. I said that the statistics which were thrown up by the econometric model were statistically insignificant.

An Hon. Member: What is the difference?

Mr. Wilson (Etobicoke Centre): There are differences between what the Informetrica model has produced, our models and other econometric models in the country. I ask the Hon. Member to remember two things. One is that $2 billion of spending cuts, net in a $400 billion economy is not a major amount. The second is that econometric models do not measure the qualitative element of the improvement in confidence for both consumers and business, which I am sure will lead to an increase in jobs that will far exceed the measurable job loss according to the model.

MINISTER'S POSITION

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, the Minister and the Prime Minister continue to speak of jobs which might be created if interest rates decline far enough, if business confidence leaps ahead far enough. Is this projection merely a pious wish on behalf of the Government? Or, do they have some hard data or information from their friends in big business that they in fact will invest in jobs? Does he really believe that he merely pushes a "cut-cut" button and out the other end of his economic machine he gets "jobs-jobs"? How does he explain that in Japan, where the deficit is a higher percentage of GNP than it is in Canada, there is a much lower rate of unemployment?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I remind the Hon. Member that 32,000 more jobs were created

in the month of October. Things are moving in the right direction.

● (1125)

In spite of what the Hon. Member is trying to get at with the question, let me state one overriding consideration that his Leader will support. We cannot, as a country, run away from the deficit problem. We cannot run away from the problem of accumulating debt. We are on a treadmill here. It is a very dangerous thing that we are facing. If we do run away from it, the job loss, the economic and the financial mess that we will be in in five years' time will be far more serious than it is today. That is why we took the actions that I announced in my statement last Thursday.

DEPARTMENT'S STATISTICAL INFORMATION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I have a supplementary question for the Minister of Finance. Now that Informetrica has confirmed what my Leader said over a week ago, that there would be a net loss of 50,000 jobs to the economy as a result of the Government's economic statement, is the Minister now willing to provide for the House of Commons and for the public of Canada the statistical information that was made available to him by his ministry officials, and show conclusively exactly how many jobs his Government is prepared to risk in an effort to achieve the kind of economic Utopia that it claims might occur some time in the future?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, we are not trying to achieve an economic Utopia. We are trying to withdraw ourselves out of a very serious problem that we are facing as a country and as a Government. We are taking the steps that we feel are necessary. The Hon. Member has seen the results of the Informetrica modal. I am sure there will be others that will be somewhat less. There may be others that are somewhat more. I say to the Hon. Member that he must look at the broader reasons for the action that we took last Thursday.

REQUEST FOR RELEASE OF INFORMATION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my supplementary is a very simple question. It surely can be answered. The Minister has in his possession statistical information given to him by his ministry officials which shows that there will be a loss of jobs as a result of the economic direction the Government has decided to take. Will the Minister provide for the House the information that was given to him, in order that the public of Canada can draw some reasonable conclusions as to whether or not those are the risks that they are prepared to take in order to achieve the aims that the Government wants to achieve?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I have said in the past, and I will say it again to the Hon. Member, that this information was provided to me as part of an over-all policy recommendation. I do not believe that it is appropriate for Ministers of the Crown to be making information available publicly to Members in the House and the general public which is part of a set of policy options. That is the reason for my not making that information available.

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METRIC CONVERSION

STATEMENTS ATTRIBUTED TO PARLIAMENTARY SECRETARY

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, I have a question for the Minister of Consumer and Corporate Affairs. I want to take this opportunity to congratulate him on his election and on his portfolio. I wish him well in the House, but not too well. In that regard, I want to know if he has seen the front page of this morning's *Globe and Mail* and, in particular, if he saw the comments of his Parliamentary Secretary who was quoted as saying:

> The Conservative Government is abandoning Canada's move toward mandatory metric measurement—

He then goes on to say:

> Definitely, that is what's going to happen, as sure as I'm talking to you now.

He was talking to Miss Barbara Yaffe. The article continues:

> We will be selling to the consumers for one more generation in Imperial.

I want to know, if the Minister has seen that, if his Parliamentary Secretary was speaking for the Government and for the Minister. Also, can he confirm that that is going to be the policy of the Government, that it is not going to go ahead with the metric policy?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, I can tell the Hon. Member that the responsibility of the department is to listen to all comments and consult the public at large with respect to metrication. That is what we are doing now and as soon as we are through consulting we will have an opportunity to set forth the government's final policy on that issue.

* * *

● (1130)

[*English*]

CONSUMER AFFAIRS

CONSUMERS' ASSOCIATION OF CANADA—STATEMENTS ATTRIBUTED TO PARLIAMENTARY SECRETARY

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, I asked whether or not the Parliamentary Secretary was speaking for the Government. The answer to the question is no. Obviously the Parliamentary Secretary was speaking for the Parliamentary Secretary.

It is just as serious, if not more serious, that in the same article, the Parliamentary Secretary said:

The Consumers' Association of Canada has not been speaking for the consumer.

He said that the Consumers' Association of Canada is nothing more than an extension of the very Department the Parliamentary Secretary represents.

Does the Minister concur with his Parliamentary Secretary that, indeed, the Consumers' Association of Canada is not speaking for the consumers? If he believes that, will he cut off aid to the Consumers' Association of Canada? If he does not believe that, will he confirm that he will continue to support the Association, and will he ask his Parliamentary Secretary to withdraw those comments?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, again I say to the Hon. Member that the department's responsibility is to listen to the various spokespersons and interest groups and, as far as I know, the Consumers' Association of Canada does speak for a legitimate interest group. It so happens that I had a meeting this morning with CAC representatives, a meeting which ended just before the question period. Our discussions covered various issues concerning the Consumers' Association of Canada. As I said, the government has every interest in listening to all groups, including the CAC.

* * *

CANADIAN BROADCASTING CORPORATION

APPOINTMENT OF ADVISORY COMMITTEE

Hon. Edward Broadbent (Oshawa): My question is directed to the Right Hon. Prime Minister.

The Government has appointed a committee of three, including a former CTV employee and adviser to the Prime Minister, to advise the Government on budgetary cutbacks in the Canadian Broadcasting Corporation. My question is quite simple. Does the Prime Minister trust Mr. Pierre Juneau? If so, why did he not give Mr. Juneau this responsibility.

Right Hon. Brian Mulroney (Prime Minister): In the absence of the Minister of Communications, I can answer the Hon. Member. If I am not mistaken, it is an advisory committee that will be helping the Department and the Minister of Communications analyse questions that concern the CBC, among others, but for the time being it will help analyse the matter of budgetary cutbacks. This is being done to help the Minister ensure that as far as possible, budget cuts will be restricted to the bureaucratic level and will not affect employees of the CBC or other corporations. I think the Minister already gave this explanation, which is an entirely legitimate one.

[*English*]

CORPORATION'S MANAGEMENT MANDATE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, it seems to me that the Prime Minister is failing to make a major distinction. Does the Prime Minister not understand that there is an important difference between hiring a group of outside advisers perhaps to suggest a change in mandate for the CBC, something which would be quite appropriate, and hiring a group of outside advisers, including a former political adviser to himself, actually to carry out part of the mandate within the CBC? Surely that is a management function properly belonging to the existing management of the CBC. Surely the Government has confidence in that management. Either the management should be given that job, or the management should be changed. The Government should not provide outside political interference.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I see that the Hon. Member is horrified by the idea of someone having been involved in partisan politics having a right to advise the CBC. The proposition clearly does not outrage the present President of the CBC who is less horrified by partisan activity than is my hon. friend.

We have confidence in the management of the CBC. We propose to allow the CBC to proceed in a manner very much at arm's length, consistent with its honourable traditions. That does not preclude, nor should it preclude, a Cabinet Minister from soliciting expert counsel to assist him in his parliamentary obligation to analyse, and advise the House of Commons as best he can on ongoing developments in his Department, including the proper responsibility that he has for the general over-view of the CBC.

FREEDOM FROM INTERFERENCE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Prime Minister should clarify things with his Minister. The Minister has said publicly that there were two broad responsibilities given to this group. One was to discuss a mandate for the CBC. It is quite proper for that to be done either by advisers to Ministers' offices or outside groups. There is no question about that. The other mandate that he said was given, and this is in my own words, was actually to implement budgetary cuts involving programming within the CBC.

Does the Prime Minister not see that there is a major distinction between outside advice concerning policy, and internal interference with the decision-making process within a Crown corporation itself? Surely a Crown corporation like the CBC, which is the largest broadcasting entity in the country, should remain free of all outside interference from the Government, and should especially remain free of political appointees nominated by the Government, who are directly involved in management decisions.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if that is true, it will come as a surprise to the present President of the CBC. I say that without any malice, because

we have a high regard for Mr. Juneau and his accomplishments. That is a fact.

With regard to responsibility, I think my hon. friend has obscured the clear indications of the responsibility of this committee. It is not empowered directly or indirectly to intrude on, insinuate itself into, or interfere with the operations of the CBC. It is an advisory group to the Minister, empowered to assist him in his proper assumption of his duty to the House of Commons, which is to provide all Members with proper and timely information on the best manner in which government policy can be implemented.

* * *

PIPELINES

VANCOUVER ISLAND NATURAL GAS PIPELINE PROJECT

Mr. Ted Schellenberg (Nanaimo-Alberni): Mr. Speaker, my first question in this House is directed to the Minister of Energy, Mines and Resources. Last summer the British Columbia Utilities Commission selected the so-called southern route from the Lower Mainland to Nanaimo for a natural gas pipeline to Vancouver Island. There is some concern in my riding that the project may be in jeopardy, particularly in view of the perilous financial position in which the new Government has found itself. What is the status of the Vancouver Island natural gas pipeline project?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I would like to congratulate the Hon. Member on his election to the House of Commons. We welcome him to our PC caucus.

Our position on the Vancouver Island pipeline, which we have conveyed to the British Columbia Minister of Energy, is that the project is on hold until the economic climate improves, as are the Quebec pipelines. We have asked the Government of British Columbia to bring us a more economic proposal with revised figures, which we will then discuss with our officials. Hopefully we will be able to schedule this project for construction but it will probably begin a little later than the B.C. Government had requested.

* * *

[*Translation*]

NATIONAL PARKS

EMPLOYMENT AT KOUCHIBOUGUAC NATIONAL PARK, N.B.

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, my question is directed to the Minister responsible for national parks and concerns employment in New Brunswick's Kouchibouguac national park during the summer of 1985. This past summer, 230 people were employed in the park. According to some press reports, the Kouchibouguac national park operating budget will be cut down considerably, to the extent that employment in 1985 will be reduced by some 100 person-years. Since the policy of this government is to eliminate jobs, can the Minister confirm the bad news and explain in unequivocal terms why my constituents are the target of such savage and unacceptable cutbacks?

• (1140)

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, it is true that the Department of Environment is reducing person-years. I want to say to my colleague that nobody has yet been sent a dismissal notice and we will do our best to ease the situation, help retrain employees who can be given other duties and proceed as humanely as possible.

It stands to reason that cuts hurt everybody and it is obvious as well that the cutbacks made by my department will be spread throughout Canada; we are talking about 305 fewer person-years out of a total public service work force in excess of 10,000 people.

INQUIRY CONCERNING EMPLOYMENT FOR LAID-OFF WORKERS

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, is the Minister giving me the assurance that employment will be found for the workers who will be laid off?

Hon. Suzanne Blais-Grenier (Minister of the Environment): I cannot give that assurance to my colleague, Mr. Speaker, because we are now in the process of considering how best to implement our staff cutbacks. What I can say is that the Department of Environment's prime concern is not to create jobs but, before reducing our staff, we reviewed those programs where a minimum of hardship would be caused.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

CANADIAN WILDLIFE SERVICE—FUNDING OF BIOTOXICOLOGY UNITS

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my question is also directed to the Minister of the Environment and it concerns cut-backs in her Department. One of the cut-backs proposed is in the Canadian Wildlife biotoxicology unit. This unit has undertaken some very important activities in Canada. It was the first to identify DDT as an environmental hazard, and it was responsible for banning a number of dangerous chemicals, particularly in New Brunswick. Would the Minister indicate whether she is prepared to review the cut-backs in the biotoxicology units of the Canadian Wildlife Service, because they are such an important assistance to health and safety in Canada?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I think I replied yesterday to one of the hon. members' colleagues who was seeking this information in

more general terms when I said that there will not be any cut-back in toxicological research, since $27 million from my department and $150 million from the federal government are being allocated to this research.

[*English*]

PUBLIC SAFETY

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, the Minister cannot say that will not be the effect. The Canadian Wildlife biotoxicology branches are being cut back. The unit in New Brunswick is being cut back, which is currently studying heavy metals in the Bay of Chaleur and the links between cancer and birth defects. If the Government and the Department of the Environment are not prepared to do that, would the Minister state to the House who will take care of the problem of safety for Canadians in connection with these important issues that she and the Conservative Party are proposing to cut back?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): When we considered these cuts, Mr. Speaker, I agreed, along with my officials, to make very minor cuts to a number of programs, and they are very minor indeed, for we are talking here of 305 person-years out of a total of 10,000 employees; it is clear, therefore, that we are not thinking of abandoning toxicological research. I suggest that some people are dramatizing the situation somewhat, and if the health of the Canadian people were really jeopardized by cuts such as these, we would certainly review the situation and make cuts in some other less essential programs. But we do not feel that such is the case just now.

* * *

ENERGY

GAS PRICE INCREASE—EFFECTS ON GASPÉ RESIDENTS

Mr. Charles-Eugène Marin (Gaspé): Mr. Speaker, my question is directed to the Hon. Minister of Energy, Mines and Resources.

Considering the long distances people living in the Gaspé Peninsula generally and in my own riding of Gaspé in particular must travel to obtain their basic services, and considering the 64.6 cents a litre they must now pay for no-lead gasoline, could the minister tell the House whether she has recently contacted or met her Quebec counterpart about this situation? If not, does she intend to meet her Quebec counterpart or any other official, in order to deal with this problem and roll back the price of gasoline to a level more acceptable to the Gaspé people?

[*English*]

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I wish to assure the Hon. Member that I have in fact met with my Quebec counterpart. I can only tell him that the Governments, either provincial or federal, do not set the price of gasoline. In this country, which is so vast, the whole issue of the difference in gasoline prices is a real irritant, whether it is in the Yukon, Gaspé or northern Alberta.

Gasoline prices are a function, not only of the price of crude oil, but also of federal taxes, provincial taxes and competition. Even in the cities the spread between gasoline prices at the moment is something in the order of 40 cents a litre in Edmonton and 58 cents a litre in Montreal. I am aware of the concern of the Hon. Member and I certainly will meet with him to see if there are any special circumstances that we can alleviate. However, I can only repeat that gasoline prices are not set by the federal Government.

* * *

RACIAL DISCRIMINATION

MONTREAL TAXI INDUSTRY—COMMISSION FINDINGS

Mr. Sergio Marchi (York West): Mr. Speaker, I would like to address my question to the Minister of State for Multiculturalism. During the recent election campaign, his Leader, as a major part of his Party's policy, declared in Toronto: "We will stamp out racism wherever it rears its ugly head." The Minister will surely know that the Quebec Human Rights Commission recently concluded without a doubt that racism and discrimination prevails in the Montreal taxi industry against black Canadians and members of the Haitian community. In addition, East Indian Canadians in Hamilton yesterday filed the same grievance.

My question is very straightforward. In light of the fact that this ugly head of racism has unfortunately and clearly identified itself, what specific and immediate proposals will the Minister and the Government introduce in the House of Commons to address specifically these two abusive cases which are causing economic inequalities among Canadians?

Hon. Jack Murta (Minister of State (Multiculturalism)): Mr. Speaker, I agree that the situation which has developed in Montreal, and also in the other part of the country to which the Hon. Member alluded, is very troublesome, as is the report which has recently been released in the Province of Quebec *vis-à-vis* the taxi industry. The Member should know that one of the jurisdictional areas in this dispute lies with the Government of Quebec. It is a provincial government matter from that point of view. However, we will be working with provincial Governments across Canada in order to help them in any way that they feel necessary to stamp out racism wherever it exists. That is a commitment which was made not only by the Prime Minister but by the entire Conservative Party. It was also a commitment which was made in the "Equality Now" report to which all Parties have agreed. We are moving to implement the recommendations of that report as quickly as possible.

QUEBEC RECOMMENDATIONS

Mr. Sergio Marchi (York West): Mr. Speaker, my supplementary question is directed to the same Minister. I am quite troubled by the fact that we are breaking down racism on a regional basis—

Mr. Speaker: Order, please. With great respect, the Hon. Member had a very long preamble to his first question. Could he now simply ask his supplementary question?

Mr. Marchi: Mr. Speaker, my supplementary question is, in light of the fact that the Quebec Human Rights Commission spent two years and $300,000 studying the problem, is the Government prepared to act on some of its recommendations, including affirmative action programs, and not give Canadians the generalities which we have seen over the last two months?

Hon. Jack Murta (Minister of State (Multiculturalism)): Mr. Speaker, the Hon. Member is in the wrong Legislature. That question should properly be addressed to my colleague in the Legislature in the Province of Quebec. Both I and the federal Government have stated that we will do everything in our power to make sure that racism does not continue to rear its ugly head in this country.

* * *

● (1150)

RESEARCH AND DEVELOPMENT

ALTERNATIVE ENERGY—IMPACT OF ECONOMIC STATEMENT

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is addressed to the Minister of State for Science and Technology. It reflects the tremendous concern people are feeling about the science and research and development cutbacks announced last week. Does the Government consider that energy conservation, solar, wind, and other alternate forms of energy have a contribution to make to the Government's goal of energy self-sufficiency for Canada in a few years? If so, can the Minister explain why the Government has chosen to shut down the National Research Council's energy division, and with it some 200 research contracts that were supporting a fledgling but very important and developing high-tech industry in the alternate energy area?

Mr. Waddell: In the private sector, too.

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, yes, indeed, the Government recognizes the importance of continuing research into alternative energy. The facts of the matter, as described by the Minister of Finance last Thursday, are that we just cannot afford to do everything we would like to do for reasons he made very clear to this House. Indeed, alternative energy projects will continue to be funded under a variety of programs, including the new IRDP initiatives announced recently by my colleague, the Minister for DRIE, the Industrial Research Assistance Program, and other initiatives of the federal Government. Alternative sources of funding are available, and these projects will qualify alongside many other projects in the private sector.

[*Translation*]

DECISION TO END RESEARCH PROGRAM FOR PRIVATE INDUSTRY

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a supplementary for the President of the Treasury Board. Could he explain why, since government policy is to put the emphasis on private sector research, the Government has chosen to terminate a program which was related exclusively to research in private industry, and which was responsible for instance for 90 per cent of the total Canadian Government research activity in the solar industry area, and 90 per cent of the total Canadian Government research work done in the fusion industry area towards developing another alternate energy source? Why is it that, in spite of the stated policy, the government has moved in that direction?

Mr. Speaker: Order, please! The Hon. Member is quite aware that his question has been put and it is now up to the Minister to answer.

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, in reply to my colleague from Ottawa Centre, I would simply emphasize what the Minister has just referred to. Of course there has been a review in that area, as in the case of many other existing programs, those well down on the priority list and which could be liable to certain cuts, and of other programs which may be introduced, as my colleague stated, to replace such activities, and to help meet the Government's objectives in the specific field of research and development.

* * *

[*English*]

COINAGE

POSSIBLE MINTING OF NEW DOLLAR COIN

Mrs. Mary Collins (Capilano): Mr. Speaker, my question is for the Minister of Supply and Services. As the Minister well knows, the penny candy machines and the twenty-five cent coin laundromats are now basically museum-pieces. In light of these changing realities, and recognizing the increasing usage by Canadians of coin operated facilities for food services, transportation, home maintenance, and entertainment, would the Minister advise the House whether he plans to instruct the Canadian Mint to proceed with plans to produce a new Canadian one dollar coin? Will he also assure the House that appropriate efforts will be made to ensure public acceptance of such a coin before it is introduced?

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, I am pleased to advise the Hon. Member that the Mint is being prudent, and is ready to answer any such request

from the Government. However, no such request has been made of it. There are ramifications which affect many sectors of our society and economy, and if and when the Government takes a decision in this regard it will certainly be preceded by extensive consultations with all interested parties.

* * *

RESEARCH AND DEVELOPMENT

ALTERNATIVE ENERGY—GOVERNMENT POSITION

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Minister of Science and Technology on a subject already mentioned this morning. The Minister says that research and development into renewable energy can be carried by the private sector, but he knows very well that the private sector dealing with renewable energy is very small and very weak. In fact the work abandoned by this Government had been carried on for ten years. Is the Minister saying that there is no place in this country's future for renewable energy?

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, I thought I made it clear a moment ago that in fact this Government remains committed to continuing work and research on alternative energy, and the necessary research to support that enterprise. As the Member pointed out, this work has progressed for some ten years largely with federal Government support in the form of major subsidies. If there is an export potential for solar energy technology, for example, it is high time that industry began to demonstrate its capacity to market products which will sell in the external market. We intend to support such initiatives through various other government programs.

RENEWABLE ENERGY

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, the Minister said the Government supports alternate energy; he has not said the Government supports renewable energy. What is the position of the Progressive Conservative Government now, a Government that promised during the election campaign that it would support all industrial projects which would reduce our country's dependency on crude oil?

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, estimates and information sought from my own officials at the National Research Council and others in government have indicated that for the foreseeable future our hydro-carbon, hydro-electric and nuclear resources will adequately provide for Canada's energy requirements. In terms of the potential to export renewable energy technology, this Government will continue to support research and development and product development initiatives geared to bringing that type of return back home to the Canadian economy.

MINES AND MINING

ANNOUNCED CLOSING OF STELCO MINE AT RED LAKE, ONT.

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, my question is for the Minister of Mines. Stelco Incorporated announced yesterday that its plans to close its Griffith Iron Ore Mine located between Ear Falls and Red Lake. The closing of this mine will mean the direct loss of 283 jobs, almost one quarter of the area's work force. It will be devastating for the area. Will the Minister act to influence Stelco to keep this mine open, or, in the alternative, to locate another operator? If unsuccessful in keeping the mine open, will he commit himself to working to ensure a more reasonable timetable for its closure?

Hon. Bob Layton (Minister of State (Mines)): Mr. Speaker, I would like to thank the Hon. Member for bringing this matter to the attention of the House and providing me, as a new Member of the House of Commons, with an opportunity to address the Commons. The issue of the closing of the Griffith Mine in Red Lake is well known to us. We are monitoring developments and the work being done with the provincial Government as well, but I can assure the Hon. Member, and the community and workers of the Red Lake area affected by the announcement, that our Government stands ready to assist them to the fullest possible extent with existing programs. These will provide for mobility assistance, retraining, helping the workers to find other jobs, and exploring whatever economic options are available to the community.

ASSISTANCE TO MINERS

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, the answer was well read, and my supplementary question should properly be directed to the Minister of Employment. However, in her absence I direct it to the Minister of Mines.

If in fact the mine does close, will the Government ensure that assistance similar to that given to the mines recently closed in Quebec will be given to this area?

Hon. Bob Layton (Minister of State (Mines)): Without question, Mr. Speaker!

* * *

INDUSTRY

FOOTWEAR INDUSTRY—MINISTER'S POSITION

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion. Will it be the policy of the Government of Canada and of his Department to ignore the needs of the shoe industry and the question of shoe imports until his shares are sold in the bankrupt shoe company?

• (1200)

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to—

Mr. Crosbie: Give him the boots.

Mr. Stevens: Mr. Speaker, in reply to the Hon. Member's question, in which he has made reference to the shoe industry, I understand that a series of questions were raised earlier. I certainly intend to give notice that I feel I have a Question of Privilege. I would like to read *Hansard* with respect to the purport of those questions which I believe have been based on misinformation.

In direct answer to the Hon. Member's question, I can assure him that I have no shares in any shoe company that I am aware of.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

CALL FOR REINSTATEMENT OF CAPITAL PUNISHMENT

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Stormont-Dundas (Mr. Warner) on Thursday, November 15, 1984, meets the requirements of the Standing Orders as to form.

* * *

STANDING COMMITTEE

PRESENTATION OF REPORT OF STRIKING COMMITTEE

Mr. Chuck Cook (North Vancouver-Burnaby): Mr. Speaker, I have the honour to present the first report of the Striking Committee. If the House will give its consent, it is intended that there will be a move for concurrence in this report later this day.

Mr. Speaker: As Hon. Members are aware, when a report of this committee is presented to the House and concurrence in that report is sought at the same sitting, it is the custom of the House to have the Clerk at the Table read the entire report to the House. Since this report is lengthy and the report is being circulated, may we dispense with its reading? Is that agreed?

Some Hon. Members: Agreed.

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

Statements by Ministers

EXTERNAL AID

ASSISTANCE TO AFRICAN REGIONS SUFFERING FROM FAMINE

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, Canadians, as Hon. Members are aware, have responded with overwhelming generosity to the tragedy which is unfolding in Ethiopia. In the face of unparalleled suffering, offers of assistance have come from individuals, voluntary groups, corporations, municipalities and many many more. Non governmental organizations have effectively channelled and stimulated this massive public concern for Ethiopia. Two weeks ago the Government appointed the Hon. David MacDonald as Canadian Emergency Co-ordinator for the African famine.

The generosity shown by Canadians for such colossal suffering abroad is especially heartening in view of the difficult economic circumstances that prevail right here at home. Despite budgetary restraints, the Government is taking its lead from the concern demonstrated by so many Canadians.

Recognizing that the famine is ravaging not only Ethiopia, but threatening most of the African continent, the Government is creating a $50 million special fund for Africa. Parts of that special fund will be used to match funds raised by Canadians. Specific matching formulas will be worked out in consultations between the voluntary sector and Mr. MacDonald.

[*Translation*]

I am also happy to announce that the following measures will be taken immediately. The Canadian International Development Agency will be granting an additional contribution of $3.5 million in humanitarian aid to Ethiopia, through the intermediary of non-governmental organizations and UN agencies, and it will be sending between 10 and 15 additional tons of grain, for a total value of $4 million.

In order to provide long-term development assistance, the Government has decided to extend to other regions as well a water supply program which has made it possible to provide drinking water for 200,000 people in the southern part of the country, representing a contribution of $800,000. With respect to Africa in general, CIDA will be approving two projects to improve bean and wheat production, which will be carried out jointly with international agricultural research institutes in a number of African countries, at a total cost of $6.9 million, spread over five years.

[*English*]

Food assistance from Canadians has been a critical factor in sustaining life among Ethiopians. As the drought intensified over the last three years, Canadian food aid accounted for almost one-third of all food aid received by Ethiopia. In the past year it has accounted for more than half of all food aid delivered to date. In Africa at large, Canadian food assistance this year will be $150 million, reaching more than 30 countries. Only the United States provides more, and even then, on

a per capita basis, Canadians are the largest donors of food aid in the world.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Clark (Yellowhead): As I see it, considering the present situation, Canada should encourage better co-ordination among donor countries.

Last Tuesday, I wrote to the Minister of External Affairs of each of the seven countries of the Western Economic Summit. I pointed out that many Ethiopians will die of hunger or disease unless their country receives massive support in the form of goods, humanitarian aid and logistical support.

I also told them of my impression that the Ethiopian government was doing everything it could to deal with the situation.

[*English*]

Each evening as our families witness the anguish and suffering brought so intimately into our homes by television, we are reminded of how very well off we are, of the quality of our lives compared to the desperate lot of so many people throughout the world. I am deeply touched by the enormous response from Canadians to the plight of the hungry in Ethiopia, in the Sahel, and throughout the areas of Africa stricken by the current drought.

While the extent of the generosity of Canadians has been overwhelming, I wish to assure our fellow Canadians that their intentions, proposals, contributions and offers of assistance are sincerely welcomed and are being given every attention. In the days and weeks to come, the Government will continue to work closely with those individuals and organizations at home to ensure that Canadian assistance is brought effectively to bear in face of this desperate situation.

Abroad we will continue to work with the Ethiopian Government, with other donor nations, and with the United Nations and its agencies to monitor the African situation and maximize relief efforts. In this endeavour the compassion and the expectations that have been made so manifest by the Canadian people will be our guiding light.

Some Hon. Members: Hear, hear!

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I would like to commend the Minister for his statement today. I believe it really reflects the thoughts of the Canadian people. They want the Canadian Government to move quickly and effectively in this area. Any move made by the Government in that direction is applauded by me, my Party, and, I am sure, by all Canadians.

Some Hon. Members: Hear, hear!

Mr. Chrétien: I would also like to congratulate the Minister for his objectivity. We are all proud that we have been the first for some time, in terms of per capita aid to Africa, and we must continue to be first. I am glad that the Minister recognizes that we are by far the greatest per capita contributor to Ethiopia. I commend him to carry on in this endeavour.

This move to contribute more money to Africa is good. We agree with the $50 million funding. However, we would like to know whether the Government is taking that money away from other people in the world who are suffering. We would like to know if this is new money and if that action will in fact reduce the cuts in foreign aid which were indicated a week ago by the Minister of Finance (Mr. Wilson). We do not want that to look good while other people suffer. In addition, CHAD made an application this morning, because the same problem exists there and it is spreading to other countries in Africa.

• (1210)

I do not think that we should cut aid, and I commend the Minister for not doing that. I hope that what he said last week will be withdrawn, because, in spite of the fiscal problems facing Canada, all Canadians want the Government to do more in this area. Now is not the time to cut foreign aid.

Our Government had the very commendable goal of spending 0.7 per cent of GNP on foreign aid by 1990. It is not the time to reduce these goals because of economic problems in Canada when we see on television every night what is happening in those countries.

I am pleased that the Minister indicated that these funds will come from new money. We must be prepared to assist on a daily basis, because this is not only a problem at present, it is spreading throughout the world. It is a positive step in order to help these countries develop their infrastructure through such methods as water projects to help avoid future crises of this sort. No one wants to be partisan about this issue.

While I believe the Minister is taking the right steps, I hope he can assure us that it is not just a facade to hide cuts in other areas.

I am sure that the House of Commons would want to keep its commitment. The goal of 0.7 per cent of GNP is not enough. Our former distinguished Leader, the Right Hon. Lester B. Pearson, along with those who had missions around the world, asked that the rich countries of the world increase their foreign aid to 1 per cent of their GNP. I believe Canada can be a leader in this respect, and I personally was frustrated that we were not proceeding fast enough.

When I was Minister of Finance and President of the Treasury Board I always ensured that we did not cut funds destined for foreign aid in order to solve Canadian problems.

I know that the Minister wants to be successful and achieve that goal of 0.7 per cent. That is what he said to the United Nations on September 25 and that is what he asked Mr. Lewis to say two days before the cuts were announced. I am pleased that the Government is taking this action and that it is using new money. It should continue this policy, because Canadians want the Government to make a good contribution to aid around the world.

Although Canada has its problems, we are fat compared with those countries. The Government cannot ignore the prob-

lem and all Canadians will applaud it for taking action. We will not blame the Minister of Finance if he backs away from those cuts. We know that he has other goals to achieve, but I am sure Canadians would not want these goals achieved at the expense of hunger in the world.

Some Hon. Members: Hear, hear!

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I too would like to say to the Minister that the response of the Government to the Canadian public's concern is admirable. I am sure that the Minister and the Government are as much aware as we are on this side of the great concern that Canadians have shown through their phone calls and financial contributions. This concern over starvation in Africa is not just recent but has continued for some time. Undoubtedly it has been brought to a head in the last few months because of the global village in which we now live. When television captures the misery and horror in one part of the world, we instantly know about it. Television has brought to our attention vividly the plight of these literally starving millions in Ethiopia and indeed at least seven other countries of Africa in a most serious way.

We welcome the announcement by the Minister today that a special fund of $50 million will be established, part of which, yet to be determined, will be used to provide matching grants to organizations and individuals in the private sector who have shown their concern about this tragic situation.

I was also pleased to hear the Minister say that he is already taking steps to ensure better co-ordination among donor nations. I believe he said that he has written to the leaders of the economic summit nations and to officials in the United Nations to determine if a better co-ordination of donors could be provided and ensured.

I realize that the Minister cannot provide an answer now, but I would like him to indicate in the future whether he has also taken steps, through consultation with other donor nations in the western world and quite possibly those in eastern Europe, to co-ordinate their activities on long-term development assistance.

My colleague, the Hon. Member for Comox-Powell River (Mr. Skelly), reminds me that this was one of the Government's primary concerns when he was with the Minister in Addis Ababa. While this concern for greater co-ordination of long-term development assistance does not take precedence over the immediate crisis—because it is extremely vital to meet this immediate crisis—it does involve problems of a deeper and long-term nature. It was over 13 months ago when the report of the Food and Agriculture Organization warned that 22 of Africa's 50 nations were already suffering catastrophic food shortages. The former Minister of Agriculture, Eugene Whelan, was aware of this. I understand that he tried to persuade the previous government to respond to it but was unsuccessful.

The present Government is aware of the FAO report that it has been the worst drought in Africa this century. Although our emergency assistance is both valuable and important, the Minister is well aware that it will not solve the long-term problem.

I hope the Minister will also indicate if he has any assurance that the emergency aid special fund will go to those in need. I thought that he would have mentioned that in his remarks today. It is my understanding that the situation is of the most grave proportions in Eritrea and Tigre, yet civil war rages there. Does he have any assurance that the aid will go to those most in need?

The Minister has already been asked to clarify exactly from where the $50 million will come, but can he tell us what is its relationship to the $180 million cut in ODA in the current fiscal year? Will it remain the same or is it now reduced by $50 million? I think it is important for us to know that as well.

A third question to which the Minister did not comment concerns the Government's influence in helping to bring the civil war to an end. Does he not have a grave concern—

Mr. Speaker: I deeply regret to interrupt the Hon. Member but the tradition is very clear that the time for response by opposition Party spokesmen should not exceed the time used by the Minister. Could the Hon. Member conclude her remarks briefly?

Ms. Jewett: Mr. Speaker, this is my final question. The Minister will know that over a third of the budget of Ethiopia is spent on the military. Has he made an effort to persuade the Government of Ethiopia to take the Brandt Commission seriously and be as constructive as possible to end the civil war in Ethiopia?

• (1220)

[*Translation*]

Mr. Speaker: Does the Hon. Member for Shefford (Mr. Lapierre) want to ask a question?

Mr. Lapierre: Yes, Mr. Speaker, and it happens to be about funding. I think that we all have heard about the cuts made by the Minister of Finance (Mr. Wilson) last week. I would like the Secretary of State for External Affairs (Mr. Clark) to give me the assurance that the $50 million he is talking about is money to be spent very soon, not over a number of years, and tell me whether it is in fact sliced off the $180 million. Can we now tell Canadians that external aid expenditures will be cut down by $130 million, not $180 million?

Mr. Clark (Yellowhead): Mr. Speaker, perhaps the best thing I can do is to indicate the source of the $50 million: $28 million come from the cancellation of cuts ordered by the former government led by the present Leader of the Opposition (Mr. Turner). We are cancelling some of the cutbacks made by the previous administration and $28 million from those funds have now been earmarked for the Africa fund. Some $13 million come from savings flowing from the cuts announced recently by the Minister of Finance. The rest of the money for the fund comes from Canadian commitments to

international financial institutions; that money will not be spent this year by the international institutions.

Mr. Lapierre: In fact, Mr. Speaker, the Minister is saying that it is nothing but funds which have been shifted around. He is telling us that those $50 million in fact . . . He has spent the last two or three weeks juggling figures to come up with a total we can understand. If I consider the $28 million he has mentioned . . . I would like to know which cuts he is talking about. And then, we have the $13 million which he had cut, but he has now changed his mind. He should have announced today a $30 million rather than a $50 million program. I would like to have an answer to my question: is that so-called fund of $50 million for one year, two years or for the rest of their mandate?

[*English*]

Mr. Clark (Yellowhead): Mr. Speaker, let me be very clear about the sources of the money. There was a reduction in the funds made available for Overseas Development Assistance by the previous government in the summer of this year during the election campaign. That reduction, much of it, has been restored to the budget of the Overseas Development Assistance, and $28 million of that reduction has been directed toward the fund of Africa.

The Minister of Finance (Mr. Wilson) on Thursdsay night announced a series of reductions, including some in spending within the envelope of External Affairs and overseas development. Of the amounts reduced from our envelope, in the neighbourhood of $13 million has been restored and directed toward the fund for Africa. It has been taken for projects cancelled or delayed in the declaration by the Minister of Finance and has been put back now into the fund for Africa.

The remaining amounts of money come from commitments that Canada had made to certain international financial institutions, commitments which those institutions will not call on and will not need this year, so that money is surplus to us.

To be absolutely clear about what is happening, of the $28 million that came back in the exercise that was revealed by the Minister of Finance on Thursday night in his declaration, that money was available for Overseas Development Assistance. We have made the decision that that money available for Overseas Development Assistance, will be directed toward the purposes of the fund for Africa.

Mr. Benjamin: None of it is new money.

Mr. Skelly: Mr. Speaker, I would like to congratulate the Secretary of State for External Affairs (Mr. Clark) for a very dedicated and sincere effort on the trip he made to Ethiopia.

Would he respond to the questions raised by my colleague, the Hon. Member for New Westminster-Coquitlam (Ms. Jewett)? Particularly, is the Government of Canada undertaking activities that would bring some resolution to the civil war there so that resources can be applied directly to the need for emergency aid and longer term development?

My second question again reinforces the question put by my colleague from New Westminster-Coquitlam. Does the Government of Canada intend to become involved as a single nation in the longer term need for development in Ethiopia? Will the Minister be attempting to encourage other nations to join with us to try to find a long-term solution to that problem? What is the Minister's role as a co-ordinator for other nations in bringing more effective response for emergency food aid and equipment into that country?

Mr. Clark (Yellowhead): Mr. Speaker, I will try to be brief in response. Let me say how much I appreciated the participation with me and the quick visit to Ethiopia of the Hon. Member and of a representative of the Liberal Party, and, if I may take the opportunity, let me say that it is our hope that when Mr. MacDonald returns to Ethiopia to carry out further consultations, there may well be interest on the part of representatives of the Parties represented in this House to be part of that delegation with Mr. MacDonald.

Let me try to take the issues in order. In terms of the civil war, as I have tried to indicate in the House, I have two observations. One is that there is no doubt in my mind from my consultations in Ethiopia that while the war is continuing, the priority for the Government of Ethiopia is to get aid to the starving. There is no doubt we have to make use of Oxfam and other non-governmental organizations that have a particular interest in getting money in through the Sudan into the so-called rebel areas. That is envisaged in this program.

In terms of the Brandt Commission, as I have suggested earlier in this House, we have some very real questions as to whether pursuing that initiative at this point in time would help or hinder the delivery of aid to the starving. Undoubtedly there have to be some means found, and we have to play whatever role will be effective, in helping and encouraging an end to that war.

In terms of long-term development, we have announced as part of this project the extension of an important water project. During that period of extension we will be looking to see whether there will be other water projects in Ethiopia that also can be made effective.

We have announced in the statement today the funding of significant cereal and bean projects in Ethiopia and elsewhere. We will be looking for others that will contribute in similar ways to long-term stability and to the avoidance of famine and drought in that area.

As concerns our relations with other countries, I have written, as I have indicated, to the foreign ministers of the summit countries. We are working through the United Nations both in New York and in Ethiopia. Many of the non-governmental organizations with whom we are working are themselves international. I certainly will look for and take advantage of any useful opportunity that arises for Canada to bring greater co-ordination to the effort in Ethiopia. Let me say also that one of the aspects of this breathtaking Canadian response has been the degree to which non-governmental organizations in Canada, which have not always worked well

together, have been prepared to make it a common cause to work together to respond to this crisis.

Mr. Speaker: Let me be clear. I see two more Members rising to ask questions, I presume of the Minister. I will accept those two questions and then I will end this discussion.

Mr. McGrath: Mr. Speaker, could the Minister inform the House of the outcome of his discussions with the former Minister of Agriculture, who apparently had substantial plans in mind to deal with this situation but which apparently did not meet with the favour of his colleagues in the last administration?

Mr. Clark (Yellowhead): Mr. Speaker, I had an opportunity to meet for an hour last week with the Hon. Mr. Whelan. I thought it not proper to go back into matters that were the business of the previous government and so spoke with him about his responsibilities as President of the World Food Council and any recommendations that he might make. He had some useful specific suggestions that we are following up, and it is Mr. MacDonald's hope and my own that we will be able to take advantage of the very real experience of Mr. Whelan in continuing an effective Canadian response to the crisis in Ethiopia.

• (1230)

Mr. de Corneille: Mr. Speaker, first I want to add my congratulations to those of others to the right hon. gentleman in terms of the trip he has made and his efforts on behalf of those who are suffering. Also I was happy to hear his comments in relation to the Hon. Eugene Whelan. Unfortunately he is unable to fulfil the kind of mandate he could have been doing so well at the present time.

My question is about this "now you see it now you don't", this $27 million. Is this the $27 million which he has "found" the $27 million that was presumably cancelled by the last government? Was that before the Minister of Finance (Mr. Wilson) made his announcement or made his cancellation, or did he find the $27 million after the Minister's speech? Where did this $27 million come from? Was it from the present budget since the Minister of Finance made his announcement, or did it come before the Minister's announcement?

This juggling of figures is confusing not only to me but to a number of Canadians. On the one hand they are cutting money for foreign aid in the statement of the Minister of Finance, and on the other they are finding money which was cut out by the last Minister, and now adding on a number of new items. It is a sort of shell game. Would the Right Hon. Minister explain to Canadians just what is happening? He said that it is clear. I do not find it clear.

Mr. Clark (Yellowhead): Mr. Speaker, I will explain it for a third time. First, let me say that it was the decision of the Government, after we had decided not to go ahead with the establishment of an ambassador to the Food and Agriculture Organization, to invite the Hon. Eugene Whelan to remain in the chair of the World Food Council. I am pleased, as I trust are other Members on all sides of the House, that he accepted that invitation which allows him to play, not only with his interest but with some authority, a role in this and other questions of concern to Canadians and to the world.

With regard to the money involved here, the former Liberal government cut foreign aid in the summer. When the Minister of Finance made his economic statement, he indicated in those figures that much of the money which had been cut by the Liberal government in the summer was being returned by the Progressive Conservative Government to the purposes of overseas development and foreign aid. By a decision of the Government, $28 million of that sum has been directed toward the fund for Africa.

In addition, we have secured in the neighbourhood of $20 million which would not otherwise have been available to me as the Minister responsible for the Canadian International Development Association and for external affairs. That money is now available for the special African fund. I trust that my third explanation is clear to the House.

Mr. Thacker: Mr. Speaker, my question is directed to the Secretary of State for External Affairs (Mr. Clark). A number of my constituents have asked for assurance that our food and other aid will be spread equally in Ethiopia. Could the Minister give us that assurance? They do not believe that someone should starve because he or she has a different political ideology than the government of the day.

Mr. Clark (Yellowhead): Mr. Speaker, it was precisely to seek an answer to that question that I went to Ethiopia along with other Members of the House who were part of the delegation. I cannot give an absolute guarantee. There is no doubt that there will be some slippage in the delivery system. However, I can tell the House, the Hon. Member and the people of Canada that it is my view—and I think that is the view shared by all other Canadians who were there—that the Government of Ethiopia is giving it the highest possible priority and has developed what non-governmental organizations working in Ethiopia believe to be a very effective system to ensure that aid is being delivered to the starving.

There is a civil war in progress. Part of the reason for adopting the formula we have today is that many non-governmental organizations that are being helped by the fund announced by the Government of Canada, rather than working through the Government of Ethiopia, are working by coming in through the Sudan to ensure that aid is available to the starving who are on the other side of the government in that civil war. I cannot guarantee that there will be no people who are put aside because of the civil war, but I think the actions taken by the Government of Ethiopia and the care we have taken in the design of the fund go as far as humanly possible toward ensuring that Canadian aid gets to Ethiopians who are starving.

Some Hon. Members: Hear, hear!

Striking Committee Report

PETITION

PEACE CAMP ON PARLIAMENT HILL

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have the honour to present a petition to the House of Commons. It is signed by some 6,000 people who have been on Parliament Hill at the peace camp. They indicate to the House their desire to see the peace camp remain on Parliament Hill in order to inform people of the nuclear disaster we face and to protest against the Cruise missile.

The people who signed this petition come from as far away as Tanzania, Australia, West Germany and the United States, as well as from all the 10 provinces of Canada.

Mr. Speaker: I thank the Hon. Member for the last part of his explanation. For the record perhaps I should point out that obviously the names of petitioners from other countries cannot be submitted. We will check the petition submitted as to form. I just wanted to ensure that the petition included the signatures of Canadians.

Mr. Cassidy: Absolutely, Mr. Speaker. The vast bulk of them are signatures of Canadians both local and national. The petition also contains a sprinkling of signatures of people from other parts of the world. There are 6,000 in all.

* * *

STANDING COMMITTEES

CONCURRENCE IN FIRST REPORT OF STRIKING COMMITTEE

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, I move, seconded by the Hon. Member for Ottawa-Vanier (Mr. Gauthier), the Hon. Member for Hamilton Mountain (Mr. Deans) and the Hon. Member for Lanark-Renfrew-Carleton (Mr. Dick), that the first report of the Striking Committee presented earlier this day be concurred in. I should like to address that motion at this time.

Mr. Speaker: Does the Hon. Minister have unanimous consent to introduce the motion?

Some Hon. Members: Agreed.

Mr. Hnatyshyn: Mr. Speaker, I recognize that there is an important ongoing debate with respect to the Speech from the Throne and that we have also heard an important statement by the Secretary of State for External Affairs (Mr. Clark). Therefore, I will keep my remarks brief this afternoon in connection with the report of the Striking Committee. However, I think it is an important report for Parliament and for the House.

The Striking Committee report sets the standard for the operation of the standing committees of this House. The committees of this House are its backbone and its heart. They provide Members with the opportunity to engage in detailed scrutiny of the Government's legislative and spending initiatives and are the fora for the consideration of major issues which confront the Canadian nation. Because it is in committee that Private Members can have the greatest impact on the legislative process, it is important that a government which is committed to reform is sensitive to the wishes and interests of Members when those committees are struck.

There should be no doubt in anyone's mind that this is a government that is committed to real and meaningful reform. In the Speech from the Throne it was announced that a special task force on the reform of the House of Commons would soon be established. This task force will have a mandate to investigate possible areas of reform and make recommendations to the House. Reform, however, is not achieved through mere changes to the rules of the Chamber. The most critical element of reform is a change in attitude.

If the views and needs of Canadians are to be adequately represented at the federal level, the House will have to work in a co-operative and constructive manner and to respect the traditions of this place. As well, the rights of individual Members must be restored. To that end I believe the report of the Striking Committee is a sign that the Government is prepared to work in the spirit of compromise and co-operation which will be necessary if reform is to succeed.

The report before us today departs from the recent practice of the House. The Provisional Standing Orders under which the House is now operating are the result of the deliberations of the Special Committee on Standing Orders and Procedure in the Thirty-second Parliament. That committee was of the view that the House would be better served by smaller committees. It was felt that by reducing the size of committees it would be possible to give greater opportunity to each member of a committee to participate in its deliberations. For that reason, the House decided that committees should have no more than 15 members and no fewer than 10.

• (1240)

In the last Parliament, that rule was interpreted as meaning that the majority of committees should consist of 10 members and that only those committees, such as the Committee on Agriculture, which had a particularly heavy work-load should consist of 15 members. At all times, committee membership was to reflect the standings of Parties in the House, that is to say, actual numbers in the House with respect to the ability of the Government to reflect its majority or the actual position reflected in the numbers they had in a vote of the committee.

The report that we are debating today, however, provides for 15 member committees in all but four cases. Furthermore, the report provides for Party representation in committee that varies from the ratio of representation in the House.

The proposal outlined in the Striking Committee Report provides for enlarged committees, at least in part, to ensure that they can cope with an anticipated enlarged work-load. Those committees, which deal with House matters or which are customarily chaired by opposition Members, however, are smaller but have a higher proportion of opposition Members than are represented in the House. Thus, on the Public

Accounts Committee, Procedure and Organization, Management and Members' Services, and Privileges and Elections, opposition representation is set at a level of 30 per cent rather than their 24 per cent representation in the House.

By proposing the committee sizes and composition outlined in this report, the Government is agreeing to allow Members of the Official Opposition to occupy nearly 17 per cent of the positions on all House committees. Members of the New Democratic Party will occupy over 12 per cent of all positions. This proposal results in a significant under-representation of the Government on House committees, but it is a proposal which has been agreed to in the interest of ensuring the full participation of Members from all Parties on all committees.

There are other formulas that might have been used and which would have resulted in a more accurate reflection of Party standings. It would be untrue for me to suggest that those formulas had not been considered by the Government. Indeed, I continue to be concerned that the Opposition will not be able to ensure that they are fully represented on all committees at all times.

The proposal contained in the Striking Committee report sets committee sizes in such a way as to give 60 positions to the Official Opposition, to be filled by full members of committees, and an additional 60 positions to be filled by alternates. Thus, there are 120 positions to be filled by a caucus which consists of 40 Members. This problem is further exacerbated when you consider the fact that the Leader of the Opposition (Mr. Turner), the Opposition House Leader, the Chief Opposition Whip, the Chairman of the Public Accounts Committee and any opposition Member attending to duties outside of Ottawa will not be able to participate fully in committee work.

For the NDP, the Striking Committee report provides for a total of 88 positions, to be filled by a caucus consisting of 30 Members. Full participation on all committees may prove to be a daunting task to members of the Opposition. Nonetheless, the report reflects their desire to ensure that their level of membership on committees is adequate to permit them to participate fully. We respect their wishes, and that is why we made and support the proposal that is brought forward today.

In the coming weeks, Members will have the opportunity to monitor the work of committees. If modifications to the size and composition of committees are required, those changes can be made in January when the Standing Orders require the Striking Committee to meet again.

Until that time, however, it is my hope that Members from all Parties will take the opportunity to participate fully on the committees of the House and that they will do so in a co-operative and constructive manner.

I believe that on September 4 Canadians signalled that they want a real change in the institutions of this country. They want a real change in the style of government. I think that this report reflects our desire to carry out that mandate.

By agreeing today, I believe that all three Parties are taking an important step in setting aside what has been termed by some observers as a bitterness which has prevailed in this House of Commons, one that has often marked our deliberations in this House in recent years. We are in fact moving toward real reform and a real spirit of reconciliation in this most important of our national institutions.

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I would like to make a few comments at this stage concerning the Striking Committee report, which I played some part in forming, along with my colleagues from the other Parties. Of course, the ideal situation would be to keep parliamentary standing committees and special committees down to a small number. There is no doubt about that. In that way, Members could concentrate on their work which sometimes becomes very specialized. They could also develop what I like to call a good working rapport with their colleagues. This is very important in committee work.

[*Translation*]

Mr. Speaker, until 1969, the committees of the House consisted of 30 or 40 Members, which meant that they were far too large and did not operate efficiently. It got to the point where the parliamentary committee system was almost a myth and of very little interest to Members.

In an attempt to enhance the role of backbenchers in the House, a new system was introduced in 1969. The membership of the committees was reduced to twenty, except for the Committees on Agriculture and External Affairs, which, if I am not mistaken, had 30 Members.

[*English*]

The result of these changes was that there were not enough Members to make the system work. Because of this, platooning of committees developed, thereby weakening the efficiency of Members and the effectiveness of the system. More seriously, no working rapport was developed among members because of this platooning phenomenon. It soon became quite evident to the House that we would have to change our rules again.

[*Translation*]

In December 1983, the Standing Orders of the House containing these changes were adopted and extended for a trial period.

Hon. Members will recall that the provisional changes were extended for a period of 120 days after the adjournment of the 32nd Session of Parliament—the former Parliament—120 days starting September 4, counting only days on which the House is sitting, which means that our present Standing Orders will be governing the proceedings of the House from now until the end of June 1985.

[*English*]

The present rules were adopted to allow for flexibility. That is the reason for Standing Order 69(1)—and this was referred to by the House Leader—which states this:

Striking Committee Report

—standing committees of the House . . . shall consist of not less than 10 and not more than 15 Members:

The flexibility, of course, recognizes that elections sometimes result in varying changes. The composition of the House does vary from election to election. While committee memberships must reflect the composition of the House of Commons, I believe all Members will agree that the job of the Official Opposition cannot really be carried out if it has only one person on a ten-member committee.

I would like to point out that the Official Opposition in committees traditionally leads off the questioning of witnesses. It must be able, therefore, to present in an effective and efficient manner the views of the Official Opposition. It is not a position that I take lightly. I hold the view also that the official role of the Official Opposition cannot be fully carried out with a single Member.

People do have conflicting demands on their time. Committees do sit when this House is in session. Sometimes a Member who wants to speak on a particular legislative measure before the House is called upon also to sit in a committee and to do his work as a serious committee member and member of that team. More important, I am pre-occupied with ensuring a high degree of continuity in our committees. One person acting can hardly be expected to carry the burden of presenting the views of the Official Opposition.

• (1250)

I believe that there is a significant, meaningful and constructive role to be played in committees and I also believe that the minimum requirements of human resources demand that Members be accompanied by one of their own Party members and that two substitutes be made available. The Striking Committee has seen the wisdom of providing for these two members of the Official Opposition. I am hopeful that it will be effective and constructive.

Finally, I would like to remind Hon. Members that in this Thirty-third Parliament, the Government was elected by a population of which 50 per cent of the voters cast their ballot in support of this Government. The Government received 75 per cent of the seats with 50 per cent of the popular vote. In other words, as was alluded to by the Government House Leader (Mr. Hnatyshyn), the Opposition will have less than a third of the members of the standing committees while at the same time representing more than 50 per cent of the Canadian population. I take it that that argument alone would bear some weight with the House Leaders and that they would keep it in mind when allowing the committees to set their own rules. They must also be able to work effectively in representing all of Canada and work for those who voted for them, whether they happen by chance to have control of 75 per cent of the House or, in certain cases, less than that.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I will be very brief. As you now know, Mr. Speaker, the committee worked magnificently together. Co-operation was the key word. The flexibility of the Government is clearly exemplified by the document that is before us if you are to believe the Government House Leader (Mr. Hnatyshyn), and of course I do. I simply want to tell you, Mr. Speaker, that if the House continues in the traditions established by the Striking Committee, there will be no discord and there will be absolutely no disagreement. It will come to a satisfactory compromise on all matters. However, I suspect that that will not be the case.

I found it interesting to note that while the Government House Leader was describing the balance of the seats in the House of Commons as being 211 government Members to 70 opposition Members, the Hon. Member for Regina West (Mr. Benjamin) said that 30 New Democrats are as good as 211 Tories any day. He is right.

An Hon. Member: Better than 40 Liberals anyhow.

Mr. Deans: It is better than 40 Liberals as well.

Mr. Hnatyshyn: You are a legend in your own mind.

Mr. Deans: At least I have a mind in which to be a legend, right?

I think the argument over the numbers of votes cast in the last election and the percentage of seats in the House of Commons probably has some validity. I think that at some point in time, we may well change the method of representation in the House of Commons to reflect more adequately the percentages of the votes obtained by each of the political Parties involved in the electoral process. This is not something that is foreign to us. In fact, we have suggested from time to time that such adjustments could and should be looked at. They should be analysed and debated, and perhaps that is the reason for the creation of yet another committee of the House of Commons which would put to work those other people who do not have jobs.

I believe that the report of the Striking Committee, of which I was a member, is a good report. It reflects the requirements both of the Opposition and of the Government. The role of the Opposition, whether Official or otherwise, is a difficult role, and I will remember that when the Liberals come third. I will make sure that they will be given a suitable number of members on the various committees. I do think, however, that the role of the Opposition in a Parliament in which the Government has such overwhelming support is an even more difficult role. The role of the Opposition at this point in time has been made more difficult by the unbalanced nature of the Parliament of Canada.

Earlier on, one government Member said something about the role the Opposition must play. I hope that government Members will always bear in mind the role that they played when they were in Opposition. They were not always as constructive as one might have hoped. They were led ably by the now Deputy Prime Minister (Mr. Nielsen). At some point in time, Mr. Speaker, I might be moved to inquire exactly what it is he does for the money he receives.

An Hon. Member: When he is not here.

Mr. Deans: No, when he is here. I may be one of the few people in this place who is not afraid of him.

I hope the committees work well. I am sure they will. I think that the added numbers of opposition Members and the larger numbers on the committee will make sense. The committee that decided on the numbers of 10 and 15 took into account that there would be changes to the composition of the House of Commons. It took into account the fact that as the numbers were struck, they should reflect the balance of the seats in the House. It was difficult to come up with a reasonable balance which would afford both the Government adequate representation and the Opposition an adequate opportunity to participate.

The Government House Leader, in suggesting that we go to 15 members from 10 for all of the normal standing committees, showed a flexibility and understanding which I would have expected from him. I therefore believe that the committees will work well. I believe that having four combined opposition members will permit the Opposition to operate effectively in terms of its analysis of the Government's legislative programs and, equally important, its analysis of the Government's expenditure programs. That is in fact the role the Opposition must play.

I am quite happy with the report. If it is a forerunner of the kind of co-operation we can expect in the future, then I think it will serve the House of Commons and the Parliament of Canada well. If, with that kind of co-operation in mind, the Government should decide to make known to the Opposition the analyses of the Treasury Department regarding the numbers of jobs that will be lost, then I think that that would be going even a little further with that kind of co-operation than it has presently gone and it would be welcome.

Mr. McGrath (St. James East): Mr. Speaker, in the few minutes we have left, I would like to ask a question of the Government House Leader (Mr. Hnatyshyn). One of the weaknesses of the system now which has been addressed by a recommendation of the last Committee on Standing Orders and Procedure is that standing committees are not self-starting. We saw evidence of that in the last session of the last Parliament. I had direct experience with one standing committee, the Standing Committee on Labour, Manpower and Immigration. Notwithstanding the important issues of the day, that committee did not get under way until about three months after the commencement of the last session, much to the frustration of Members of the House who wished to address the important issues of the day to be dealt with by that committee.

In view of the fact that this problem is not addressed in the current Provisional Standing Orders, I would ask the Government House Leader whether it is the intention of the Government, which now has the required responsibility and initiative, to proceed with the organization of these committees soon so that they can get their important work under way?

Mr. Hnatyshyn: Mr. Speaker, I thank my distinguished colleague, the Hon. Member for St. John's East (Mr. McGrath), for asking that important question. I believe it reflects our desire to ensure the full participation of Members. I can only say to him that it is our intention to move immediately with the organization of committees, particularly in light of the fact that this Parliament commenced on November 5 and, under the Provisional Standing Orders, we are obliged to report Supplementary Estimates by December 10. I was happy to see a consensus with respect to the composition of the committees at an early date. This will therefore allow us to organize those committees and give the maximum time available to private Members of the House of Commons to examine those Supplementary Estimates before the date of supply which, in this trimester, is December 10.

Motion agreed to.

* * *

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed, from Thursday, November 15, consideration of the motion of Mr. Ken James for an Address to Her Excellency the Governor General in reply to her Speech at the opening of the session; and the amendment thereto of Mr. Allmand (p. 252).

Mr. Speaker: It being one o'clock, the House shall stand adjourned until two o'clock.

At 1 p.m. the House took recess.

AFTER RECESS

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, during the election campaign the Conservatives promised a better future but gave very few specifics. They appealed to the people that change was needed to bring in fresh ideas. Change was the key word. Canadians awaited the Throne Speech with great curiosity and anticipation. What are the changes? What are the fresh ideas?

Some people heard the Throne Speech, others relied on the media to find out about it. Was it startling? Was it exciting? Was it interesting? Was it full of changes and filled with new ideas? Indeed, were there any new ideas? Can anyone remember what was said? I would say that the Throne Speech was one of the most forgettable speeches that I can possibly remember except that that would not be correct because one cannot remember a forgettable speech. I must say that the Throne Speech is the most forgettable on record. In fact, the only hope it has of being remembered is that it has been hailed as such an outstanding failure.

I refer to the writings of Barbara Amiel in *The Toronto Sun* of November 6. She wrote this about the Throne Speech:

> Throne Speeches are by their nature vague. This was breathtaking in its vacuity. When it was specific, it was silly. Brian Mulroney couldn't have crammed one more pretentious cliché into his Throne Speech if he tried.

The article continued:

What kind of fools does he take us all for? For thirty-three minutes his Throne Speech rolled out every tired, shopworn idea as if you, the people of this country, were a passel of idiots, unable to face reality . . . We must all hope that the men around Mulroney are better than Mulroney's ideas appear to be.

Mr. Deputy Speaker: I would remind the Hon. Member, when he is talking about other Hon. Members, to refer to them by their titles and not by their names.

Mr. de Corneille: Mr. Speaker, that was from a quotation.

Mr. Deputy Speaker: That does not matter.

Mr. de Corneille: Why is the judgment that has been passed on the Throne Speech so severe? After all, it is true that we have come to expect Throne Speeches to be general in nature, and this one certainly was general. But by tradition, as well as by common sense, it is required that the Government announce in the Throne Speech an outline of the policies and legislation which the Government will bring forward in the next lengthy session of Parliament. That is why the speech is read at the opening of Parliament. It is to give us a blueprint for the future. It is so important that the Members of the Senate and the House of Commons await its words with great anticipation. The media gives it national television coverage so that people can hear what the Government is proposing for the years ahead.

Of course, it is true that the Conservatives promised heaven on earth to the electorate during the election campaign but offered few specifics. So, in one way, the Throne Speech could not pick up specific policies from the election campaign. The Tories could not give us anything from the election campaign, but the Throne Speech was the time to reveal to the people and to the House of Commons what the future legislative program held in store.

If the Government actually had a program, we must conclude that it deliberately hid it from the scrutiny of the Opposition, from the media and from Canadian people; in which case it was deceptive and secretive. On the other hand, if the government really has no program, it confirms what many suspected about the Conservatives but could not prove during the election campaign. In any case, we are all at sea on a ship of fools. Either way, the prospects are less than ideal.

One would have thought that the Tories would have realized the great possibilities and opportunities of the moment. Here is a Party which was swept into power on the basis of a mandate for change. What a golden opportunity the moment presented. The Throne Speech could have placed before Canadian people the real issues and problems that beset us and this planet as we move toward the 21st century. The speech could have suggested the goals and the agenda for the next four years. It could have given us a vision of the future. Here was a chance worthy of this nation to explain what were the dangers, challenges, opportunities and directions of the future that it would choose. Instead, it was a myopic speech—a narcissistic speech. It was a speech that was intended to anaesthetize us so as to make us feel good.

The Speech from the Throne was out of touch with the real world. It did not tell us about the real problems and challenges we face, and for that reason it never came to grips with how the Government would deal with them. For example, where did the speech tell us that long before we reach the 21st century we will have already been swept up in a technological revolution of computerization and robotry which will require an entirely different orientation and adaptation? Where did the speech tell us that we will need a very highly educated population; that we will require new definitions of work, work time and work place; that there will be new experiments, models and programs for work-sharing and profit-sharing, and for leisure and productivity? Why did the Government not tell us honestly that the middle class will be eroded as more and more people will be dragged down from white and blue collar jobs into lower paying occupations? What does this Conservative Government have to say about how it will prevent this erosion of the middle class?

• (1410)

In the face of technological change, what does the Government have to say about the large number of experienced, valuable and talented people over 50 who will be laid off, or to our young people about ways to prepare themselves for this new age? What did the speech tell us about the world food and agricultural crisis? Did it remind us that we in Canada are using up our precious resources of soil and water at so frighteningly rapid a rate that unless we act, in 25 years we may be unable to export food because we will be barely able to feed ourselves? What did the speech say about the ravages of acid rain? What did it have to say about lead, poisons and pesticides in our soil, air and water? What did it have to say about the massive problems we have in Canada and throughout the world?

The Speech from the Throne could have given a keynote to the people and told us how Canada was going to mobilize in the face of these challenges. It could have put the truth before us about the tragic hunger and destitution of Third World nations. It could have spoken about the devastation suffered by their economies, caused in part by high interest rates in the U.S. and in part by the unwillingness of the Americans to enter into a North-South dialogue. The speech could have told us what we thought about that. It could have told us the truth about the hunger, disease and poverty that stalks most of humanity. It could have given us specific goals in legislation which the Government had to propose.

Nothing was said, Mr. Speaker, about the tragic famine in Ethiopia. Never mind about the ravages of hunger afflicting the entire continent of Africa. All of this incredible suffering did not merit a sympathetic reference other than "continuing need for developmental assistance", and "cost effective and valuable humanitarian work done by our voluntary and non-governmental organizations". No program, no plans, no solutions, no action mentioned. Just a cynical, cruel, uncaring, passive, *laissez-faire* Tory attitude which does not want to talk about the real problems because it wants us to feel good. It was only after media coverage of the Ethiopian disaster

during the last weeks and months, and an explosion of public furore when the truth was brought before us, not by the Throne Speech but by the media, that the Government finally recognized that there are real problems which must be addressed. I am happy to see that today some positive action is being taken.

What of nuclear war, Mr. Speaker? Oh, the speech did make references to nuclear war, several times. But it did not deal with the magnitude, nor the gravity or urgency of the problem. It did not specify what action Parliament would be asked to undertake, either by way of moral or political action. It did not give us a policy direction on a nuclear freeze, on suffocation, on arms reduction or initiatives for inspection, or on diplomacy. To do that would have broken the spell that the mood manipulators over there want to create. They do not want problems and issues to be mentioned, they just want us to feel good.

I could cite many more such major global problems. Canada, the second largest nation on earth, a strategic continental nation facing three oceans, the Pacific, the Arctic and the Atlantic, has reason to be concerned about such global problems. It is because this Government wants to continue to manipulate our minds with images rather than facts, because it wants us all to feel good in a Tory world, that it did not want the Throne Speech to talk about such disturbing and touchy issues as our ecology, our survival on this planet, the economic problems of the Third World, and the impact of the technological revolution on our older people, our younger people and our national independence. We should not be surprised that the Throne Speech skirted all of these problems and issues which are most important to Canada and to this House of Commons.

Here was a moment in history that was lost. It was a cowardly, evasive and empty speech when humanity was crying out for greatness. It was a damnable betrayal of the weak and despondent of this world who are listening and waiting for just an inkling of understanding, a ray of compassion, a word of hope. It was not a speech worthy to be delivered from the throne of a sovereign who reigns over a commonwealth that spans the world and comprises hundreds of millions of people. It was, rather, a speech from a small-minded, mean and self-centred leadership that would not recognize greatness if it fell into it. The speech was not a bang, it was a whimper.

Mr. Deputy Speaker: Questions and comments on the Hon. Member's speech?

Mr. Cassidy: Mr. Speaker, while not subscribing to all the rhetoric the Hon. Member used, I certainly share some of his concerns about things that were missing in the Throne Speech. However, I do get by implication the feeling that the Government of which the Hon. Member was a supporter prior to September 4 was apparently meeting and responding to many of these challenges which he feels the new Government is not doing. That does not correspond with all of my recollection of facts. Can the Hon. Member comment on the failure of the Trudeau Cabinet and Turner Cabinet to respond to the urgent entreaties of the then Minister of Agriculture, who had visited Ethiopia and, in his role as President of the World Food Council, knew what was happening months before the Ethiopian famine situation came to the attention of the world through the media in the last few weeks?

In addition, the Hon. Member indicates, rightly, the failure of this Government to respond to the need for a nuclear freeze and for Canada to take a lead in getting the nations of the world to agree to a cessation of the build-up of nuclear weapons, both in the East and the West. He seems to imply that that was a policy of the former government, and that is distinctly in contradiction with my recollection. In fact, I seem to recall that even though the wife of the Leader of the Opposition (Mr. Turner) indicated her support for that particular proposal, and even though the President of the Liberal Party of Canada indicated her support as well, even though we were told from his bed and his pillow that the Leader of the Opposition (Mr. Turner) favoured that particular proposal, it never became his policy while he was Prime Minister of Canada.

I would just like the Hon. Member to comment perhaps on those points because it seems to me that his recollection is perfectly at odds with the policies that were adopted by his Party when it was in power. In fact, I think most of the Hon. Member's comments with respect to the new Government would have applied equally cogently to the old government.

Mr. de Corneille: Mr. Speaker, I was interested in the observations of my colleague. His comments, it seems to me, were addressed really to the past and to what happened before.

Some Hon. Members: Oh, oh!

Mr. Dick: What did not happen before! Nothing.

An Hon. Member: Abandon the record.

Mr. de Corneille: Well, I would be pleased to run on that record.

Mr. Dick: You did.

Mr. Benjamin: You did and look what happened.

Mr. de Corneille: That is why I am here, that is right, and I am glad that I am here in fact to give witness to those same concerns that were expressed in the House. The concerns about nuclear war, for example, and the efforts made by the previous Prime Minister in this respect have certainly set an example for the world. This country's example concerning the famine in Ethiopia, as witnessed by the Right Hon. Member today, and Canada's record over the past year and years, is the finest in the world. I really do not think I am going to apologize for that.

What I was addressing myself to, Mr. Speaker, was the fact that here was a great opportunity. We are supposed to have a change, we are supposed now to be looking forward to the future, to the 21st century. A vast mandate was given to that Party, and I am simply expressing my grave amazement and

disappointment that this opportunity to have provided the Canadian people with an understanding of the real issues was lost. I suggest to my hon. colleague that those are the major world issues. I am simply asking what was mentioned about it, what kind of programs were put forward and what kind of attention was given to these world issues which concern Canada as a nation, which holds a strategic continental position and to which the Third World looks with such hope and longing. What kind of example was this country being given? What kind of hope were we being given that we could have and could play a role in terms of saving our ecology and that of the rest of the world? What about the issue of human suffering throughout the world? What about the issues of nuclear arms and disarmament in general?

● (1420)

To answer my colleague, I was not proposing the answers. It is up to the Government, which asked for a mandate from the people, to put forward its program to us. I look forward to seeing what that will be. I hope it will be more concrete than this Throne Speech.

[*Translation*]

Mrs. Mailly: Mr. Speaker, I would like to ask my hon. friend from Eglinton-Lawrence whether he thinks the statement made this afternoon by the Secretary of State for External Affairs (Mr. Clark) is also what he refers to as "mood setting". And the aid Canada is going to give Ethiopia, is that "mood setting", and nothing else, on the part of this Government?

I also like to ask him whether increasing veterans' allowances is "mood setting".

[*English*]

Is the bridging pension for widows and widowers also only mood setting by the Government? Are the $1 billion for job creation and the additional millions of dollars for Canada Works projects for this winter also mood setting? Are the 34,000 jobs which have been created since September also mood setting by the Government? Is the appointment of Stephen Lewis as ambassador to the United Nations mood setting? It is mood setting of the kind that the Liberal Government never had the courage to do. The appointment of the Hon. Doug Roche as ambassador for disarmament is also mood setting of a kind which the Liberal Government never had the courage to do. I could go on and on. Would the Hon. Member please tell me whether all of these things were only simple mood setting?

Mr. de Corneille: Mr. Speaker, obviously the Hon. Member is new to the House and to the affairs of the nation. Otherwise she would know that disarmament ambassadors have existed before. She would also know that many of the measures that she is talking about are simply the refurbishing and shuffling around of figures.

When one wants to find out what is being done in terms of the employment situation in the country, one need only look at the 50,000 jobs that the Government actually eliminated when it finally got around to making its announcements. It was unwilling to explain to the House what the implications would be.

I think the Hon. Member should remember that there are all kinds of examples which one could have talked about. I am certainly happy to see that something was announced with regard to what would be done about the veterans. I look forward to seeing just precisely what that is, because I was the Parliamentary Secretary for Veterans Affairs and watched step after step of positive legislation which was introduced in the House, partly through the efforts and encouragement of the Hon. Stanley Knowles who was then a Member of this House. He encouraged the Government and others in the House. We did make progress, so I am happy to see that take place.

I am happy to see things done with regard to the spousal allowance, but obviously the Hon. Member does not remember where all these programs began. She does not remember how they were originally put in force. The concern for child care, the pension plans, the GIS and the spousal allowance were certainly all instruments of the Liberal Government. Therefore, I think if the Hon. Member were to go back and look at the record, her questions to me would be phrased differently.

We should consider the example of Canada student loans. When the Government finally took a step to come out with something precise, the result was that $5 million was taken away from the Canada Student Loans Program. It is not even as though the Government were going to give it away. The Government was going to lend the money to the kids so that they would be able to work. This was done after the Hon. Bette Stephenson told us in April of 1983 that the amount of Government spending on student loans should be increased. That is found in her communiqué from her council of Ministers of Education on April 25, 1983.

I am concerned whether our vision is going to be big enough or whether, instead, we are going to be mean, narcissistic and inward looking.

Mr. Dick: Mr. Speaker, I have listened to many of the speeches which have been given in the House. Could the Hon. Member indicate how long he thinks a Throne Speech should be? If I added up all the things that various Members think should have been in it, I think we would have been sitting here into the second day listening to the Governor General read the Throne Speech.

Mr. de Corneille: Mr. Speaker, we on this side of the House are not concerned with length as much as with quality. There were several dozen references to dialogue, communication, understanding and discussion; but with regard to hard concrete understanding of where the Government is going, we are as clueless now as we were before the Throne Speech was made.

Mr. Deputy Speaker: The time allocated for the question and comment period now being over, we shall resume debate with the Hon. Minister of Agriculture (Mr. Wise).

Mr. Manly: Mr. Speaker, I rise on a point of order. I believe that the New Democratic Party missed its opportunity to speak in the usual round of debate this time. The Member was present, rose, but was not recognized. I would urge that the New Democratic Party be recognized at this time.

Mr. Deputy Speaker: I will tell the Hon. Member that the Chair always does its utmost to be fair to all political Parties and that the order of speakers in the House is not open to dispute. I will advise the Hon. Member, however, that the representative of his Party will be the next speaker following the Minister of Agriculture.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I would first like to say what a great privilege and pleasure it is for me to have the opportunity to participate in the debate on the Speech from the Throne. I would like to utilize this early opportunity to join with all of the previous speakers and all of the Members in the House in extending my sincere thanks and congratulations to the Speaker and to yourself, Mr. Deputy Speaker. I know that these are very difficult jobs. Certainly if the past few days are any indication of the future, and I am sure they are, I want to congratulate you both on doing an excellent job.

I would like to congratulate all of my colleagues on both sides of the House. I would like to congratulate those Members who have been my colleagues in the past and who have sat in the House of Commons over the years, some longer than others. I want to extend a special word of congratulations to the newly elected Members of Parliament. I think they are in for an experience of a lifetime. I am sure that they will enjoy their stay here and I certainly wish them well.

I would like to indicate as well my intentions of personal co-operation and support to all Members of the House. Once again I am not just speaking to my colleagues on this side of the House, but to my colleagues in the other two Parties as well. If they have carefully read all of the mail which they have received up to this point in time, they will note that I am not only extending a verbal commitment to work co-operatively in the interests of the agricultural industry across the country, but I have also put that commitment in writing to them. I have also undertaken to put that commitment to you in writing. In addition, we are in the process of circulating to all Members of the House a notice indicating whom they might contact within my ministerial office, both on the exempt side and the ministerial side, in an effort to speed up their inquiries. I want the record to show that I have taken that step.

● (1430)

This is not my maiden speech in the House of Commons, nor is it my maiden speech as the Minister of Agriculture, because I had the good fortune to occupy the portfolio of Minister of Agriculture during a very brief time in 1979.

However, I hope you will allow me to take this opportunity to say a few words in that regard. I am entering my thirteenth year in the House of Commons. I have spent some 24 years in public office, the first 12 being in various elected capacities in my community, the constituency of Elgin. I want to take this opportunity to extend to the people of Elgin my sincere thanks and gratitude for the tremendous degree of support I have had from the great people of the City of St. Thomas and the people of Elgin during the past twenty-four years.

Some Hon. Members: Hear, hear!

Mr. Wise: Mr. Speaker, the Speech from the Throne has pointed out many challenges that we will face in this session of Parliament. In particular, it has focused on the tasks that lie ahead for a national reconciliation, economic renewal and social justice.

I would like to speak briefly today about what those challenges and those directions mean for the agri-food industry in this country. I know that Members of the House appreciate the important role that the agri-food sector plays in the economy and in the traditions and social fabric of our nation. We are talking about an industry that generates one-sixth of all economic activity in Canada, an industry that is a key to the further economic development of every region of this country. It is an industry with retail sales of nearly $60 billion, an industry that exported about $10 billion worth of products and generated a trade surplus of about $4.3 billion in 1983.

It is an industry that directly employs some 1.4 million Canadians and accounts for almost three million jobs, if one counts all the services used by primary producers and all the services used by processors, distributors, and indeed retailers from coast to coast.

Food has always been so plentiful and cheap in this country that many Canadians overlook the fact that our agri-food industry is a big business. Many people are not aware of the fact that it is a big business that, I regret to say, faces some very big and serious problems. These problems include low and declining farm incomes, stiff competition in export markets, and soil degradation.

No one can deny that the industry has problems that must be resolved, but the industry also has opportunities for growth. Our Government is pledging to revitalize and strengthen the agri-food sector so that those opportunities are not lost to Canadians.

We have already taken the first necessary steps in that direction. Last week the economic and fiscal statement by the Minister of Finance (Mr. Wilson) included a number of initiatives that will benefit farmers. They will benefit food processors and agri-food businesses across the country. First among these improvements is the three cent per litre fuel tax rebate for gasoline and diesel fuels purchased for off the highway use. This decision will be a big help in bringing down production costs, improving farm returns and keeping the Canadian food and agriculture products competitive on the world markets. I might say that as a result of the decision of the Minister of Finance, we are essentially delivering approximately $100 million into the hands of Canadian food producers.

The fuel tax rebate, which is roughly equal to the federal tax on these fuels, will go into effect as of December 1, 1984, until the beginning of 1987. In addition, farmers, along with their counterparts in fishing, forestry and mining, will receive rebates of about 1.8 cents per litre to offset the announced increases in the petroleum compensation charge.

Another important decision announced in the economic statement is the referral of the agricultural taxation issue to a parliamentary committee. These issues include agri-bonds, taxation difficulties of part-time farmers—that is, Section 31—and capital gains tax on farm lands. The early consideration of these issues by Parliament will permit us to act on these matters before the next fiscal year.

Perhaps even more important to the agri-food industry than these specific initiatives is the over-all thrust set out by the Minister of Finance last week. This Government is acting to address the fundamental concerns of Canadians about the state of the economy. We are acting to improve fiscal management. We are acting to reduce the deficit and to restore investor confidence. These measures are profoundly important in removing the obstacles to growth in our agri-food industry as in other sectors of our economy.

Some difficult decisions have been necessary in order to reduce expenditures and increase government revenues. Agricultural programs have been among those that have been reduced, postponed or curtailed. These decisions are not made without pain. However, I believe that the program changes announced last week will not have a severe and long lasting impact on the agri-food producers of this country.

The Right Hon. Prime Minister's (Mr. Mulroney) salary has been reduced by 15 per cent. My salary and that of my Cabinet colleagues has been reduced by 10 per cent and my Department's budget has been reduced by 2 per cent. Including increases in fees for agricultural services, Agriculture Canada's total contribution to the $4.2 billion package announced by the Minister of Finance will be little more than $60 million in 1985-86.

I readily admit that it was hard to come up with that money from an already tight budget for agriculture. However, Government expenditures must be reduced. We cannot back away from that necessity and that commitment. Canadians cannot afford the debt burden that the previous government has imposed on them. Obviously the agriculture and food sector must share in the pain in lowering that deficit. Obviously our agri-food sector will share in the benefits of the revitalized economy that will result from the Government's effort to put our financial house back in order.

The largest item on Agriculture Canada's list is the increased fees for departmental service. Over the last few years, fees for agricultural services have not kept pace with the increased costs of providing these services. My departmental officials have reviewed current fee schedules and they have applied the principle that those who receive a specific benefit from government services, a specific benefit that has a market value, should pay at least part of the costs of providing that benefit.

As a result of this review, we will be increasing existing fees for a number of departmental services. In some cases we will be introducing fees for services that were previously offered free of charge. We will be discussing these changes with affected client groups in the very near future.

While I am anxious to confer with the industry associations before new fee schedules go into effect on April 1, I must point out that my Department is committed to collecting an additional $33 million next year in fees for service.

• (1440)

Two agricultural capital projects are being deferred at this time. These are the animal drug testing laboratory planned for Trois Rivieres and the regional plant health laboratory planned for Victoriaville, Quebec. These projects have not been cancelled, but are now on hold pending further review and the availability of additional capital funds.

There are two reductions in the dairy program, the elimination of the Canadian Dairy Commission's research program and a 50 per cent cut in the special export subsidy program. The Canadian Dairy Commission's research program has been successful in building up the capacity for dairy processing research in many parts of the country, and I believe that the industry is now in a better position to carry on much of this research at its own expense. I hasten to add that Agriculture Canada's Research Branch will continue its dairy research program. The Department spends about $6 million annually on dairy research. Over time, the special export subsidy program has become less financially attractive for industrial milk producers and I believe they have not received the full benefits from this program in recent times, particularly during the time in which that program was started. I know a fair amount about that program, Mr. Speaker, because we initiated it when we were in government in 1979.

Canagrex and the Commission of Inquiry into Marketing Practices for the Potato Industry in eastern Canada are both being wound up. Existing trade promotion activities within Agriculture Canada will be strengthened in order to further enhance agri-food exports. Submissions concerning the potato marketing situation in eastern Canada will be received by the National Farm Products Marketing Council. It will review these submissions received by the Carter Commission and up-date them with its own studies. I will then consult to see what future course of action I should take. I should consult with my provincial counterparts and also with people in the industry.

The Department will be reducing its salary and operating expenditures in a number of areas where greater economy is possible. In addition, there will be cuts in research grants and contracted-out research and in grants and contributions in areas such as livestock improvement.

As I said at the outset, these changes are not done without pain. But I believe they are necessary in streamlining and rationalizing government operations. I will be consulting with the provinces and the private sector over the coming months to determine which other program areas can be changed to

provide greater support and assistance to the agri-food industry at less cost to the taxpayer. I expect to be issuing at least one discussion paper on agricultural issues to help focus these consultations.

The Speech from the Throne underlined the need for a sustained, co-operative and national effort to achieve Canada's economic potential. In this regard, I am fully committed to working with all of my provincial counterparts on ways to overcome problems facing the agri-food sector.

One of my first priorities after being sworn in as Minister of Agriculture was to begin rebuilding constructive working relationships with the provinces on agricultural matters. I have met individually with most of my provincial colleagues as well as meeting with them as a group. We have had fruitful discussions about our mutual concerns and about how to work in greater harmony in the best interests of agricultural producers.

Without a doubt, the problem of farm financing is the biggest obstacle facing the agriculture sector today. Interest payments now constitute the largest single expense for the majority of Canadian farmers. And, unfortunately, a significant number of farmers are having difficulty making those payments.

Last week, I met with provincial Ministers of Agriculture to discuss what can and must be done to meet the unique and serious credit problems in Canadian agriculture. I will soon be seeking the support of my Cabinet colleagues for measures to alleviate some of those problems.

In the meantime, I have instructed the Farm Credit Corporation to suspend loan foreclosures until early next year.

Another top priority which I have been discussing with my provincial counterparts is the establishment of a voluntary stabilization plan for red meat producers. This program would involve contributions by the federal and provincial governments as well as producers. It will require amendments to the Agricultural Stabilization Act. I hope to place those amendments before the House in the very near future.

Another urgent piece of agricultural legislation has already been introduced. The proposed amendment to the national Farm Products Marketing Agencies Act will permit tobacco growers to explore the possibility of forming a national tobacco marketing agency. This amendment has been requested by tobacco growers who have recently suffered from higher input costs, lower prices and declining markets and decreased acreage.

Members of this House will also be asked to consider legislation this session to increase the maximum level of payments under the Advance Payments for Crops Act. This change will bring advance payments for commodities covered by this legislation into line with the cash advances that are available for grain production in western Canada.

The Minister of State for the Canadian Wheat Board (Mr. Mayer) and I announced last week that prairie grain farmers will receive a final payment of $123 million under the Western Grain Stabilization Plan for 1983-84. The cheques will be in the mail next week. Considering the smaller grain harvest that resulted from this summer's drought in many parts of the West, it appears likely that a significant pay-out will be triggered under the Western Grain Stabilization Plan in 1984-85 as well. A further amendment to the Western Grain Stabilization Act will be necessary if we want to make an interim payment to producers rather than have them wait until next November to receive another payment.

There will be minor changes to some of our regulatory Acts, as well, but I believe I have outlined the major agricultural legislation and some of the problems that we will be considering over the next few weeks and months.

This Government understands the diversity and importance of the agriculture and food industry. We will work with members of the industry and with the provinces to stimulate and strengthen agriculture's contribution to the Canadian economy.

Mr. Deputy Speaker: Is the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) rising to ask a question?

Mr. Manly: Yes, Mr. Speaker. I would like to thank the Minister for his speech. I am concerned about his position as head of the Department of Agriculture. The Minister of State for Forestry (Mr. Merrithew) reports to him but he does not have a separate department. During the election campaign, the Conservative Party and the Prime Minister (Mr. Mulroney) recognized in a major way the importance of the forest industry. In a speech on July 20 the present Prime Minister told the Canadian Club in Vancouver:

> A Progressive Conservative government will launch a massive co-operative effort to save this vital element of our national heritage and national economy.

To date we have seen absolutely no evidence of any such massive program in forestry. There is practically no mention of forestry whatsoever in the Throne Speech.

In the last few weeks, a five-year $300 million fifty-fifty forestry agreement was negotiated between the federal government and the provincial government. I understand the provincial government has now accepted that, but the federal Government is now stalling. According to an October 29 press release, the Minister of State for Forestry said that the funding level could change. He said that a lot would hinge on how much we could afford to flow through in the first year. During the election campaign, the Government recognized the growing deficit in our forest supply. This deficit is very important. Now it is only concerned about the financial deficit, while the deficit in timber supply threatens Canada's economy in coming years. Something has to be done about it, and the Government is not acting.

• (1450)

How long will Canada's number one industry, forestry, remain a poor cousin of the Department of Agriculture? Will the Minister ensure that while it is under his jurisdiction there will be adequate funds so that agreements such as the federal-provincial agreement in British Columbia and in other provinces can go ahead and not be starved for funding?

Mr. Wise: Mr. Speaker, the Hon. Member has made an excellent speech or an excellent pitch for the importance of the forest industry in the country. I certainly agree and share most of those concerns. Let me tell the Hon. Member that he can relax because the Government is fully committed to supporting our resource industries.

The Hon. Member referred to the lack of mention of forestry in the Throne Speech. I think we all know which direction the Throne Speech took. It was not a shopping list approach. Rather, it gave some priorities. It gave Canadians some clear indications as to the direction in which we wanted to take the country. I took a great deal of satisfaction from reading in the Throne Speech that a great deal of emphasis by the Government would be placed upon strengthening and revitalizing our natural resource industry—forestry, agriculture, fishery and mining. There was a strong message to the agricultural, mining, fishing and forestry industries—and I know the Hon. Member is extremely interested in the forestry—that those industries are held in high priority.

I am not sure from what the Hon. Member was quoting when he referred to a separate department for forestry. However, one must recognize that we have a financial problem. Perhaps it might take us a little longer to achieve our long-term goals. However, as Minister of Agriculture I was quite happy to see the Ministry of State for Forestry coming over to our Department. I feel very comfortable having that Ministry associated with my Department. I place a great deal of priority on ensuring that the Ministry receives its fair share.

Mr. Tobin: Mr. Speaker, I should like to direct a few points to the Minister. First, I congratulate the Hon. Member for Elgin (Mr. Wise) on his appointment to Cabinet. Also through him I congratulate his colleague from New Brunswick on his appointment as Minister of State for Forestry.

The previous questioner rose in his place to tell the Minister that he was concerned as are many Members of the House and Canadians across the country, with simply appointing a gentleman to be Minister of State for Forestry. As well intentioned and as knowledgeable as that gentleman may be, that will not come to grips with the current crisis besetting the Canadian forestry industry.

The fact of the matter is that we are losing 500,000 hectares of forest land per year, which is more than is being replanted by forestry companies or by the efforts of federal-provincial management plans. That is just in the commercial cutting exercise. In a year like 1981 when there were forest fires and the blight of spruce budworm, et cetera, the number can rise as high as a million hectares per year. Every study which has been conducted, be it by industry, environmental groups, the Canadian Forestry Service or the Government itself—and this was highlighted in three prime time half-hour documentaries in the last three weeks on CBC alone—indicates that we have to double the amount of land we are planting if we are not to be left behind in 20 years to 40 years in what is Canada's single largest industry. The said fact is that most Canadians do not realize that the forestry sector contributes more to the balance of payments of this country than oil and gas, agriculture, for which the Minister is responsible, mining and fishery combined.

I applaud the Government for naming the Minister. But where is the Deputy Minister? Where is the Department? All we have now is a division of the Department of Agriculture. Where is the legislation setting up the Forestry Department? Where are the dollars and cents to address a problem which is in a stage of crisis now? I would appreciate hearing the Minister's comments.

Mr. Wise: Mr. Speaker, I am a little surprised at the enthusiasm or the lack of it—and I am not so sure which—on the part of the Hon. Member. He should take a great deal of satisfaction from the formation of a new Department because it makes a tremendous contribution to the state of the general economy within Canada and on the export market. There are some serious problems facing our forestry industry. We recognize the potential and the problems of that industry, and we have done something about them.

Mr. Tobin: What?

Mr. Wise: The previous government ignored it and would continue to do so. Today we have a Minister.

Mr. Tobin: Mr. Speaker, I rise on a point of order. This is the time for questions and comments. Whether or not the burden has overwhelmed him, he is the Minister and they are the Government. Let us cut the rhetoric. It is cheap. Let us talk about what he will do.

Mr. Wise: The Hon. Member is living in fairyland. We want to do something about the future. We just cannot simply forget the past. As I indicated before, we as a government recognize the importance and potential of forestry, and we are doing something about it.

Mr. Tobin: When will you bring in legislation?

Mr. Wise: The Hon. Member's government did not have a ministry of forestry or a minister of state for forestry. It did not have a deputy minister, an assistant deputy minister or a director general. Today, as a result of the decision of Canadians on September 4, the forestry industry has been recognized by the Government. As a result of the Government and its decision, the forestry industry has a higher priority. It is recognized. We are in a position to do something about it. In fact, it has a Minister of State for Forestry.

Mr. Deputy Speaker: The time for questions and comments is now over. We shall resume debate with the Hon. Member for Winnipeg North Centre (Mr. Keeper).

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I welcome the opportunity to participate in this Throne Speech debate. Of course it has primarily become a debate around the Government's economic statement. That is quite natural because as soon as the debate on the Throne Speech debate began, the economic statement was brought down by the Minister of Finance (Mr. Wilson).

What needs to be said is that the promises of the Government to the people during the election campaign have not been lived up to in its performance. The Conservatives in office are a much harsher and meaner group than they were in the election campaign. In the election they promised jobs, they promised employment. The Prime Minister (Mr. Mulroney) said that there would be tens of thousands and hundreds of thousands of jobs created overnight if his government were elected. They held out the promise of ecomonic renewal and a hope for a better future to all Canadians. They said they could reduce the deficit by cutting out waste rather than cutting out needed programs. They said that they would be compassionate. Now that they are in office, the first thing they do is to question the universality of social programs.

● (1500)

They continue to say that day by day in this House when they are questioned about where those jobs are. The economic statement that they introduced really focuses upon the deficit. If they had said during the election campaign what they were going to do and had Canadians known what they were going to do thus far as a government, there is very little doubt in my mind that they would not have been elected to govern. They certainly would not have the number of members they have in the House today. They misled, whether deliberately or unconsciously, the Canadian people.

Their economic policy focuses upon the deficit. All of us in this House and all Canadians are concerned about public expenditures. When a government follows the simplistic formula, that reducing public expenditure leads to deficit reduction and in turn to increased employment, we are in trouble. There is much in the experience of this country that tells us that that sort of approach to economics, public expenditures and job creation leaves much to be desired. It deserves to be questioned.

A study by the Department of Finance, which the Minister of Finance and the Prime Minister have refused to make public, questions the efficacy of this economic policy. It questions whether the economic policy which the Government has adopted will in effect create jobs. That economic analysis which the Government refuses to make public states that their economic policy will lead to job losses. Rather than having increased employment and fulfilling the hopes of people, the hopes of people will actually be shattered. There will be more people unemployed as a result of the economic policy that this Government is pursuing.

It increases the cynicism in the public when the Government refuses to make available hard data about its economic policy. This Government promised to be open. It is fair and reasonable to measure a government's performance on the basis of the criteria that it established for its own performance. They said that it is important for a government to be open, important for the democratic process for information to be shared. However, when it comes to a piece of information that would be valuable for the present debate, and it is an important debate, this Government simply refuses to make that information available. They are a closed government. They are stonewalling us. That is completely contrary to the image that they projected to the Canadian people during the election campaign.

We have a good notion about what the secret studies say about their economic policy. A private agency has also analysed the impact of their economic policy. This organization, Informetrica Limited, has come to the conclusion that the economic statement which the Government brought down will cost the economy 50,000 jobs next year. Rather than the creation of tens of thousands of jobs overnight, we will have the loss of 50,000 jobs as a result of the actions of this Government.

There are other reasons to question seriously the economic approach of this Government, the simplistic notion that if you cut public expenditures, deficits will fall and employment will rise. All we have to do is look to the West Coast and the experience in British Columbia. The people there have experienced what is a Conservative government under a different label. They call themselves Social Credit, but in fact they are a Conservative government, a Reaganite, philosophical cabal.

That government too promised employment, freedom from want and a better future. The experience has been mounting unemployment and increased deficits rather than lower deficits. This has brought a great deal of misery to the people. It has meant that important social programs have been cut. At the same time, the amount of debt that people have to bear has increased.

This contrasts quite startlingly with the experience in Manitoba. The Manitoba Government has chosen not only in the promises in the election campaigns, but in the administration of its affairs on a day to day basis, to make employment the number one priority. Through the creation of the Manitoba Jobs Funds and through devoting public expenditures to that objective, we have the result of Manitoba having the lowest unemployment rate in the country.

We in this House should learn from the experience at the provincial level. We should learn from what has gone on in Manitoba and in British Columbia. Rather than following its ideological beacons and wearing blinders with regard to the economic facts of life in this country, this Government should re-examine the direction in which it is taking this country.

I want to note as well that while this Government focuses all of its attention upon the deficit and its hopes of reducing that deficit, and while I am concerned that the public dollar be taken care of, I want to raise some questions about the notion that somehow a deficit is necessarily a bad thing. If we take notice of the fact that Japan has an unemployment rate that is much lower than ours in Canada, we see as well that it has a larger deficit. That should give us pause to question the strategy that this Government has adopted.

The United States has a Conservative government, at least in rhetorical terms, certainly in terms of social policy and defence policy, yet when it comes to public expenditures and

the deficit, it has a large deficit. Its economic performance has in large part been fueled by public expenditures in the area of defence. Therefore, this focus upon the deficit really deserves to be questioned. With the passage of time, more and more Canadians will question this focus. They will experience the increased unemployment which the forecasting agencies are now predicting.

It is essential for us to be aware of the fact that this Government with its bloated majority promised one thing in the election and, having got itself ensconced in office, does another thing. That is enough to erode the confidence which Canadians have had in this Government.

When the Conservatives were in opposition and seeking to become the Government, they said that they could cut the deficit by cutting out waste. They said they would not have to cut out needed, worth-while, productive public expenditures, that they could cut the fat without cutting the muscle. What is our experience now that they are in office and showing their true colours, now that we see the fulfilment of their actions? One area where they have cut is CHIP, the Canadian Home Insulation Program. What reasonable Canadian would call that program waste? The opportunity to insulate a home, to make it more energy-efficient, is an investment. It is not only an investment for the nation, it is an investment for the individual. That action alone belies the notion that the cuts in expenditures were just going to be cuts in waste.

They are going to cut down on unemployment insurance expenditures. What will the result be? It will simply result in those people who have no employment being forced off unemployment insurance on to welfare. Does that constitute a reduction of wasteful government expenditures? No, that is a misdirected public policy. It simply shifts the burden from one hand to the other. It makes it difficult for people.

● (1510)

The Government cut funding to foreign aid. It cut the few dollars that we give to the Third World, countries in which people live in such poverty that we can only intellectualize about it, poverty that we have not personally experienced. This was aid to people who suffer in ways we have no way of imagining. Canadians want to help Third World countries, yet what does the Government do? It cuts developmental aid to those countries. Is that another example of what the Government promised when it said it would only cut out waste in government expenditures?

Another program cut by the Government was Summer Canada. Everyone knows that the unemployment rate in this country is very high, particularly amongst young people, and that young people need work in the summer so that they can feel productive, so that they can gain experience and can save some money to return to high school or university in the fall. Yet the Government has the audacity to cut funding for Summer Canada which provides summer employment for students. To be fair, I understand that the Minister of Employment and Immigration (Miss MacDonald) has since backed away from that position and indicated that the Government will replace that program with something else. If Canadians can get their message through to the Government, perhaps there is some hope that the Government will see the error of its ways and will do something to correct its actions when those actions are found wanting.

I am disturbed as well by government expenditure cuts in the area of Indian affairs. If there is any group of people in the country who live in poverty and desperation, whose living conditions are more on a par with those in the Third World than they are with middle-class Canadians, it is the native population of the country. I am appalled that the new Government which promised to be compassionate and to give new hope to people cut funding in the area of Indian affairs. I am sure that most Canadians would be shocked by such cuts.

The list goes on and on. It is important to reiterate this list because of the fact that the Government, when it was running for election, indicated that it would reduce only the waste and would not cut out anything that is important to people. Yet when it gets into office, it cuts into programs that are essential, productive and are in fact an investment. The Government's performance belies its promise.

As another example, the Government cut out Canertech, an organization that was meant to deal with alternative energy sources like solar energy. It is important that we find alternatives to crude oil as a way of fueling our industry and heating our homes, yet this is one of the areas in which the Government made cuts. Surely investment in alternative energy is in fact an investment and not a waste. I wonder what the Government's definition of the word "waste" is.

The Government also cut the budget for the National Research Council. That investment dealt with solar energy and technology. A very good example of what the Government has done can be seen in Winnipeg. I am hoping that this is one of the areas in which the Government will reverse its action. It cut out the Manufacturing Technology Institute in Winnipeg. This is an institute which had been lobbied for for a long period of time. Unfortunately, when it finally came about it was announced by the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) and therefore became identified as a Liberal goody for Winnipeg.

We should not let that confuse us, Mr. Speaker, because this technology centre is very important. It assists manufacturers in Winnipeg and in fact across Canada to adjust to new technologies and to be more productive. This is in fact a use of public funds that supports the private sector and therefore it would have fitted nicely into the new Government's ideological framework and into its feeling that if we are to create employment, we need to do it through the private sector. Here was an ideal opportunity for the Government to use public funds in order to promote its own objectives. Instead, it cut it out.

I am hoping that when the Minister of Finance goes to Winnipeg and meets with ordinary residents of Winnipeg, he will learn how vital this institute is to the Manitoba economy and will give very serious consideration to reversing that decision. Once again, we can have an agency in Winnipeg that will help the manufacturers in our province and across the

country become more efficient and productive, thereby allowing us to add some strength to our economic capacity.

The list of cuts goes on and on. Because time is short, I cannot complete my enumeration of that list. However, I would like to say that my great disappointment with this new Government is that its performance falls so far short of its promises. It promised to be compassionate. What did it bring to us? It brought to us a new, harsh agenda for the social scene. The Government spoke of universality as being a sacred trust before the election and now it is directly attacking the universality of social programs. It is questioning the pension programs in this country. It is questioning the distribution of family allowances, social housing, federal-provincial transfers which include those for education, and health and social allowances.

The very large and widening gap between the Government's promises and its performance will be more and more visible to Canadians as time passes. People have every reason to start losing confidence in this Government. I would ask the Government to keep that in mind because it will see that rejection in the Gallup polls of which I know they feel so proud.

Mr. Caldwell: Mr. Speaker, I would like to ask the Hon. Member what he would consider a reasonable deficit. How high would he let the deficit rise? Around 25 per cent of our tax dollars is already going toward servicing the debt. How high would he let it go? What would be a reasonable level for the deficit?

Mr. Keeper: Mr. Speaker, obviously like all Canadians I would like to see the deficit as low as it could possibly be. The point that I was making is that cutting public expenditures the way this Government has will lead to greater unemployment, and greater unemployment will mean more social costs and less revenues for the Government. Therefore, we run the very real risk of ending up with a larger deficit than we have today. That is exactly what happened in the Province of British Columbia.

I think it is important that the Government focus on employment as the key priority rather than on the deficit. That is what it promised to do. If the Government focused on employment and got people back to work, it would have revenues coming in and there would be some real prospect of reducing the deficit.

Mr. Nickerson: Mr. Speaker, I have a comment to make. I listened carefully to the Hon. former Member for Winnipeg-St. James, the present Hon. Member for Winnipeg North Centre (Mr. Keeper). He figured he could not get re-elected in his old riding, and he was probably right, so he ran in another riding. He was condemning the Government for having said one thing before and during the election campaign and supposedly doing something else afterward.

What he was trying to do was instil fear in Canadians. He was saying: "Look at this Government that we now have. Look at what it is doing. It will decrease jobs and it will cut back on the amount of money which will be available through the Government".

• (1520)

I would like the Hon. Member for Winnipeg North Centre to look at the facts. What has happened in the two months of the lifetime of the new Government? Is it not a fact that already some 30,000 new jobs have been created in Canada? That is the way the Government is moving.

Look at interest rates. We promised to bring interest rates down, and in just two months' time interest rates have decreased almost a full percentage point. That will generate activity in the construction industry, and mortgage rates will decrease. I invite the Hon. Member to take a look at the facts and not give us empty NDP rhetoric.

Mr. Keeper: Mr. Speaker, we wanted the facts, so I asked the Hon. Member to prevail upon his colleagues in Cabinet to release the study that analyses the impact of the economic statement upon employment in this country.

The Hon. Member mentioned 30,000 new jobs. I would challenge him to tell me how many of those jobs are part-time and how many are full-time. He mentioned interest rates. We know that interest rates are coming down. They are coming down because the American economy is slowing down. That is a reason for concern. I would like the hon. gentleman to pay some attention to those facts, and release the information with regard to the economic statement analysis.

Mr. Deputy Speaker: If there are no further questions, I will recognize, on debate, the Hon. Minister of National Revenue (Mr. Beatty).

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, perhaps at the outset of my remarks I could be forgiven if I digress slightly to welcome you to the House of Commons and to congratulate you on the assumption of your new and important responsibilities. I know that you will carry them out with great distinction and great vigour.

On behalf of Members of Parliament from the previous Parliament, I want to welcome the large number of new Members who have joined us in the House of Commons. The new Members, with their vigour, enthusiasm and fresh ideas, will contribute a great deal to the deliberations of Parliament, and can help us to renew government and the services that it provides to Canadians. It will be an honour to work with them.

I would also like to express a word of thanks to my constituents for the confidence which they have shown in me. This was my fifth election since 1972, when I was first elected, and I can simply offer to them the assurance that I will do the utmost, to the best of my ability, to discharge my responsibilities to them and to try to live up to the high honour which they have conferred on me.

On September 4, using the most effective tool at their disposal—their ballots—Canadians charted a new course for the federal Government for the remainder of the decade. Canadians charged this Parliament with the singular obliga-

tion of renewing the national economy. They directed the Government to enhance the personal prosperity of all Canadians. They encouraged us to examine thoroughly all alternatives which would direct the bulk of government services, particularly financial ones, into the hands of the needy. Canadians cautioned us that true justice begins with the fair, sensitive and respectful treatment by government of all of its citizens. As Minister of National Revenue and as the Minister responsible for Canada Post, I take particular heed of this message.

Above all else, on September 4 Canadians told us to direct all our energies toward realizing the full potential of our land and people. It is because the Progressive Conservative Party took up this message with vigour and foresight, and dedicated itself to the fair, timely and responsible pursuit of these goals, that Canadians endorsed my Party on election day.

Proof of our continuing commitment to these concerns was heard in the Throne Speech and in the economic statement of the Minister of Finance (Mr. Wilson). In both of those documents, the new Government began to plot a new course for Canada.

As former chairman of the PC Task Force on Revenue Canada, and now having the honour of being Minister of that Department, I strongly support the pledge of the Government to do more than any of its predecessors to ensure the survival of the self-assessment system, a system of taxation which is the least costly and the least oppressive means for administering the tax regime. For the self-assessment system to survive, all taxpayers must believe that they are being treated fairly and equally. At the same time, the Government must believe that all taxpayers will fairly report their income and submit the proper amount of tax on time.

It is essential for mutual trust to exist if we are to strike the correct balance between the right of all Canadians to the efficient and timely administration of the tax regime, and each individual's right to protection from undue, unfair or unreasonable treatment. Sadly, actions by previous Cabinets not only eroded that trust but, in some cases, destroyed the dreams and aspirations of many Canadians.

The failures of the previous regime in this area were several. It failed to address fundamental problems in the economy and to generate growth, thereby damaging the financial well-being of every Canadian. It failed to acknowledge, let alone diminish, uncontrolled government spending and waste, thereby fueling public suspicion of the Government's need for additional tax dollars. It failed to contain the trend toward an increasingly complex tax system and a dangerously secretive budgetary process. It failed to pass Budget provisions going as far back as November, 1982. Former Ministers of National Revenue failed dismally to direct departmental officials on the application of their powers—some of which are far greater than those of other law enforcement agencies—without regard for the circumstances or the civil rights of the individuals in question. Indeed, one of my predecessors was quoted in *The Globe and Mail* this morning as follows:

> With delinquent taxpayers you have to put on pressure.

After all the water that has gone under the bridge, and after all the experience of the past year, Mr. Bussières continues to fail to differentiate between people who simply choose not to pay their taxes and people who are incapable of paying because they are in dire financial straits. More than anything else, what the controversy of the past year has been about is ensuring that people who are in need are treated with compassion and decency, and that honest people are treated with respect. Yet it appears that some people have not learned those lessons.

Those are the errors of the past. Sadly, they led to mistrust, non-compliance, frustration and bitterness.

At the same time, another process has been emerging which places more pressure on tax administration. Increasingly, the tax regime is being used not simply to replenish the federal treasury, but also to motivate or discourage certain actions by taxpayers in the marketplace. Although the goals of such provisions are better evaluated elsewhere, it is important to note the greater role which is played by the Department of National Revenue in interpreting and implementing the social and economic policies of the Government. The increasing responsibility of the Department, under legislation over which it has no direct authority, further reinforces the need for Parliament clearly to define its intent *vis-à-vis* each piece of tax-related legislation. On that note, I would like to turn to the future.

I am most fortunate to be able to come to this office, following the review of the administration of the tax regime undertaken earlier this year by the PC Task Force on Revenue Canada. The Task Force undertook the single most comprehensive dialogue which has ever been undertaken by any policital party in Canada with ordinary Canadians, on a matter which affects us all. Its 76 recommendations form the Government's blueprint for action in the tax field. Our goal is to initiate fundamental changes to the tax system which will make it more fair, more accountable and more just for the ordinary people of Canada.

In the past two months, in the name of fairness, I have already taken these measures. I have scrapped the odious quota system that the previous government was using to force assessors to assess people for money which often they did not owe. I have withdrawn the controversial film on auditing, which raised doubts about the Department's view that taxpayers are essentially honest. I have ended the practice of seeking publicity when individuals have charges laid against them. All too often the Department would encourage publicity at the time the charges were laid, and then, after the damage had been done, if the individual was exonerated by the courts, no one was there to undo the damage. That policy has been scrapped. As well, I have reversed the notion that a taxpayer is guilty until he proves his innocence.

On the last point, the Minister of Finance will soon present legislation to ensure that until an impartial hearing has been concluded, taxpayers will not have to pay taxes in dispute. Until that important amendment is passed, we have no author-

ity to refund taxes in dispute. Neither can we relinquish the security we have accepted in lieu of payment.

• (1530)

That is why it will be essential that the House deal speedily with the amendment when it is brought down by the Minister of Finance. Until that time taxpayers will still have to observe the present law. However, I would add that I am reviewing my Department's collection policy. In the meantime I have instructed that legal collection action in the case of disputed taxes is not to be taken except in exceptional circumstances which will be judged on a case by case basis.

Our emphasis on fairness is further reflected in the documents tabled in support of the economic statement, which mentioned that we are reviewing the search and seizure provisions of the Income Tax Act and the possibility of a small claims tax tribunal. In the meantime, the tax administration measures from the February Budget will soon come into play, with two exceptions. First, the impending legislation regarding future taxes in dispute will eliminate any obligation to provide security before the conclusion of an impartial hearing. Secondly, the appeal period will remain at 90 days.

Other provisions to be introduced in keeping with the spirit of the task force report include empowering the Tax Court of Canada to award costs to taxpayers launching an appeal. In no event will such costs be awarded to the Minister of National Revenue. This measure recognizes the importance of providing taxpayers with full access to a forum in which disagreement with tax assessments can be resolved fairly. Perhaps most importantly, it removes a financial deterrent to ordinary Canadians who believe they have acted within the law. We are attempting to ensure fairness and justice for ordinary Canadians so that simple justice is not priced out of their range.

As another example, the statutory period of reassessment will be reduced from four years to three years. Unless the taxpayer has filed a waiver, reassessment may only be applied to a three-year period beginning with the 1983 taxation year. This provision will be applied to all taxpayers except in cases of wilful evasion, gross negligence or fraud.

All of these measures are designed to help the average, honest taxpayer. Two basic principles, fairness and firmness, will be guiding this Government. Fairness protects the rights of taxpayers and firmness ensures that everyone pays the correct amount owing, not a penny more and not a penny less. We will not allow the few to avoid taxes at the expense of the many.

A concrete example is our determination to collect debts outstanding and not in dispute. At present we have approximately $3.5 billion owing in this category and we will be firm in seeking payment. But we will also be fair. What is so distressing for those of us who have had a chance to work with the PC Task Force on Revenue Canada was to find that, at the very same time as the previous government sanctioned treatment of taxpayers which took away some of the most basic civil liberties, the Government allowed the accounts receivable of the Department of National Revenue to double, rising to the point where it is equivalent to roughly 10 per cent of the federal deficit today.

Additional staff will give collectors more time to work with those taxpayers experiencing difficulty in paying taxes owed. Upgraded training programs will enhance the collectors' thoroughness and, at the same time, his or her sense of fairness. As a final resort, when a taxpayer simply cannot pay all amounts owing at once, the collector will be better equipped to work out a time payment arrangement. We have also instituted a new policy whereby collection staff must make every effort to contact the taxpayer by telephone before taking legal action. One hundred new person-years are being added to this effort. I might add that this telephone contact will be made after a series of collection notices have already been issued. These notices have been completely redesigned to more clearly outline departmental policy and taxpayer rights, and now include a department telephone number.

In the past, as Hon. Members will know, computer-generated explanations of assessments or reassessments were often limited to 40 words. Fifty words may have been needed but were not allowed by the system. Our solution was to change the system to fit the needs of the taxpayer. This now allows complete explanations of assessments or reassessments and will cut down the number of notices of objection and appeals. In the past, taxpayers may have filed a notice of objection, not because they disagreed with the facts but because they simply did not know them. They were not told in plain, clear language by the Government. Not only will these measures give taxpayers a more clear picture of their tax situation, but they will also make it easier for taxpayers to contact and deal with the Department.

While the clarity of our various messages to the taxpayer is vital to a fair taxation system, our accessibility to the public is equally important. I would like to outline briefly a number of areas where service is being upgraded. First, we are operating a public inquiries counter in taxation centres where there is a natural volume of walk-in traffic. This will broaden the availability of service beyond our district offices.

Second, further to expand inquiry services this filing season, the network of seasonal tax assistance centres will be expanded and seasonal tax information clinics or storefront service centres will be introduced. There will be 35 seasonal centres which will allow us to serve a substantially greater number of people than last year. These seasonal services more than double our office locations for face-to-face assistance. In addition, toll-free telephone service in district offices will be extended to 6 p.m. from February 11 to April 19 and further extended to 9 p.m. from April 19 to the end of the filing season.

We are also installing an enhanced telecommunications system. It will help upgrade our toll-free telephone service and help us measure the demand for this service. The Hon. Member who spoke before me is from Winnipeg. He will know that this year the Department introduced a telecommunications device for the deaf in the Winnipeg district office to provide inquiry service to the hearing and speech impaired. I am pleased to announce that this bilingual service is now

available nationally through toll-free numbers listed on the back of the tax guides. In addition, we are now making arrangements in conjunction with the Canadian National Institute for the Blind to provide visually-impaired taxpayers with audio tapes of the tax guide for the 1985 filing season. As well, full statements of account for corporations will also be provided every time the account changes, including details of all relevant transactions. Previously, corporations were advised only of amounts owing or receivable.

We have also made a number of improvements in our administrative procedures, Mr. Speaker. We are increasing the number of situations where we contact the taxpayer before altering the amount owing or refundable. We have already added 29 situations where this procedure is followed, and the coming filing season will see another 47 situations in which we will make this contact first. Where a decision has been made to alter the tax through initial assessment of a return, these new procedures require that taxpayers be given an opportunity to respond before any action is taken. In the same vein, for any taxpayers facing reassessment because of audits following initial assessment, opportunity to respond is also being provided before the issuing of a reassessment. In addition, as recommended by the PC Task Force on Revenue Canada, in all cases where the Department contacts the taxpayer, the taxpayer will have 30 days to respond instead of the 21 days previously allowed. Obviously this over-all approach should lead to fewer objections and appeals and, frankly, Mr. Speaker, more breathing room for the taxpayer.

We are also making a range of technological improvements in the area of storing and retrieving taxpayer data so that staff in district offices will be able to make many requested adjustments on the spot, at computer terminals in the district office. District office staff can now call up on a terminal virtually all data captured from a taxpayer's return. This, of course, cuts unnecessary delays. Next month we will bring in a system to provide corporations with a full statement of their account every time it changes. Previously, only limited information was available. Early in 1986 this same service will be provided to all individual taxpayers, as recommended by the task force.

Let me summarize briefly what these changes mean. When a taxpayer is contacted by the Department, for whatever reason, the taxpayer now has additional time to respond. Secondly, we have substantially increased our systems of advance notification before an assessment or reassessment. This notification and resulting discussions take place before a notice of assessment or reassessment triggers a 90-day period in which an appeal can be entered. This means a whole range of improved services and at the same time obviates the need to extend the period for appeals. If you look at other countries with a similar tax system, Mr. Speaker, you will find that our appeal period is significantly longer than in the United States, Great Britain or Australia.

I am pleased to announce, Mr. Speaker, to further speed up refunds, that I have directed that processing this year will begin more than a whole week earlier than last year.

Over the past year my Party has campaigned vigorously on behalf of the right of taxpayers to a simpler, more fair and accountable tax administration system. The public has endorsed these efforts overwhelmingly. I am proud that we have already acted and will continue to act until that has been achieved. If we work together in this House and continue to show the determination shown by my colleagues who surround me today to bring about a system which is more fair to ordinary Canadians, I am convinced that by the time Canadians file their income tax returns this year they will be satisfied the Government has made a conscientious effort to make the system more fair and more accountable for the ordinary taxpayer in Canada.

• (1540)

[*Translation*]

Mr. Deputy Speaker: Questions. Comments. The Hon. Member for Mount Royal (Mrs. Finestone).

[*English*]

Mrs. Finestone: Mr. Speaker, I am sure the Minister of National Revenue (Mr. Beatty) is not unaware of the concerns that are manifest around a particular magazine which is circulating quite freely. I thought the Minister might like to note that I purchased it today. That was my right as an adult. It is quite easily available.

However, my concern is with an ad which appeared yesterday which I think was an incredible affront to the people of Canada. I wonder whether the Minister of National Revenue might advise me if he believes it is the lack of teeth in the legislation that prevented his desired impact. I congratulate the Minister on the effort which he did undertake, but are revisions in the Customs Tariff Act and the Post Office Act required, or is there a lack of political will or a lack of understanding on the part of the customs officers who must apply the law?

Mr. Beatty: Mr. Speaker, I would first like to thank the Hon. Member for her question; I appreciate it very much. I had a chance to review the advertisement in question. I know that she has a copy of it with her at the present time. The publisher of *Penthouse* magazine ran an ad in the *Toronto Sun* yesterday in which he likened Canada to Nazi Germany. Mr. Speaker, I think that demonstrates that a person who is incapable of making a distinction between Canada and Nazi Germany is incapable of making a distinction between pornography and art.

I fully share the Hon. Member's concern about this sort of material. She raised a very reasonable question about the law as it stands today. Once material has entered Canada, the provisions of the Customs Tariff Act no longer apply. They apply only as importation is taking place at the border.

There are three statutes which regulate this sort of material. The first is the Canada Post Corporation Act which regulates the ability of people to use the mails to transfer this sort of material. The second is the Customs Tariff Act which allows my Department to regulate the flow of this material into

Canada. The third applies after entry of the material into Canada, or if it is produced in this country, and that is the Criminal Code.

At the present time I know that in a number of jurisdictions the police are either considering or are in the process of laying charges under the Criminal Code. In cases where material is already in Canada, the obligation is now on the police to decide whether to lay charges. The opportunity for Customs and Excise to act has passed once the material has crossed the border.

If the Hon. Member has a concern about a particular municipality where the material is still available, and if she wants to bring it to the attention of the Attorney General of the Province of Ontario, for example, or of the local police department, she certainly has the right as a citizen to do that. The police would then consider what obligations they have under the Criminal Code.

I would like to make one other point. The Hon. Member raised questions with regard to the Customs Tariff Act as it stands today. She is absolutely right. One of the concerns that I have is that there are those three separate pieces of legislation, each of which may incorporate different standards for what is permissible in Canada and what is not. They tend to be fuzzy. They call upon us to make value judgments on this sort of material. I am hoping that the Fraser Committee on Pornography and Prostitution which is currently in existence and which will be making its report in a matter of weeks will be able to give us guidance on ways in which we can bring one act into conformity with the provisions of another so that there will be some certainty. Secondly, I think it would be helpful for all Canadians, for importers and for the Government if we were able to get better clarity on all three statutes so that people will know where they stand in relation to the law. To the extent to which we are capable of doing that, I think it will make the system more fair for everyone.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I would like to congratulate the Minister for a very thorough and compassionate presentation. The Hon. Minister spoke of the future with an emphasis on fairness and justice and I am encouraged by this.

However, yesterday, to my strong disappointment, a capital expenditure of approximately $38 million for a proposed taxation data centre in my riding of Ottawa-Carleton was cancelled. I ask the Minister if this was fair and what plans he has to expand office facilities in the National Capital Region. In particular, would the Minister guarantee that any planned expansion will take place within the City of Gloucester?

Mr. Beatty: Mr. Speaker, I would first like to say that I appreciate the Hon. Member's question and I commend him for the vigorous way in which he is putting the case for his constituents. There is no Member of Parliament who has been more conscientious or vigorous in stressing the needs of his constituents. I appreciate that very much.

The decision was made to cancel two proposed taxation data centres, one for the City of Toronto and one for the City of Ottawa. The total cost would have been $105 million in a time of restraint, Mr. Speaker. Going ahead with those taxation data centres would have done nothing to improve service to taxpayers. Indeed, there is some question as to whether or not it would have caused a deterioration of service.

From the point of view of the Department there was no need to continue with this massive expenditure at a time of restraint. As a consequence of the decision which we announced a day ago, we hope to be saving the taxpayers of Canada at least $75 million. In Ottawa we will be renovating and refurbishing existing office facilities to ensure that they are brought up to the standards required.

In anticipation, on the part of the previous government, of the possibility of moving out of present facilities, they have allowed those facilities to fall behind. We will be putting a new investment in them to ensure that public servants will be working in adequate conditions.

In addition to that, Mr. Speaker, the decision to cancel the Toronto and Ottawa data centres will have the result that 1,000 casual jobs will not be moved from Ottawa to Toronto, and secondly, that 250 full-time jobs will not be moved out of Ottawa to Toronto. That will result in a savings in terms of permanent jobs in Ottawa for the people of the National Capital Region.

The final point which the Hon. Member made was a very understandable one, Mr. Speaker. Obviously this decision will come as a disappointment to the people of the City of Gloucester who were concerned, obviously, about the effects that the development would have in their area in terms of the creation of jobs in construction, for example. I cannot commit the Department at this time to say that, irrespective or whatever circumstances may take place, any new construction will take place in Gloucester, but I can make one commitment. We recognize that this represents a loss to the City of Gloucester. The Hon. Member has very vigorously put that case to me personally. Before any planned development takes place in the future, I will ask my Department and the Department of Public Works to look seriously at the services that are available in Gloucester and we will make every effort to make sure that they are fully considered at the time that any such decision is made.

Mr. O'Neil: Mr. Speaker, I rise at this time to make a comment. I wish to congratulate the Minister for the changes that he is proposing. I represent an area which contains many fishermen who are hard working and honest individuals. The stories of their problems with Revenue Canada have become a legend. The introduction of rules of fairness and natural justice has been long in coming and I am pleased that the Progressive Conservative Government and the Minister are taking bold measures to ensure that the ordinary, honest Canadian is well protected.

Mr. Beatty: Mr. Speaker, I would like to say that I had the pleasure of being able to travel to the Hon. Member's constituency during the election campaign and was there on his

nomination night when some 2,000 people were there to support him.

I have been impressed during the time the Hon. Member has been in the House by the way in which he has brought the concerns of the people of his constituency to me. I can promise him that I will make every effort to be responsive to those concerns.

Mr. Kaplan: Mr. Speaker, the Minister has given an assurance about the project cancelled in Gloucester where the Member of Parliament is a Conservative. The Minister said that he will do everything he can to compensate Gloucester, possibly with projects in the future.

The other taxation data centre which the Minister cancelled last week was to have been built in my riding of York Centre. What sort of message does the Minister have for the people in my area who were expecting close to 2,000 jobs, admittedly some temporary, to be created in the Department of National Revenue at that taxation data centre? What attention will be paid to people in that area?

• (1550)

Mr. Beatty: Mr. Speaker, for the past 12 years I have had the opportunity to sit where the Hon. Member is sitting. I know what it feels like to be in the Opposition with the Government systematically refusing to listen to the needs of members of the Opposition. I can undertake for the Hon. Member and for all Hon. Members on both sides of the House at any time they come to me with a concern that I will try to listen with compassion and understanding and do my best to be of assistance.

I understand that the cancelled centre was in the Hon. Member's constituency. Obviously, if we are looking at new facilities being built, we will consider the best place for them to be located in the Toronto area and I will be glad to receive any representations the Hon. Member chooses to make.

Mr. Deputy Speaker: We will now resume debate.

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, I am grateful for the opportunity to make a few remarks during the Throne Speech debate. I certainly want to join the chorus of others who have complimented you on your elevation to the high office that you have attained. I also want to compliment your boss, the Speaker of the House, on his style and the way he conducts the business of the Chair.

As a Private Member for ten years, I have listened long and hard to questions that turned out to be mini-speeches made by Cabinet Ministers, who are called front-benchers by many, both in questions and reply. The Member for Regina West (Mr. Benjamin) is sitting there. He is also one of the culprits.

It is a breath of fresh air to have crisp rulings from the Chair on the kinds of questions and responses that we tolerate in the House. It gives other Hon. Members a chance to ask questions and get their information on the record.

Mr. Keeper: That is long enough.

Mr. Friesen: All right, that is enough. Second, I want to join others in complimenting the Hon. Member for Sarnia-Lambton (Mr. James) and the Hon. Member for Montreal-Mercier (Mrs. Jacques) on their fine speeches in introducing this particular motion. I believe that all Members, regardless of political affiliation, would agree with me that they distinguished themselves very well both in the quality of their speeches and in the quality of the representation they have made on behalf of their ridings. I think that that is a portent of good things to come.

I want to thank the Minister of National Revenue (Mr. Beatty), who just spoke, for the frank and candid way in which he has dealt with the problems of his Department and for the way he wants to service the needs of Canadians. I want to commend him especially for the focus he has given to the needs of those with handicaps, such as the visually impaired.

A report dealing with the problems faced by those we call handicapped has been tabled in the House for several years now. It is a pleasure to see that the Minister is taking some of those concerns to heart and is implementing them in his Department.

I know the subject of jobs has been a preoccupation with every Member of the House. I know that Members of the Opposition are trying to look for an Achilles heel in the Government on this particular issue. That is fair because that is their role. It is what they ought to do in order for them to carry out their functions. However, I believe that there are other issues.

I believe the deficit is an issue and is one reason why there are not enough jobs. When I heard it announced in the economic statement that we spend $20 billion in interest payments on our national debt, it must be an issue. That $20 billion could be spent on those who are in dire need in our country or spent on the unemployed or perhaps on pension reform.

I have never been able to understand the mind-set of the socialist party in that they want to increase indebtedness in order to help those who are in dire need. It is because of that kind of philosophy that we are $20 billion in debt and taking money away from those who need it. I hope they start looking at the economic statement from that perspective.

As I have indicated, there are other issues with which we are confronted. For example, there is the issue of ensuring that we maintain and live up to our campaign promises. That is a fair issue about which the Opposition Parties can hammer us hard to make sure we live up to those promises.

In fact, I recommend that we follow the practice which is carried in the United Kingdom where each party declares what it calls a manifesto at the beginning of the election campaign. Each party specifically outlines the issues as it sees them and how it plans to fulfil its promises if and when elected to office. Once a particular party is elected it has the burden of fulfilling those promises. The opposition recognizes that the elected government has a mandate to fulfil the philosophies that it has

explicated during the campaign, but it also has an obligation to fulfil those promises.

I sense that the Opposition, particularly the New Democratic Party, criticizes the Government for not following their agenda instead of attacking it on its agenda for the country. We were not elected to fulfil an NDP agenda but to fulfil a Conservative agenda. If we do not fulfil that agenda, then they can criticize us. But do not criticize us for not fulfilling another Party's agenda.

For that reason I wish that we had that kind of concept being used in Canada. I might add that in the last few elections the Liberal Party has always prescribed an agenda during an election campaign and then ignored it once it was elected. This allowed the opposition to attack those governments on almost any subject. I would simply urge the Opposition that when it attacks the Government with respect to fulfilling its mandate, as it should, it should do so on the terms that the Government laid out before the people.

Another concern we face in the country is to make sure that this place functions properly once we are elected. I was pleased that this issue was addressed in the Speech from the Throne; it is time that this institution was reformed. While this concern has been expressed before, I am pleased that the Prime Minister (Mr. Mulroney) is taking this question seriously and appointing a special committee to make sure that reform takes place.

I believe there is an underlying confusion in the minds of many of us about goals and how to reach those goals. The focus in this country and particularly in the Chamber seems to be on democracy; that we should be democratic and make democracy work, and all the other clichés connected with that term. Since the focus is on democracy, one can easily assume that the goal is democracy. I want to assure Hon. Members that while we do not want to overlook the need for democracy, that ought not to be our goal. Our goal is freedom, not democracy.

Mr. Benjamin: What is the difference?

Mr. Friesen: I am glad that the Hon. Member for Regina West asked what is the difference. That absolutely demonstrates the confusion in the minds of the socialist party. Democracy is the vehicle by which we ought to deliver freedom. That does not necessarily happen. I think it is a dangerous assumption that democracy is always necessarily a friend of freedom.

Let me give the most glaring example, the Weimar Republic in 1933. It was a very democratic government in Germany, a very constitutionally democratic government.

Mr. Benjamin: Democratically elected.

Mr. Friesen: It was democratically elected and it functioned democratically. It democratically elected Adolf Hitler as Chancellor of Germany. It is possible to use a good democratic institution to bring about any kind of repressive government you want. We should never assume just because we have a democratic government that we will always have freedom.

• (1600)

I think I can give another example a little closer to home. I do not want to make Members think that the odious comparison of fascist Germany—

Some Hon. Members: Oh, oh!

Mr. Friesen: I ask the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) to please listen.

Mr. Manly: I am listening.

Mr. Friesen: I do not want to make Members think that I am wrenching a comparison here when I compare what happened in Germany with what has happened in Canada. I want to point out, however, that four years ago we passed an Order in Council in this country that has been widely proclaimed as the Emergency Planning Order. That Order was passed very democratically. It was passed by a democratic government but through the powers given to that democratic government that Order in Council in its potential is incredibly repressive. It is anything but democratic. There is anything but a freedom of consensus in that particular Order.

Just because we have democracy does not necessarily mean that we have freedom. We can lose our freedom through democratic institutions. I might point out it is understandable that the New Democratic Party, rather than being called the socialist party, prefers to be called the social democratic party.

Mr. Benjamin: We have been called lots of things.

Mr. Friesen: I hear the NDP using that term all the time, and I understand that. I understand also that the New Democrats want to be elected and they want people to vote for them. For a lot of people in Canada the term "socialism" has a pejorative ring to it and "social democratic" sounds so much better. I do not fault them on that.

An Hon. Member: It is like Progressive Conservative.

Mr. Friesen: Yes, that is right. Progressive Conservative is much the same thing.

There is another reason for it. Social democracy, as we have seen the experience of that particular institution around the world, has a limiting effect on freedom. It does not matter where you go, democracy is institutionalized.

Mr. Benjamin: Come off it! You are drawing a long, long bow there.

Mr. Friesen: I do not know whether the Hon. Member for Regina West (Mr. Benjamin) can follow a long bow. I do not know whether his attention span is long enough for that but I will try to explain to him. In order to make democracy function, it has to be institutionalized. The more you institutionalize it, the more you limit our freedom.

At the heart of freedom is the ability to choose, Mr. Speaker. I think even the Hon. Member for Regina West can understand that. The ability to choose lies at the heart of freedom. The more we have our choices taken away, the more we have our choices limited, the more we lose our freedom. Some of that is logical. We have local by-laws and all of those factors that make society function where all of us concede some of our freedoms in order to make society function better. The institutions of democracy thrive on passing those kinds of laws that limit our freedom.

I want to point out why the social democrats like the term so much. I recall very clearly during the campaign the leadership debate. My Leader, the Prime Minister, and the Leader of the New Democratic Party were talking at one point about the role of banks and what the banks were doing, for example, to women. The Prime Minister made the point that women have a harder time getting credit for business transactions from the banks. The Leader of the New Democratic Party agreed. The Prime Minister went on to make another point. The Leader of the New Democractic Party asked; "Will you make it a law?" That, Mr. Speaker, is at the heart of everything that the institutionalized, democratic, call it social democratic, institutions are all about, hence the question: "Will you make it a law?" The NDP mentality is: Let us legalize or prohibit everything in a catalogue of values that they have created. Everything is good according to the value structures which the New Democrats have designed. Consequently and conversely, if they have not designed it, it has to be bad.

You see, Mr. Speaker, if you make everything according to law, automatically everybody becomes a potential law-breaker. That is what is so wrong. We focus the whole citizenry on law-keeping or law-breaking and it becomes a law-oriented society. The NDP likes that. That way New Democrats can categorize everybody to the most minuscule detail according to their criteria. "Will you make it a law?" We need some laws, I do not deny that. But that takes away from the real focus we ought to have, namely, a focus on relationships and reconciliation; whereas in a law-oriented society, which they like, we focus on law-breaking and violators. We ought to be focusing on reconciliation and relationships. That whole concept, that whole mind-set, destroys the relationships we can enjoy, Mr. Speaker.

I recognize, as my friend the NDP heckler wants to point out to me, that we ought to have laws. Of course we ought to have laws. For example, we have the whole issue of pornography which came up in the House a few moments ago. This is an area where there needs to be legal prohibition for certain kinds of activities.

Mr. Keeper: Social democracy.

Mr. Friesen: The criteria which New Democrats want to focus on is what you can and cannot do, whereas the focus ought to be on expanding the whole system of choices that we have in our country so we can develop our characters and our personal growth. We can do that only if we choose. The trouble with pornography is that it destroys choice, particularly when it concerns child pornography. Children's curiosity is at its highest peak, their sense of discrimination is at its lowest, and their information base is at its lowest. They do not have the tools to satisfy their curiosity as to whether or not something will help or hurt them, whether they can grow through the experience, or is know what it will do to them in future years. They are incapable of making mature choices.

Of course we ought to protect those people. We ought to preserve them in such a way so that when they become mature they can make intelligent, informed choices about how they want to live. There are no walls that one can build high enough to make sure that everybody is going to remain pure and that everybody is going to live according to the criteria that we want to establish. We cannot do that.

I see that the Hon. Member for Mount Royal (Mrs. Finestone) is here and I am glad that she brought up the question yesterday because I think she was honing in on this very point, that we want people to make choices on a matter of maturation so they can grow in their person rather than have their person destroyed.

I say that about much of the advertising we see on television. A lot of the advertising is not only misleading, but it is seductive when you see the kind of lifestyle advertising that is going on. It tells a false story and we need to deal with it.

Mr. Deputy Speaker: Order, please. I would ask the Hon. Member to conclude his speech within 30 seconds, please.

Mr. Friesen: In the area of advertising, Mr. Speaker, the focus ought to be on freedom so we can preserve our system of choice and develop a mature young generation of people as well as a mature population, so that we can make choices in a much more sensible way, not have a law-oriented society. There will always be laws. However, I hope that as a government we will diminish the number of laws and regulations rather than expand them. If we make laws according to the criteria of some people, they will not sit well with some others. I agree with John Stuart Mill about the dictatorship of the majority dominating the minority.

• (1610)

I want to thank Hon. Members for the attention they have given me.

Mr. Deputy Speaker: The Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) on a question?

Mr. Manly: Yes, Mr. Speaker, on a question. However, first I should like to make a brief comment. From our point of view we see laws as being necessary to establish a framework within which a co-operative community can develop. I am sure the Hon. Member would recognize that there is a need for law to restrain the selfishness of certain individuals. We recognize that need. We also recognize the need for law to protect the rights of individuals and minorities. It is on that basis that we urge law, not because, as the Hon. Member falsely tried to imply we want to see people's lives regulated in every minutia. That is a complete distortion of our political philosophy. We

want to see the largest possible measure of freedom for individuals in society. That means economic freedom to share in the goodness of society.

This brings me to the question I should like to ask the Hon. Member. He talked about the need for restraint. Coming as he does from British Columbia, I am sure he is aware of the 1983 budget which the Hon. Hugh Curtis introduced in that province. It is interesting that some of the same people who ran Premier Bennett's re-election campaign in 1983 were also very active in the election campaign for the Tories. They seemed to give the same advice—"Don't tell the people what you will do until after you are elected", and then whammo! The Hon. Member knows the kind of budget which was delivered in July, 1983. It promised recovery through restraint. The economic forecasts were for a 6 per cent increase in real provincial product in 1984, a 15 per cent increase in capital investment in 1984 and an employment increase of 3.9 per cent in 1984. The most recent Conference Board of Canada provincial forecasts project a decline of .1 per cent in real provincial product for this year and a decline of .9 per cent in employment. Statistics Canada projects a decline of 7.6 per cent in capital investment. In fact, the seasonally-adjusted unemployment rate in British Columbia has increased from 13.9 per cent in May, 1983 to 15.1 per cent in May, 1984. Of course, the latest figure is also 15.1 per cent unemployment.

How can the Hon. Member believe that the program of restraint being advocated by the Government will in any way improve the Canadian economy in a manner which the program of restraint of the Government of British Columbia did not? The same medicine is being prescribed by both governments. Perhaps the bedside manner of the Prime Minister (Mr. Mulroney) is a little more attractive than the bedside manner of the Premier of British Columbia. However, the medicine is the same. It has not worked in British Columbia. How will it possibly work in Canada?

Mr. Friesen: I do not think I mentioned the word "restraint" in my speech.

Mr. Manly: You talked about the deficit.

Mr. Friesen: Restraint is not the same. Perhaps in the Hon. Member's lexicon of terms "restraint" and "deficit" are the same word. According to the dictionary definition of those words, I do not think they are the same. I did not talk about restraint. Perhaps the Hon. Member ought to listen a little more carefully before he frames his comments.

I would estimate that about two-thirds of his comments were about the Government of British Columbia. I was not elected to defend the Province of British Columbia on that particular score. However, it reminds me of a child yelling across a fence at a bully because the bully cannot get at him. If the Hon. Member is so concerned about British Columbia, what is wrong with its economy and the approach of its government to the economy, why does he not run for the British Columbia legislature and attack them there? Why does he go 3,000 miles away and holler his head off at the B.C. Government?

Mr. Manly: Mr. Speaker, could I just make a short comment in response to the Hon. Member?

Mr. Deputy Speaker: A very short comment.

Mr. Manly: In reply to the Hon. Member, I should simply like to indicate that the conditions we are seeing in Canada are the same as those we saw in British Columbia. I do not like what happened in British Columbia in the last year and a half. I do not want that to happen in Canada. I am appealing to Hon. Members opposite to look at what happened in British Columbia so that perhaps the lessons of history can sink into their minds and there will be a change in their policy before it is too late.

Mr. Deputy Speaker: The Hon. Member for Gander-Twillingate (Mr. Baker) on a question.

Mr. Baker: Mr. Speaker, I do not want to ask a question. I want to make a simple comment. I do not think it would do much good to ask a question. One of the faults with the public address system is that the sound of the Hon. Member's voice is increased for those watching their television sets but it does nothing for his ideas.

I have listened to him over the years. Nothing has changed the Tory philosophy of cutting back on the deficit. The Hon. Member said that it is to help people out. According to the Hon. Member, poor people are helped by cutting back on unemployment insurance, people who just barely make ends meet are helped by increasing the price of gasoline, students are helped by discontinuing student employment programs, and public servants are helped by cutting back on Public Service jobs.

He criticized the Liberals for making promises in the election campaign of 1980 and not fulfilling them. In the last election campaign never before in the history of the British parliamentary system was so much promised by so few to so many and nothing delivered. They shook your hand before the election and then they shake you after the election.

Mr. Friesen: I want to begin by complimenting the Hon. Member on his originality. He has a penchant for words, especially for phrases. Perhaps I could improve upon his phrase—Never in the field of human conflict". I appreciate the caustic barbs which he threw at me. I remember five months ago when I rose repeatedly in the House to ask him a question when he was chairman of the Standing Committee on Fisheries and Oceans. I could never get him. He was always waltzing around behind the curtain and never in his place so that I could ask him the simple question: "Why does the Standing Committee on Fisheries and Oceans, after it has given itself a mandate to travel to British Columbia and meet with the fishermen out there, not do so?" As he was chairman of that committee, I wanted to ask him why it would not go. However, he would not stay in his place. At least I am sitting here and he can ask me all the questions he wants.

Mr. Deputy Speaker: The Hon. Member for Winnipeg North Centre (Mr. Keeper) on a short question or comment.

Mr. Keeper: Mr. Speaker, I have a short question for the Hon. Member. He indicated that we should judge his performance or the performance of his Government on the basis of the Progressive Conservative agenda. One of the items which the Prime Minister (Mr. Mulroney) put on the agenda during the election campaign was the whole question of the universality of social programs. He said to Canadians that that was a sacred trust. Now that he is in office, he questions universality as it affects pensions and family allowances. I would like to judge their performance on the basis of the criteria which they established on their own agenda. Would the Hon. Member please respond?

Mr. Friesen: Why does the Hon. Member insist upon asking such simple questions? That is no problem at all. I have not seen any particular kind of consistency on the part of the New Democratic Party on any other issue, let alone universality. Just as a side comment, it is strange that a company like Aluminum Company of Canada, a good Canadian company, could not make it to build a plant in Manitoba but that rotten, rotten multinational from the United States, Alcoa, seems to be able to make a deal. That is great consistency in the New Democratic Party!

• (1620)

To go to the point of the Hon. Member's question, his Party supported the spouses' allowance. I do not think they ever voted against spouses' allowance. I think his Party supported the child tax credit and hailed that as a great boon to the low-income groups, as well as the GIS. I would ask him whether GIS is universally applied across Canada.

Mr. Deputy Speaker: I am sorry to interrupt the Hon. Member for the second time, but the question and comment period is now over.

[*Translation*]

We shall now continue the debate. The Hon. Member for Shefford (Mr. Lapierre).

Hon. Jean Lapierre (Shefford): Mr. Speaker, first of all I would like to take this oportunity to congratulate you on your appointment. I may say that we on this side of the House are aware of your tremendous potential, and we would even have liked to see you on the front bench opposite. Meanwhile, we are confident that you will apply your talents wisely to presiding over this House.

I also wish to thank my constituents in the riding of Shefford, who decided to resist the landslide on election day and show that they know the difference between a concrete program and an illusion. They refused to be tempted by the quick-fix solutions offered by the Party now in power and remained true to a Party that has done a great deal for this riding and to a Member who will continue to improve his record, I hope, in the years to come.

Mr. Speaker, I had the opportunity to read and listen to the Speech from the Throne, and to the subsequent economic statement by the Minister of Finance (Mr. Wilson), and while analysing these two documents, I concentrated more particularly on the four following issues: international trade, regional economic expansion, unemployment and youth.

Today, Mr. Speaker, I intend to demonstrate that our friends opposite have unfortunately failed to remember the commitments they made during the election campaign.

If we analyse the commitments they made during the election campaign, and then what they produced in their budget speech or economic statement, we see two totally different worlds.

For instance, during the election campaign, the Leader of the Progressive Conservative Party said on March 14: We must become first class international traders. We must become reliable suppliers of quality goods and services at competitive prices. He also said we would have to step up the search for export markets.

And finally, several weeks later, what does he offer us? A cutback of $6.2 million for the Canadian Dairy Commission, of which $4 million had been set aside for exports. I know some of our hon. friends from Quebec on the Government side. . .I bet this is only the first of a series of cutbacks that will affect our dairy industry. Mr. Speaker, I am confident that in the months to come, our hon. friends opposite who promised our farmers and especially our dairy producers the moon, are going to be very embarrassed if they let the Minister of Finance take care of the dairy program, especially in Quebec.

What else did they do to increase exports? They cut another $4 million, this time from the Export Development Program. The Canadian Commercial Corporation, also concerned with exports, will lose $5 million. In the fisheries industry, one of the problems is a lack of export markets, and there they have again cut $4 million.

Finally, they said they were going to increase the number of commercial attachés. That was one of those firm commitments by the Leader of the Progressive Conservative Party (Mr. Mulroney). So one of the first cutbacks he makes in the Department of External Affairs, Mr. Speaker, involves making sure that in Rio for instance, where we had four people in the commercial section, those four positions are cut.

Mr. Speaker, that is exactly the opposite of what they said throughout the election campaign and, worse still, they made a $3.1 million reduction there. And now, of course, one of the major campaign commitments of our friends on the other side, particularly those who have hog producers in their riding, was a promise to sell their meat, but how? We had Canagrex. Well, Mr. Speaker, the first thing they did was to eliminate Canagrex; they lied openly to the agricultural producers, so what are they going to tell them when they go back to their ridings? It is a fact that hog production in Quebec, for example, amounts to 150 per cent of the requirements, but the agency on which the producers were relying has been abolished by the Progressive Conservative Party. As our friends opposite

know full well, the CIDA aid program is one of our channels to export goods and services, but there again a cut of $180 million.

Mr. Speaker, here is a political party which had promised to increase export assistance, yet their first concrete step is to reduce direct and indirect export assistance by $216.6 million. That is like talking from both sides of their mouth, yet they have the nerve to keep on saying . . . The Minister for International Trade travels around the world to say that we are going to boost our exports, but what with? Speeches just are not good enough. The speeches and promises of our friends opposite will not accomplish anything, and exporters need help. International competition is fierce and the Prime Minister may smile all he wants and the Minister for International Trade may make speeches, but that is not going to sell our products on world markets. That is one of the examples I wanted to give, Mr. Speaker.

Regional economic development is another case, particularly in areas outside Montreal and Quebec City. I saw the Minister of Communications (Mr. Masse) a few moments ago and I am wondering how he can explain to the people of Frontenac that DREE funding has been reduced by $200 million. Mr. Speaker, I wonder how several members from rural areas such as those from the Eastern Townships will explain to their constituents, after having campaigned on tourism, that tourism has been cut from the Regional Industrial Expansion Program. Have they been lying to the people or has their memory failed them?

We know quite well that the cuts in the Department of Regional Industrial Expansion affect all areas outside Montreal and Quebec City. Mr. Speaker, we know how badly many of our industries need restructuring and we are aware of the fact that some restructuring reviews have led to the saving of hundreds of jobs. The Minister of Regional Industrial Expansion (Mr. Stevens) should have known that some restructuring might be advisable in his own sphere of activity but he decided immediately to do away with the restructuring side of the Regional Industrial Expansion Program.

I have referred to projects related to the tourist industry. I am anxious to see how the Hon. Member for Brome-Missisquoi (Mrs. Bertrand) will manage to meet her commitments with respect to the Sutton Ski Centre, the Bromont Ski Centre, the Owl's Head Ski Centre, which were counting on the tourist section of the Regional Industrial Development Program. I am anxious to see how the Hon. Member for Megantic-Compton-Stanstead (Mr. Gérin) will manage to develop the Coaticook gorges. Although he had assumed specific commitments, Mr. Speaker, the first thing his government did was to abolish the tourist development section of the program, supposedly in a mood of consultation. Who was consulted? Which tourist interests were consulted about those cuts?

I would suggest that the levels of assistance have been lowered and, Mr. Speaker, since you also live in an area outside of Montreal, you know to what extent assistance from the Department of Regional Industrial Expansion can be badly needed. You have a specific case in your area, where government help is needed but now you should forget about that, Mr. Speaker, your should forget about any large amounts for companies such as Petromont. They can no longer afford to do that, and I know very well that kind of explanations the Government and the Hon. Members will have to provide to their industrial commissioners. Over the coming months and years, hopefully, the Hon. Members opposite will recall their commitments to the people. To interpret their mandate as a mandate to cut is a serious error in my view, Mr. Speaker. I reckon that over the forthcoming months and years it will be our duty, as members of the Opposition, to hold them to their commitments. And I hope that during the upcoming debates I will have the opportunity to elaborate on cuts that have been decided against the unemployed. I hope they will realize their error soon enough.

• (1630)

Mr. Deputy Speaker: Order. It being 4.40 p.m., it is my duty, pursuant to Standing Order 42(4), to interrupt the proceedings and put forthwith every question necessary to dispose of the amendment. Therefore, the question is as follows:

Mr. James, seconded by Ms. Jacques, moves:

That the following Address be presented to Her Excellency the Governor General of Canada:

To Her Excellency the Right Honourable Jeanne Sauvé, Member of the Queen's Privy Council for Canada, Chancellor and Principal Companion of the Order of Canada, Chancellor and Commander of the Order of Military Merit, upon whom has been conferred the Canadian Forces' Decoration, Governor General and commander-in-Chief of Canada.

MAY IT PLEASE YOUR EXCELLENCY:

We, Her Majesty's most loyal and dutiful subjects, the House of Commons of Canada, in Parliament assembled, beg leave to offer our humble thanks to Your Excellency for the gracious Speech which Your Excellency has addressed to both Houses of Parliament.

Mr. Allmand moves, seconded by Mrs. Pépin:

That the following be added to the Address:

But this House regrets that your Advisors not only failed to make open government a high priority but also, in their actions, have sought to reverse the direction of previous administrations by severely restricting the availability of information on decision-making in government and by attempting to inhibit access to both the elected and non-elected participants in that process.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Pursuant to Standing Order 12(3), the recorded vote is deferred until Monday, November 19, 1984, at six o'clock.

Mrs. Mailly: Mr. Speaker, may I call it six o'clock?

Mr. Deputy Speaker: Agreed. It being five o'clock, the House stands adjourned until Monday next, at eleven o'clock, pursuant to Standing Order 2(1).

At 4.32 p.m. the House adjourned.

HOUSE OF COMMONS

Monday, November 19, 1984

The House met at 11.00 a.m.

• (1105)

[*Translation*]

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed, from Friday, November 16, consideration of the motion of Mr. Ken James for an Address to Her Excellency the Governor General in reply to her Speech at the opening of the session, and the amendment thereto of Mr. Allmand (p. 252).

Mr. Speaker: There seems to be a problem. I am informed that the Member for Shefford (Mr. Lapierre) had the floor, but since consideration of the amendment has been terminated, the Hon. Member can hardly speak a second time unless he has the unanimous consent of the House.

[*English*]

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I appreciate this opportunity to take part in the Throne Speech debate to comment on the Government's agenda as well as to talk about what it plans to do and to outline some of those things that the Government does not mention.

As has been noted several times in the debate, the emphasis in the Throne Speech was on consensus and conciliation. While this is commendable in some respects, it also brings some of us some concern. For example, it was stated in the Throne Speech that:

> Over time, mutual confidence and a sense of shared responsibility for our national economy must lead to consensus on even more basic issues: how to share the benefits of economic growth, how to share the burdens of economic adjustment, how to preserve the integrity of our unique natural environment, and how to ensure that the ideal of social justice is pursued through programs that meet contemporary needs and circumstances.

Consensus on issues such as these can take a very long time to develop. In the meantime, the unemployed and the working poor are bearing most of the burden and receiving very few of the benefits of technological change and the whole process of change in which we find ourselves.

A report put out two months ago by the National Anti-Poverty Organization points out that between 1981 and 1983 there has been a 22 per cent increase in the number of Canadians who must live below the poverty line. In 1981 there were 3.5 million Canadians living below the poverty line. By 1983 that had increased by some 800,000, to 4.3 million Canadians living below the poverty line.

The question that I think we in the House must address is: how long will these people have to wait while we develop a new consensus? The thought which has occurred to me as I looked at some of the measures that the Government has taken is that perhaps the new consensus is already developing to the effect that it is necessary to have more poor people in order to keep wages down and keep Canadians from expecting too high a standard of living.

It is worth while spending a few minutes asking how we develop a consensus. For example, today we have a generally shared consensus in the House about medicare. Even the Prime Minister (Mr. Mulroney) has referred to it as a sacred trust. However, that consensus on medicare did not always exist. That consensus did not exist 20 years ago when medicare in Saskatchewan was established over bitter opposition. It was because leaders like Tommy Douglas and Woodrow Lloyd and the CCF government of Saskatchewan were prepared to risk their political lives on the issue of medicare that medicare was established. Over the years, its value to the Canadian people has been proved, so that now it is generally regarded, even by the Prime Minister, as a sacred trust.

That consensus did not come by sitting around a round table and debating. There had to be leadership. As we work toward a new consensus, it is not enough for the Government to sit back on the sidelines and host summit conferences. It must take some action to ensure that the poor and unemployed, those at the lower end of the income scale, do not get all the burden of industrial change and none of the benefits.

The Throne Speech also stated that the generous co-operation of the provinces:

> —is also needed to honour the commitment to Canada's aboriginal peoples contained in the Constitution Act of 1982. For these peoples, as for all Canadians, the high expectations that attended the act of patriation must not be disappointed.

There is no question that some of the provinces had a very mean-spirited approach to aboriginal rights in the last two constitutional conferences. There must be a more generous approach, but it is not enough for the Prime Minister to call for generous co-operation. If we are going to honour our commitments to the aboriginal peoples of Canada, then the federal Government must show leadership.

Where does the Government stand on constitutional entrenchment of the right of aboriginal peoples for self-government? Is it prepared to take an active advocacy role on behalf of aboriginal peoples? I believe that we all recognize that the new Government has a tremendous reservoir of popular support. Is it prepared to risk some of that support? Is it prepared to spend some of its popularity capital in an attempt to lead public opinion on this question of aboriginal rights? Is it prepared to put pressure on the provinces so they will act

generously, or is it simply prepared to issue a nice call for the provinces to act generously in the hope they will respond?

• (1110)

I am concerned about the phrasing in this particular section. It talks about the commitment to Canada's aboriginal peoples which is contained in the Constitution Act of 1982. There is no mention in that reference to the fact that we are talking about aboriginal rights. It suggests that the commitment in the Constitution Act of 1982 was perhaps an act of generosity on the part of the Government of Canada at the time. There is no recognition that what we are dealing with here is a fundamental basic right of the Canadian people.

There is no mention in the Throne Speech of legislation respecting Indian self-government. In the last Parliament, you may recall, Mr. Speaker, the government introduced such legislation. It fell far short of what was required, but at least such legislation was introduced. Now that subject seems to have dropped right off the agenda. I would remind the Government that in the last Parliament there was an all-Party committee. It looked at the entire question of Indian self-government and concluded that the only way in which the problems of the Indian people could be met was through Indian self-government.

It recognized that there were three approaches to Indian self-government, and that all should be followed. First, there was the constitutional entrenchment, about which I have already spoken. Second, there was the bilateral approach where the federal government deals directly with the governments of Indian first nations. Third, there was the legislative approach whereby the federal government would pass enabling legislation. There is no mention of this in the Throne Speech. Unless we begin to deal with this fundamental problem that affects Indian people from one end of Canada to the other, then we are ignoring one of the basic groups within Canadian society.

The speech promised the removal of discriminatory clauses in the Indian Act. Again, this is something that we in our Party welcome, and we look forward to seeing the legislation which the Government will table. This longstanding problem has to be solved. I hope that this Government does not do as the last government did, which was to wait until the last possible moment and then to try to jam through unsatisfactory legislation without giving the committee adequate time for discussion and without giving the Indian people most affected adequate time to make their presentation.

I hope that as the Government deals with discrimination in the Indian Act it will pay attention to what the Indian people say, both to the national Indian organizations and also to the Native Women's Association of Canada.

This past spring the Native Women's Association of Canada and the Assembly of First Nations have reached a certain consensus about how this problem should be approached and addressed. The previous government chose to ignore that consensus. I hope that the present Government is a little more sensitive.

Mr. McDermid: No problem.

Mr. Manly: While the Government talks about developing consensus in some areas, in other areas it is prepared to move ahead on its own without consultation and without consensus. Here, of course, I am talking about cut-backs and increases in taxes which, in effect, are taking money out of our communities and taking money out of circulation, which will have a depressing effect on the economy.

I want to point out that these cut-backs by and large have been motivated by ideology rather than by any clear plan. This was revealed last week on November 13 when the Hon. Member for Winnipeg North Centre (Mr. Keeper) asked the Minister of State for Science and Technology (Mr. Siddon) about cutting the Manufacturing Technology Institute in Winnipeg. When he asked what studies had been done, the Minister replied that there had been no studies of the impact and that the real issue was one of political philosophy. We would like to see political philosophy at least brought into some context with reality.

• (1115)

It is interesting that the book of the Minister of Finance (Mr. Wilson) entitled *A New Direction for Canada* talked about the needs of small businesses. In part it reads:

> Keeping public sector research activities in tune with small firm needs, and the broader issue of rapid technology diffusion in the small business sector, are important subjects for discussion. We must examine the role of government-financed technology centres, and the possibility of industry-wide private-public sector research efforts.

There was no examination of the role of the centre in Winnipeg. It was simply cut.

Studies of the impact of these cuts were conducted for Cabinet. We want to see what those studies indicated in detail. We know they predicted that there would be job loss, but we do not know how much. The Minister of Finance said that it was "statistically insignificant". We would like to see those studies. We would like Canadians to see them so that they could judge for themselves whether or not they were statistically insignificant. We do not believe that they are insignificant, and we challenge the Government to release the studies and let Canadians decide. Last week Informetrica Limited indicated that, as a result of the Government's cut-backs, 50,000 jobs would be lost.

Some cuts primarily concern me. First I refer to the $200 million cut in the unemployment insurance fund through a series of what is euphemistically referred to as intensified interviews. This is a nice sounding phrase, but in practice it means that unemployed people, people on unemployment insurance, will be hassled and hounded from their entitlement by more regulations. Is this part of the Government's new consensus toward which it is working in terms of who will share the benefits and who will share the burdens? It seems to me the result is that the victims of unemployment will be sharing even more of the burden of unemployment.

There is also a cut of $175 million from the Industrial and Regional Development Program. Most of this comes from tier

1 communities. They will no longer be eligible for any assistance for establishing, expanding or modernizing manufacturing facilities. In British Columbia where there is the third highest unemployment rate in Canada, there is only one community designated as tier 3. Half of them are in tier 2 and the other half are in tier 1. We are not receiving our fair share of benefits under the program as it is presently constituted. By cutting back on the benefits available to tier 1, we will be discriminated against in doubly.

Then there is a $7.8 million cut-back from Indian Affairs, $5 million of which comes from capital funds. These funds are needed to help build schools and sewers. Over the last four years our committee looked at this, and representatives from all parties recognized the urgent need of Indian communities for infrastructure, sewers and water systems. We heard representation from one community after another about the need for new school buildings and how we were falling behind in that regard, yet the Government is cutting $5 million from capital funds.

• (1120)

The Government is cutting $400,000 from special needs for Indian communities like emergency assistance for communities after fires. The Government is cutting $350,000 from cultural grants that would go to Indian artists in order to sponsor Indian art displays. It is interesting to note that the Throne Speech merely gives lip service to art. Reading from page 7 of *Hansard*, the Throne Speech indicates:

> As a country rich in human resources, Canada owes much to those who have dedicated themselves to cultural, artistic and athletic endeavour. In a variety of areas, my Government will be addressing itself to the challenge of encouraging those individuals who inspire Canadians to new levels of excellence.

What kind of encouragement is being given to Indian artists when there are these kinds of cut-backs to the funding of Indian art?

Over the last few years, Indian art has been a great expression of the Indian people and has helped them to move toward their rightful place in Canadian society. Art has helped Indians gain a new sense of their own dignity and their own place in the scheme of things. As well, Indian art has given non-Indians a better understanding of Indians. The same is true of Inuit art. We are now cutting back funding that would help further those endeavours. As well, we have seen cut-backs to the funding of other cultural agencies.

The Speech from the Throne does not address some of the vital areas of concern in our economy. Government members have pointed out that the Speech from the Throne is not meant to be a shopping list. That is fair enough. We are not looking for a shopping list. However, I would like to ask government members if forestry is simply one item on a shopping list. We have heard of a great deal of concern about the growing deficit in the financial situation. I would like to ask government members about the growing deficit in timber supply. The Government recognized this deficit during the election campaign and promised immediate action. Where is that action now? Where are the plans to create a full-fledged Forestry Department with its own full Minister? It is not enough for forestry to be a poor cousin of agriculture.

We want to ask, where are the new programs for job creation? Where are the tens of thousands of jobs that were to be created as soon as this new Government was sworn into office?

In conclusion, I would simply like to urge government members to look to the Province of British Columbia with the hope that perhaps they can see the British Columbia experience as being a bad example. My father has said that even the worst of us can serve as a bad example. That is what has occurred in British Columbia today. In July, 1983, the British Columbia Government introduced a program of restraints and cut-backs emphasizing that these cut-backs were not introduced simply for the sake of cutting back but were introduced for the sake of recovery. Yet, since that program has been instituted, the economy has gone downhill. Investor confidence has gone down and unemployment has gone up. Now the deficit is rising.

It has been said by Santayana, I believe, that whoever will not learn from history is destined to repeat it. I hope that the Government is prepared to learn from the history of British Columbia so that all the people of Canada will not be condemned to repeat the tragic history of British Columbia, which has wasted its resources and, in the last year and a half, lost any possibility of recovery. The Government of British Columbia is now beginning to reconsider its approach. I urge the Government of Canada to reconsider its approach and, rather than bringing in cut-backs, bring in a positive program that will create jobs and ensure that the poor people of Canada receive the benefits and not only the burdens of technological change.

Mr. Deputy Speaker: Questions or comments?

• (1125)

Mr. Blenkarn: Mr. Speaker, I was most impressed with the new philosophy of the New Democratic Party. It seems to want to continue giving aid to those tier 1 areas in our country under the DRIE program and to continue the position of the former government of rewarding businesses by paying money out of the public Treasury to businesses that should, because of their location in the most prosperous parts of the country, be able to carry on by themselves. I was wondering if this was a new direction for the New Democratic Party whereby it would hand out more money to businesses—money which is paid to private companies from the Government Treasury—in areas where there is clearly less unemployment and good business activity. Is that the kind of issue that the New Democratic Party will push forward?

Mr. Manly: Mr. Speaker, in response to the question from the Hon. Member, I would like to point out that at the present time British Columbia is not getting its fair share with the way the tier system is set up. British Columbia has the third highest level of unemployment. The Hon. Member for Victoria (Mr. McKinnon), who is a government member, complained

last year about the way the tier designations were set up. He asked how long British Columbia would be required to wait and how high unemployment would have to rise before it received some justice from the program.

If I could cite some figures, 43 out of 46 areas in the Atlantic Provinces have been designated for tier 3 and tier 4. Those tiers receive the maximum benefit. In Quebec, 60 out of 76 areas are in tier 3 and tier 4. As I pointed out, only one out of 29 areas in British Columbia is in tier 3 and none is in tier 4. The rest are in tier 1 and tier 2. If there is a program which will provide help for businesses, it should be going to those areas where there is the highest unemployment. We would like to see the tier designation changed so that it would recognize the real rates of unemployment.

Mr. Deputy Speaker: On a supplementary question, the Hon. Member for Mississauga South (Mr. Blenkarn).

Mr. Blenkarn: Mr. Speaker, I gather that the complaint is not so much against the cut but that the Hon. Member's constituency is not designated as an underprivileged, hard-up area which needs social assistance. I am surprised that the Hon. Member would say that, because it would seem to me that his constituency is in a rather prosperous part of British Columbia where the standard of existence is fairly high and people are reasonably well off. I am wondering if the Hon. Member feels that his constituency is so underprivileged that it should be designated in a tier 3 or tier 4 category?

Mr. Manly: Mr. Speaker, I have pointed out that we are suffering from extremely high unemployment in British Columbia, because the Government of British Columbia is following the same kind of repressive policies that the present Government is adopting. If this Government continues, the entire country will be in a tier 4 situation and will require maximum help.

I would like to see a tier designation system which recognizes the real rate of unemployment and makes help available to areas where there is unemployment and a program of industrial restructuring is required, such as the forest industry in British Columbia. I believe that British Columbia should get its fair share of help, which it is not receiving under the present program.

Mr. McDermid: Mr. Speaker, I have a series of questions which I would like to direct to the Hon. Member. In the last week of the last Parliament the Hon. Member, like I, suffered through some last-minute legislation, which was thrust on us, regarding the removal of discrimination against Indian women in amendments to the Indian Act. I want to ask the Hon. Member if the New Democratic Party supports the Assembly of First Nations and the Indian people at large with respect to their contention that they should have the say as to who should be members of their band?

• (1130)

Mr. Manly: Mr. Speaker, I would like to thank the Hon. Member for his question. I believe that as the consensus between the Native Women's Association and the Assembly of First Nations developed last year, the approach was that the federal Government would have the responsibility for granting Indian status in terms of a general list. People would be eligible for federal Government assistance, but the access to actual membership within Indian bands would be the result of action taken by those bands themselves. I would support that position provided it is in accordance with non-discriminatory rules, so that what is acceptable to men is acceptable to women as well.

Yes, I believe that Indian first nations do have to have some control over their band membership. However, I also believe that the federal Government has a basic responsibility to make funding available to Indian first nations so that they can receive women and their children back into band membership without an increased financial burden.

I hope that when the federal Government introduces this legislation with respect to removing this discrimination, it will not forget that we have an obligation to make funding available so that the entire burden of the change is not put upon the Indian people themselves. It has been said very well that we should not put a dollar tag on justice. That applies to the Indian people as well, that they not hold Indian women up for ransom while waiting until the federal Government pays the appropriate amount of money. They are beginning to recognize that and have moved a long way in that respect, as I am sure the Hon. Member will recognize.

The opposite side of that coin, however, is that we in this House, the federal Government, should not put a dollar tag on justice. We should do everything we can to make sure that the financial resources are available to Indian communities so that they can receive women back into membership without adding to the burden of poverty which, as the Hon. Member knows, is already widespread in most Indian communities.

Mr. Deputy Speaker: The Minister of Fisheries and Oceans (Mr. Fraser) is rising on a question.

Mr. Fraser: I have a comment and a question, Mr. Speaker. With respect to the Hon. Member's remarks regarding forestry, I am sure the Hon. Member would want to point out that it was a Conservative Government in 1979-1980 that raised the level of the Canadian Forest Service by appointing an assistant deputy minister. The object of that exercise, of course, was to move to departmental status, and since September we have established a Ministry of Forestry, which is a dramatic change from the drift which had been taking place within the federal Government mix.

I always appreciate it when my hon. friend from British Columbia keeps pushing for the very legitimate needs of forestry. I commend him for that. However, I know he would want to recognize that this Party, unlike the former government, has recognized forestry and is moving along the lines which the Hon. Member would wish us to move.

I would ask the Hon. Member, first of all, whether he believes that the problem of the deficit must be addressed. Second, if we were to ask the Hon. Member where he would

make the restraint moves which would arrest the rising rate of direct deficit debt and also the very serious problem of the indirect debt, just exactly where would the Hon. Member start?

Mr. Deputy Speaker: Could we have a short answer from the Hon. Member on that question?

Mr. Manly: First of all, Mr. Speaker, I would like to comment on the subject of forestry. I do commend the Government for appointing a Minister of State for Forestry. However, we want to see a full Department which is responsible for forestry instead of its being a poor cousin to the Department of Agriculture and a poor cousin to the Department of the Environment, as it was in the previous government. I believe that forestry, as our number one industry in Canada, deserves a full Department, and I hope the Government will move in that direction very quickly.

With respect to the deficit, of course, we recognize that it is a problem. However, we believe that the fundamental need of Canadians right now is to be put back to work. That is where we thought the Conservatives were going during the election campaign. They were talking about, "jobs, jobs, jobs". They soft-pedalled the deficit. But now we do not hear anything about jobs; we hear about the deficit. We would like to hear a little more from the Government side about jobs.

Mr. Deputy Speaker: The time for comments and questions is now over. We shall resume debate.

Hon. Robert C. Coates (Minister of National Defence): Mr. Speaker, my first comment must be of congratulation to yourself. Just so that the record is clear, I am addressing the Chairman of Committees of the Whole House, commonly known as the Deputy Speaker of the House of Commons. I have known you, Sir, for quite a number of years. I know what a significant role you have played in your province and how you have articulated the concerns and aspirations of your people. I know also of your outstanding achievements in the academic and legal fields. I wish you success, Sir, in your endeavours.

Some Hon. Members: Hear, hear!

Mr. Coates: I would also like to say that I was most impressed by the remark of the mover and seconder in reply to the Speech from the Throne. They are two very different people who happen to sit together in the House of Commons. One Hon. Member is from Montreal, and the other Hon. Member is from Sarnia. Sarnia reflects so well what is possible for Canada from a resource development point of view, and Montreal-Mercier is, in many ways, the end product of that. I happen to be very interested in harness racing and I used to go to Richelieu Raceway. I had to pass through the constituency of that young lady of 23 years of age. I know that the people of Montreal-Mercier are going to be well served by that Hon. Member in the days ahead.

I happen to have a very outstanding constituent in my riding. Sometimes she lives in my constituency and sometimes she does not. She originally came from Springhill. Her name is Anne Murray. She has a very nice cottage compound in the Pugwash area of my constituency and she comes and visits with us. She won an award recently for a song about good news and bad news. Well, Sir, I do not know how anyone else feels on Monday morning, but I could hardly believe the news this morning. As a matter of fact, I could hardly believe the news I have heard over the last few days. First, we have a former Prime Minister, who, when he presided over the Liberal Party, watched it being decimated in the provinces until it reached a point where it did not hold a provincial government anywhere in this country. Second, he turned the Party over to another leader at the eleventh hour and watched him lead the Party to another degree of decimation which is hard to comprehend. We then hear that former Prime Minister announce that maybe if he had continued on as the leader of the Liberal Party, it would have won the election. On top of that, the present critic for external affairs is saying that it is too bad the Liberal Party did not select him. Well, he had every opportunity to be selected. He went to a leadership convention where it was decided that the present Leader was preferable. Then that critic goes on, in the footsteps of the Right Hon. Pierre Trudeau, and says, "If I had been selected, things would have been a lot better for the Liberal Party". All I can say is that with friends like those the Right Hon. Leader of the Opposition has in the Liberal Party, he does not need any enemies.

• (1140)

If that is not bad enough, this outstanding internationalist, who set his Party up for almost total destruction, is telling the present Prime Minister (Mr. Mulroney), who led the Progressive Conservative Party to the greatest victory in the history of this nation with the first national government since 1963 at least, that he had better watch the way he is operating. Well, I think I would prefer to have him advising his former Party than advising us, thank you very much.

We have difficult days ahead, Mr. Speaker. In a very courageous statement, the Minister of Finance (Mr. Wilson) told Canadians how it really is. There is no smoke and there are no mirrors. It is the real thing, and the Canadian people know it. That is why the Liberal Party sits in the House of Commons with over 100 seats less than they had in 1980. Through total fiscal and monetary irresponsibility, they have led this country into the mess we are in at the moment.

The previous speaker said that we are not talking about jobs. Everything we do at this moment in time is geared to jobs because, unless we get deficit reduction in place, there will be no jobs. All of the money that we take from the taxpayers will go to pay interest on monies borrowed in an attempt to maintain the deficit as it increases from the present $180 billion, to something like $400 billion owing. There is nothing we can do until we get that deficit under control. Working together, the Minister of Finance and the President of the Treasury Board (Mr. de Cotret) have given the signal to Canadians that we are going to put our financial house in order. Flowing from that will be the real, long-term jobs that

Canadians aspire to and desire. We are going to ensure that they get them.

The President of the Treasury Board announced a reduction of $154 million in the defence budget. The Liberal Party felt that that was calamitous. The only useful thing that the Liberal Government did from an economic point of view was to reduce the rate of inflation in the country. As a result of that decrease in the rate of inflation and of more realistic purchases by officials in the National Defence Department, a saving of $154 million was effected without interfering in any way with present or future commitments which we have made. Therefore, the Canadian people need not be concerned about the $154 million deficit reduction which was announced by the President of the Treasury Board.

The Speech from the Throne refers to a comprehensive examination of the role of the defence forces in the strategic context of the 1980s. I am happy to say that examination is already under way. I shall be devoting a good deal of my time, as will officials of my Department, to doing what is necessary to ensure that the examination is thorough and that the result is unambiguous. I intend to ask for the co-operation of my colleagues and to draw on the resources of their Departments in this enterprise. That is not all. I shall also be seeking the expert advice and good counsel of individuals and organizations across the country in the pursuit of our objectives. The objective is clear, namely, to clarify the mandate of our military and to give them the resources they need to do their job.

Perhaps, Mr. Speaker, it would be helpful if I were to say a few words about our point of departure in this examination. There may also be some interest in the sort of question which we will be addressing in the preparation of a paper which I would propose to table for discussion early next year, and which the Government will be answering, following discussion, in a white paper on defence.

One thing that I want to make absolutely clear is that the Government will not be approaching this examination as a means of determining how to do less for the collective defence. There is an unfortunate impression abroad that when a government reviews its position on defence, it is seeking ways to do less. That is not the Government's intention. That is not our way. Rather, we intend to determine how best to ensure that Canada does its fair share to preserve peace in freedom. Our aim is to ensure that Canada's Armed Forces are charged with doing what they can do to the greatest effect in the common defence. Our objective for the forces themselves is to ensure that they are then able to do what we ask of them.

On a number of occasions I have had meetings with the Hon. Member for Northumberland-Miramichi (Mr. Jardine). I have had discussions with his Premier and with my officials. We are moving forward to eliminate the problem which exists at this moment in time with regard to Chatham. The Prime Minister made certain commitments prior to and during the election campaign with regard to Chatham. It is my intention to carry through on those commitments.

We should all be proud of the positive role played by our forces in the development of our great nation. We should be proud too of what they are attempting to do to help perserve the way of life that we share with our allies on both sides of the Atlantic.

In the course of the past month I have met with NATO Defence Ministers collectively and individually. In Washington I met with Defense Secretary Weinberger and in London I met with Defense Secretary Heseltine. I received the warmest tributes to the high standards of the Canadian Armed Forces. In all of my meetings with these and other Defence Ministers I affirmed the intention of the Government to maintain those standards, to continue real growth in Canada's defence expenditures, and to give the highest possible priority to increasing the effectiveness of the Canadian Armed Forces in carrying out our commitments within the alliance.

It is against this background of solidarity with our allies and determination to enlarge and improve our co-operation that we shall be conducting the examination of our situation. It is in the light of the need to strengthen our arms in the defence of our values and to strengthen our voice in allied councils that we will be planning for the future. The responsiveness of Canada's defence industrial base in accommodating the production needs of the Canadian forces and those of our allies in times of peace and emergency is a key element of national and collective security.

• (1150)

Interdependence in defence implies and requires interdependence in the economic basis of defence. Therefore, we will want to satisfy ourselves as to the vitality of our partnership with others in bilateral and multilateral defence research, development and production agreements and arrangements.

Beginning on December 3, a briefing team from the Department of Defense in the United States will be travelling across Canada to assist all those who are associated with defence procurement in Canada in finding ways in which they can participate to a greater degree than at the present time in the acquiring of contracts, either prime contracts or subcontracts, with the United States defense establishment firms. That will be of real benefit, not only to our defence industry in Canada, but to our over-all co-operation with the United States.

This is an example of the concrete proposals that flow from the type of meeting that were held with the Prime Minister of Canada and the President of the United States. It is what is called the bread and butter which stems from that type of meeting. It involves the actual jobs that people are talking about which could flow to the various companies in Canada through new defence procurement contracts. It is an indication of our commitment to what we have been proposing.

The agenda for these meetings is as follows: December 3, in Halifax at the Nova Scotian Hotel; December 5, at the Queen Elizabeth Hotel in Montreal; December 7, at the Metropolitan Toronto Conference Centre in Toronto; December 10, in Vancouver at the Harbourside Holiday Inn; December 12, at the Westin Hotel in Calgary; December 13, at the Saskatoon Inn

in Saskatoon; and December 14, at the downtown Holiday Inn in Winnipeg.

These meetings to be held across Canada will give all those in the business who are interested in defence procurement an opportunity to understand fully how they can obtain contracts from the United States to make jobs for Canadian in Canada as part of the over-all commitment between Canada and the United States in the field of defence.

However, we must always remember that industrial capacity and economic strength are only partial and imperfect indicators of our ability to serve the cause of peace and security. Our military worth as a partner and ally in the great enterprise to deter aggression and pursue the goal of arms limitations and control is measured in terms of the strength and effectiveness of our Armed Forces. The strength of our Armed Forces is measured in the men and women who can be deployed and in the quality and quantity of the equipment and supplies they have at any given time for their use.

I worry that in the event of hostilities the Canadian Armed Forces might not be sufficiently manned and equipped to carry out the tasks expected of them. Modern warfare—more particularly the deterrents of actions leading to such warfare—demands well trained personnel and reliable, up to date equipment.

The United States strategic defence initiative will also attract our interest. As Hon. Members know, in March of last year, President Reagan unveiled an initiative which, if successful, would fundamentally change the strategic relationship from one of assured destruction to one of defence assisted assured survival. President Reagan called for people, not weapons, to be protected: weapons, not people, were to be threatened.

Dr. Ikle, the American Under-Secretary of Defense for policy, came to Ottawa two weeks ago to discuss strategic defence with me and officials from my Department. During his visit he gave me a most interesting account of the extensive research program on which the United States Government is now embarked to test the feasibility of ballistic missile defences. It is in the sense that the United States is attempting to remove the nuclear sword of Damocles which hangs over all our heads that this effort should be viewed. In all of its ramifications, it is a program of immense interest to my Department, and to Canada, and it is one which we shall want to follow closely in the years ahead.

The Government is determined to meet its responsibilities to the men and women in the Canadian Armed Forces by providing them with the tools they need to carry out their commitments. We will be examining what further capital investment is required to allow timely replacement of obsolete equipment and installations. But we will not allow this to delay work on the replacement program itself. For example, we are making preparations now to enter into contracts with Canadian industry to carry out design definition studies for a second batch of Canadian patrol frigates. The purpose of these studies is to determine any changes needed to the detailed design for the first batch, and will permit the Government to move on to decisions on proceeding with more new jobs as soon as possible.

Mr. Axworthy: Mr. Speaker, of course, we all listened with rapt attention and interest to the comments of the Minister of National Defence (Mr. Coates), as a Member of longstanding and great experience in the House. We were looking forward to seeing which form of gymnastics he would take to explain the apparent and real contradiction between his comments and those of his colleagues in the economic ministries.

I am sad to say that our expectations were sadly disappointed, because I noticed that the defence used by the Minister was to pass very quickly by that very obvious problem he is facing. That problem is that the commitments which he, the Prime Minister (Mr. Mulroney), and his Party made during the election have been thrown in the face of Canadians and have caused very severe disruption in the planning for the National Defence forces in this country, to say nothing of a major dereliction in the NATO commitments that were made.

I would like the Hon. Minister to speak to some of these contradictions. First, the budget commitment that was made on defence in the last February Budget recommended an expenditure of $9.533 billion on defence in 1985-86. The budget cuts announced by the Minister of Finance (Mr. Wilson) will reduce that to $9.37 billion. It is the first time that there will be less than a real 3 per cent growth in defence commitments to NATO. This is from a Minister, a Prime Minister, a foreign Minister and a Government who crossed the country and went abroad saying to NATO allies, "We will do our part". Yet it is the first time since 1979 that we will fall below that 3 per cent real growth commitment.

I believe that the Minister of National Defence owes the House an explanation of how he could make such bald-faced commitments when he was overseas at NATO meetings when he knew full well the plan for major cuts in the expenditures of his Department and therefore knew that he could not, in any way, shape or form, live up to those commitments.

That is bad enough in itself, but let us look at what the Conservative Party said during the election. At that time the Hon. Minister said that beyond the 3 per cent growth there will be a real growth of 6 per cent in spending. We have seen what has happened.

During the election campaign the Leader of his Party said in Vancouver that he knew that the budget deficit would be $34 million. Meanwhile, he had members of his Party, such as the Hon. Minister of National Defence, making other commitments in other parts of the country. If we were not in the House of Commons, one could simply say that that was leaning away far from the truth.

That is the particular question which is really at the heart of this debate, because we believe that the mandate that was established by the Conservative Party was based on commitments like those made by people such as the Minister of National Defence. He crossed the country saying that they would spend more money to buy new uniforms and equipment and make all these changes. Yet the first major action on

national defence in this country is a substantial reduction in the commitment. While the Minister is going ahead with a $100 million expenditure for new uniforms, at the same time he will be cutting back on equipment procedures. It is quite clear, Mr. Speaker, that that is a commitment on the A-based budget of the Department, so that over the next five years the actual loss of the Department of National Defence will be something like $770 million. It is not a one-time cut. It is an A-based cut which will reduce the floor upon which defence expenditures are made.

• (1200)

Credulity has its limits, but I thought we would have had some kind of apology. As the Prime Minister asked in the House, "When do we get the *mea culpas?*" I want to know when we will get an apology from the Minister of National Defence for having made these commitments in the election campaign before our NATO allies. His Minister of Finance pulled the rug out from under him. All he has left is to go back to his office to dye some uniforms blue. The Canadian forces cannot live up to their commitments in NATO and do not have the kind of equipment to which we have committed ourselves when we were in government.

Miss MacDonald: You have to smile at that.

Mr. Coates: Mr. Speaker, the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) said I have been in the House for quite some time. I have. I have been in the House so long that I remember exactly how his Party emasculated the Armed Forces.

Some Hon. Members: Hear, hear!

Mr. Coates: It does not make any difference how much the Hon. Member talks. When the Hon. Member for Winnipeg-Fort Garry talks about his Party and what it did to the Armed Forces, the best evidence I can give to him is to tell him that 71 per cent of those in the Armed Forces voted for the Progressive Conservative Party.

Mr. Axworthy: They won't next time.

Mr. Coates: Next time that figure will probably be 100 per cent. Uniforms do not cost $100 million. That is the trouble with the Hon. Member's statistics. The Prime Minister said during the election campaign that the uniforms would cost $36 million. The uniforms will cost $36 million.

Mr. Axworthy: We know how much to trust your word.

Mr. Coates: That is the basic information my officials now give me.

We used to have in this House what we called Paul Martin's Bureau of Statistics. That is what the Hon. Member is coming up with again. The Liberals are the same old gang. They do not know anything about defence except that they emasculated it. They had no credibility internationally or anywhere else. We have credibility and we will maintain that credibility. We will carry out our commitments. Long before the Minister of Finance and the President of the Treasury Board came down with their statements, I said to the Canadian people that we would have to carry out the commitments we made to our allies over a longer period of time. I made that statement and I made it very clear. Canadians understand. There may be a delay, for instance, in putting the additional 8,000 people in our Armed Forces in the three-year period—

Mr. Axworthy: Another backing off.

Mr. Coates: —but over the life of this Government, we will get the job done, Mr. Speaker. It is important to go forward, not backward. That is where the Armed Forces were going when the Liberal Party was in office.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Axworthy: May I have a supplementary question, Mr. Speaker?

Mr. Deputy Speaker: The Hon. Member for Brant (Mr. Blackburn) with a short question, please.

Mr. Axworthy: I have a supplementary, Mr. Speaker. This is the new parliamentary democracy, is it?

Mr. Blackburn (Brant): Mr. Speaker, I have a couple of quick questions.

Mr. Axworthy: Muzzling the Opposition.

Some Hon. Members: Oh, oh!

Some Hon. Members: Order!

Mr. Blackburn (Brant): Mr. Speaker, I have a couple of quick questions. The Minister of Finance (Mr. Wilson) has indicated there will be a cut-back of $154 million in the Department of National Defence. In view of the fact that over 80 per cent of our active personnel in the Armed Forces have served in no other uniform than the green uniform, and in view of the fact that there has been virtually no public discussion of this matter of changing uniforms, except perhaps in the naval element, and as my indication is that there is no real push for a change in colour in uniform for the air and ground elements, would the Minister at this time of restraint and cut-backs right across the board reconsider shelving that change of uniform for the time being and using what extra funds he may have to upgrade equipment on the sea, under the sea, on the ground, or in the air rather than spending money on a change of uniform which, at best, is only tokenism? For the past 16 years all three elements have served in the green uniform and every effort has been made to instil and increase support for those green uniforms.

Because in our spending on NATO commitments, on a per capita basis we are second only to the United States, what did the Prime Minister (Mr. Mulroney) mean in the Throne Speech when he said that, "We will now live up to our NATO

commitments"? This spending is extremely high, second to the US, considering our population and our financial resources.

Mr. Deputy Speaker: I would ask the Minister for a short answer, please.

Mr. Coates: I appreciate your concern about time, Mr. Speaker.

Mr. Axworthy: He wants to get out of here because he is so embarrassed.

Mr. Coates: It is Monday morning, obviously. I think I read in the newspaper that the Hon. Member for Brant (Mr. Blackburn) announced, shortly after the government changed and I was appointed Minister of National Defence and said that there would be distinctive uniforms for the elements in the Armed Forces, that he supported that move. Now the Hon. Member is asking me to delay it. I want to give him the assurance that that will not be delayed. We are moving forward with distinctive uniforms for the three elements in the Armed Forces.

Second, I do not know where the Hon. Member's statistics come from, maybe from other members of his Party. I realize that the Hon. Member for Brant is rather supportive of our position in NATO, unlike other members of his Party who are opposed to it and who want us to leave, as with NORAD. I hope the Hon. Member can be a helpful guide to his colleagues as to where they are going. I want to say to the Hon. Member, however, that I do not believe we are second only to the United States in expenditures. Maybe we are second from the bottom.

Mr. Axworthy: You are putting us there.

Mr. Coates: I think maybe only Luxembourg contributes less than Canada. That is the problem with the Liberal Party. They play this Paul Martin statistics game so that Canadians do not really know just exactly where we are. We will see that our commitments to NATO are honoured. As far as I know they are not being honoured at this point.

Mr. Deputy Speaker: The period for questions and comments has now been completed. We shall continue with debate.

Mr. Blackburn (Brant): Mr. Speaker, I rise on a question of privilege.

Mr. Deputy Speaker: The Hon. Member for Brant has a question of privilege.

Mr. Blackburn (Brant): Mr. Speaker, I want to put the record straight. My response to a change in the colour of the uniforms came before the economic statement, not after it.

Miss MacDonald: He said that.

Mr. Deputy Speaker: As the Hon. Member for Brant (Mr. Blackburn) knows, that is not a question of privilege. We shall now resume debate. The Hon. Member for Lethbridge Foothills (Mr. Thacker).

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, the Hon. Member for Brant (Mr. Blackburn) just pointed out very clearly—a surprise to all of us—that there was quite a difference in the country after the economic statement because, for the first time, we had the truth revealed to Canadians so that they knew where this nation was. Changes have to be made. Some things will have to be delayed a few months, but before the end of this Government's term, Hon. Members will have quite a respect for those promises.

Mr. Axworthy: What did you say during the election campaign?

Mr. Thacker: I rise to support the Throne Speech which, as you know, Mr. Speaker, does set some genuine new directions for Canada. It sets forth a process that by April, 1985, will let Canadians know the absolute truth as to what the previous administration, in conjunction with its NDP allies, has done to this country.

Mr. Axworthy: It will be right-wing, reactionary and backwards.

Mr. Thacker: For the first time we have had an element of reality set forth in the Throne Speech that is truly refreshing.

Mr. Axworthy: It is really progressive. All those training programs cut. It is good stuff.

• (1210)

Mr. Thacker: It gives real hope to young people that they too will be able to play an active role in the country. If our predecessors during the 1920s, 1930s or 1940s had done to the nation what the Liberal Party and the New Democratic Party did to the country in the last 15 years, we would not have the wealth, privilege and financial position we experience today. It is because they were prudent in their activities in public life that we have risen to be a powerful nation in the world. This was almost dissipated by the Liberal-NDP coalition. This is why they fill some seven rows across the way, and only seven rows. They were lucky to get that.

Before debating the Throne Speech in greater detail, I should like to congratulate you, the Deputy Chairman of Committees of the Whole House. I know the people of Edmonton North are proud of your accomplishments over many years. You bring great honour not only to yourself and your family but to the people of Edmonton North. I would say the same to the Speaker, the Hon. Member for Don Valley West (Mr. Bosley), and to the Deputy Speaker and Chairman of Committees of the Whole House. I am sure the electorate of Verchères is indeed proud of the high office to which their new Member has acceded. I say the same to the Hon. Member for Sherbrooke (Mr. Charest). It is truly great to see the institution of government having representatives from all across this grand country of ours. Your roles are absolutely indispensable to the public life of our country. It will take much of your time. I know you will not be able to serve your constituents in the same detail as you have before, but I am sure they will understand.

Also I congratulate all new Members sitting in the House today. After they have been here for a few months and a few years, they will come to love the country as you and I do, Mr. Speaker. They will see the great strength and capacity in being a civilized superpower in the world. I am sure they are beginning to appreciate just how difficult it is to be a Member of Parliament in Canada. They are beginning to realize how difficult it is to have two homes and never sure whether they are in one or the other. When they go to the closet to find a suit, they realize that it is in the closet in their riding, or vice versa. I am sure they are beginning to wane somewhat under the strain of long hours. The job of a Member of Parliament involves three or almost four full-time jobs—one being that of an ombudsman who solves many constituency problems. It is virtually a full-time job to be a Member in the House who has to participate in debates and to develop a feel for the life of Parliament, which in itself is a fascinating and exciting place to be. Of course it is a full-time job being a member of your own political Party and forming part of the political process and development of policy within that Party, as well as having to speak to Canadians across the land. Also I am sure they are beginning to appreciate that the number one problem with which we all struggle—and it will always be an ongoing problem—is the attempt to balance very honest and legitimate but different views of people.

When I came rolling in from Lethbridge-Foothills to stand in the caucus and in the House, I pointed out the views of the people in my riding, whether they were on bilingualism, metrication or capital punishment. I found that even members of my own Party, such as Members from Newfoundland, Nova Scotia or Ontario, stood with an entirely different view. I realized that we were coming into a balancing act. There will be harsh words in the House, in our caucuses and among the Parties. However, this Parliament and its committees is the place where the balancing act has to take place. We should do battled here verbally; civilly if we can but we will do battle nonetheless. If we fail here, the people have no recourse but to go into the streets. Of the 160 countries in the world, about 130 have to settle their disputes on the streets without ultimate sovereignty lying with the people. This makes us realize what a fantastic place this is. There are only about 30 countries of the world wherein the true sovereignty lies with the people.

The election of 1984 was an incredible statement in favour of our way of life—true democracy. The people were able to achieve an enormous change. I realize that they were slow to reach the point of anger and that it took a lot, as the previous government showed. For 16 years it was able to fool some of the people all the time and all the people a little of the time. Finally, people realized that their basic sovereighty was a stake if they put the Liberals and the NDP back in for another term. They rose and went to the ballot box.

Mr. Keeper: Mr. Speaker, I rise on a point of order. Would the Hon. Member be willing to correct the facts in what he just said? He said, "if they put the Liberals and the NDP back in" office. The Hon. Member knows quite clearly, while it is his own rhetoric to throw the Liberals and the NDP into the same bed—

The Acting Speaker (Mr. Paproski): I regret to inform the Hon. Member that that is not a point of order.

Mr. Keeper: Stick to the facts.

Mr. Thacker: Again the NDP relies on these little legalisms that it has a separate Party. Canadians themselves know that it was the NDP which put the Liberals back in, that it likes those deficits—

Mr. Hovdebo: Mr. Speaker, I rise on a point of order. The Hon. Member should stick to the truth. The truth is that the New Democratic Party never has been, never will be, and is not in any coalition with the Liberal Party. Consequently, I think the Hon. Member should stick to the truth and stay with that kind of situation.

The Acting Speaker (Mr. Paproski): I regret to say that the Hon. Member should be careful in what he is saying. I bring to his attention that that is debate, not a point of order.

Mr. Keeper: It is a question of truth.

Mr. Thacker: Mr. Speaker, I suppose most mistresses are always annoyed with the position they hold in society. They would rather be the wife, but a mistress they are and a mistress they shall remain, I am afraid.

I would like to set forth my own view. Perhaps it will offer some advice to new Members. I know they are working hard and will continue to do so. During all that hard work, they should continue to see government as a whole. They should sit in the House and learn its fascinating life. More than anything, the Throne Speech set forth that this was a time of reconciliation and reconstruction across the country. In order to achieve this, new Members would be well advised to spend a lot of time travelling, to use those very generous tickets which taxpayers provide. They should go to Newfoundland to get to know the people; they should go out to British Columbia to get to know the people. When they have done so, they will have seen the regions which send colleagues and other Members to the House. I assure them that their love for the country and Canadian people will grow immensely after having seen people in their own environments. Then they will understand what they say.

They will appreciate more and more that when a Member from Newfoundland stands, he or she speaks from the unique and dynamic cultural background which the people of Newfoundland have developed over hundreds of years. Likewise for us from the Prairies because, while we may be only the third generation, there was a great experiment on the Prairies when people came from many countries throughout the world. We were thrown together with different languages and different cultures. Initially we tried to protect our languages and cultures. When faced with a prairie winter, when it was 40 below and the wind was blowing the colour of eyes of your neighbour, their skin or the language they spoke did not

matter. We were locked into a battle against the elements. As a result, we were pulled together into a communal effort. Sons and daughters then naturally fell in love with each other and, as a result, the country was immensely enhanced.

The real advantage of travel is that one can no longer depersonalize the people of another region. When Hon. Members like myself travel home, they hear from a small part of their ridings, that 1 per cent or 2 per cent we call the bigots. It makes us shudder when we realize the extent to which they depersonalize people in other parts of the country. I think Hon. Members will find that their biggest job will be to speak out against the local myths and against that very small part of the population that we call bigots. I find even in my own riding that I am forever attending meetings at which I have to stand up and say: "No, I am sorry, you are simply wrong, my friend. Your view of the people of Ontario is wrong, your view of the people of Newfoundland is wrong". It is important for new Members to have the courage to be able to stand up to their own people and point out that they are wrong. They should have the courage to say: "I have been in other parts of the country. I know the people from Quebec and I know the people from Newfoundland. They are not as you describe them". Members will soon find that they will spend quite a bit of their time doing that.

• (1220)

The Throne Speech is the first of three new major changes in this country. It certainly sets a tone of civility and a tone of national reconstruction both economically and politically. That element of co-operation between the governments will pay off in the long run. The hard truth of the matter is that over the last 15 years, while we as a people and as elected Members have spent so much of our emotional energy and vitality fighting each other, whether it be federal-provincial, Francophone-Anglophone or East-West fights, the rest of the world has been passing us by. When we look now with fresh eyes at the international scene, we find that Asia is coming on strong with its high technology. If we do not get onstream, Mr. Speaker, we will be left behind for many, many years. Our children and grandchildren will not have the future we would want them to have.

The second major change forecast by the Throne Speech was the economic statement. I would like to begin my discussion of that statement by thanking the Minister of Finance (Mr. Wilson) because, for the first time, this country has been faced with an economic statement that is truly honest, truly frank and has the courage to ask the tough questions. The difference between a successful country and an unsuccessful country is that the successful country will face reality. For 15 years, we have been trying to deny the reality of the developing Third World. Third World countries have large populations and their literacy level is rising. These countries want to participate in world affairs and they will participate in world affairs. The previous government simply denied that fact and, as a result, Canadians are now paying the price.

A classic example of this relates to the energy policy. When the OPEC nations put up the price of energy, different countries reacted in different ways. The Liberal régime that was running this country denied that reality and indicated that it would take taxpayers' dollars and continue to subsidize energy so that Canadians would not have to face reality. That indication sent signals to Canadians to continue to buy big cars and to the automobile manufacturing industry to continue to produce big cars. Initially, the same thing happened in the United States. Meanwhile, Japan, Germany and the other countries that followed that price increase turned their best brains to designing new cars that were more efficient and lighter. Eight years later, those countries are selling cars here in Canada and our automobile industry is on the ropes. Finally, we had to face the reality. Energy prices began to rise. Our scientists are just as bright as the scientists in those other countries, and our inventive genius is just as bright as the inventive genius in those other countries. Now North American cars are beginning to compete and will compete more and more.

The basic point I am trying to make is that the Government tried to deny the reality of the world. As a result, Canadians are worse off today. We are having to struggle from behind rather than being a leader. Another example of this deals with research and particularly with research in the agricultural sector. This country was once a world pacesetter and leader in developing new varieties and species of crops. As a result, we became an enormous exporter of those crops. During the last 15 years, however, under the Liberal régime, that research and development has dropped behind. How do we get caught up? We would like to have a plant breeders' rights statute implemented so that people can develop new varieties of crops again. Some Parties and church groups are opposed to the introduction of that statute. This is simply a way of condemning the country to being always behind in research and development. The Government has not put enough money into research and development and will not put enough money into research and development because it is in debt for so many other reasons.

The Minister of Finance performed a truly valuable service to this country. The next period of consultation between the federal and provincial governments and between business and labour will culminate next April in a real budget speech. At that time, the true direction of this country will be set and we will return to creating genuine wealth.

There is no doubt that the primary issue to be dealt with at this moment is the national debt and the deficit. If any of us need any further proof of that, we simply need to look at the statistics of a mere 10 years ago. In 1974-75, 16.6 per cent of our GNP was taken up by the net debt. A mere 10 years later, in 1984-85, that percentage rose from 16.6 per cent to 45.2 per cent of the GNP being taken up by the net debt. That tells us, Mr. Speaker, that the percentage is rising at a geometric rate.

Soon we will be no better off than the Third World countries, because the percentage of the tax revenue that goes to service the debt is the real bottom line issue. What is happening is that more and more of the results of the sweat and toil of our people is being taken off right at the top in order to pay

interest on the debt. This money is being paid to people who already have wealth. The point is, Mr. Speaker, that if you had $1 million, there is no way you would invest it in a plant or business in this country, because you could sit back, lend it to the Government and receive an absolutely guaranteed rate of return with no risk. The rich are becoming fabulously rich.

When looking at the history of Third World countries, we find that often they went through the same process. All of the wealth was being concentrated into very few hands. There was a small group of people with immense wealth and a huge lower class with no wealth at all. That is what is happening in this country, and we must stop that.

I am always struck by the irony of comparing the New Democratic Party with the Progressive Conservative Party. I suspect that proportionately, more people of wealth belong to the PC Party than the NDP. Yet it is members of the PC Party who are saying that this concentration of wealth is wrong. They are saying that we must stop that deficit so that the rich, many of whom are members of the PC Party, cannot continue to become filthy rich. However, members of the NDP who claim to stand up for the poor, the old and disadvantaged are arguing for a larger deficit and do not seem to make the connection that that deficit hurts their people far more, particularly in the longrun, than does facing reality. I have always been struck by that irony.

We tried an experiment 200 years ago. Prior to that, we were all ruled by kings and decisions were made by a small bureaucracy. People were serfs on the land. We then tried a wonderful experiment of letting people own property individually. We let them work hard on their own land so that they could be better off and so that their children could be better off. In that 200 years, we in the western world have created a wealth that is unprecedented. Even the poor in our society today are better off than the kings, queens and monarchs were 250 years ago. Yet we have had an intrusion on that right to property and an instrusion on the right of a person to create a business and do well. Who is leading that challenge against the right to property? It is members of the NPD. When we wanted to have entrenched in the Constitution the right to individual ownership of property, they fought it. The Grits had accepted that amendment on a Friday—

Mr. Blackburn (Brant): The provincial Premiers fought, and they were all Tories. Come on now. Stick to the facts.

Mr. Thacker: Mr. Speaker, we cannot get around the fact that members of the Conservative Party proposed an amendment to the Constitution which Members of the Liberal Party accepted on a Friday. The Leader of the NDP (Mr. Broadbent) rose on Saturday and said that if we wanted his support on the Constitution, we should take out the right to property. Liberal Members returned on Monday and took out the amendment entrenching the right to property—

Mr. Blackburn (Brant): Property rights are provincial.

The Acting Speaker (Mr. Paproski): I regret that the Hon. Member's time has expired. Questions and comments?

• (1230)

Mr. Keeper: Mr. Speaker, the Hon. Member earlier made the claim that the NDP is arguing for larger deficits. We are arguing that the burden should be fairly shared. The economic statement of the Government continues to put the financial burden on moderate and low-income people. If the Hon. Member wants very wealthy Canadians to share in the burden, when is his Government going to take concrete steps and bring in, for example, a minimum income tax, which his Leader indicated during the campaign the Party was interested in doing.

Mr. Thacker: Mr. Speaker, I can assure my hon. colleague opposite that there will be a more fair tax system. As he well knows, the so-called progressive income tax system captures less than 50 per cent of the tax revenues. In actual fact, over 50 per cent of the revenues which flow into the Consolidated Revenue Fund are from sales taxes and direct taxes on people, which is highly regressive and detrimental to the disadvantaged in Canada. Within the progressive income tax system itself, the deductions and exemptions accrue to the benefit of people with vast amounts of wealth, rather than those of moderate incomes. With respect to on this review, I am hoping that the Hon. Member will stand and say that we have to move, for example, in the area of family allowance. People receive direct family allowances, but the income tax system brings back less than 50 per cent of that expenditure, even for the highest wage earners. Perhaps something should be done in that area. If we look at the tax deduction under the Income Tax Act, people who are wealthy receive a reduction of $710, however, poor people cannot receive a deduction because they do not have taxable incomes. Surely we can move in that area. Why can we not have members of the NDP suggesting some of those things? I always hear them arguing against cuts, even the cuts proposed by the President of the Treasury Board (Mr. de Cotret). The NDP is fighting those individual cuts, but we have to start somewhere. I believe that in the document entitled: "A New Direction for Canada", the proper questions have been asked. I would like members of the NDP to respond to that document.

Mr. Langdon: Mr. Speaker, I am provoked into making a small comment, because it happened, as this debate was taking place, that I was reading a background paper from the National Anti-Poverty Organization, which deals with many of the questions the Hon. Member has just raised. If the Hon. Member truly believes that doing away with universality is going to help the poor people in this country, he must deal with the fact that an organization such as NAPO, which represents those people, says that it would, in fact, hurt poor people more. Why is it that a group which stands up for poor people seems to take a contrary view to that of the Hon. Member?

Second, I believe a comment is required on the point raised with respect to the deficit. I think one has to ask the Hon. Member, where does he get the statistics that indicate it is the rich people in Canada who are benefiting from the deficit? As he well knows, the great bulk of the Canadian deficit is

financed through Canada savings bonds. As well, I am sure he knows that there is a limit of $25,000 on individual investments in Canada savings bonds. When we are talking about the deficit, we are talking about a system in which the savings of people, which would otherwise be lost to our society, are recycled through government into expenditures to keep the economy going. In order to make up for that fact, in Canada we have a personal savings rate which is at least 2.5 times that of the U.S. It is a very high savings rate which must be offset by governments in Canada. Without that, the unemployment rate would be significantly higher. As a result, four or five years in the future our deficit would be greater. My analysis and that of my Party about why the economic statement is moving in the wrong direction is not that it tries to reduce the deficit now, but that the actions being taken will lead to a much higher deficit in the future. Justice happened in Britain and the Netherlands when they followed the policy of tax increases and expenditure reductions to deal with their deficits.

Mr. Thacker: Mr. Speaker, with respect to the latter comments made by the Hon. Member, I would like to spend some time with him because they could very well be true. Four years in the future we could be in a worse situation. However, we know that the prior system—in which government borrowings got larger and larger and the government tried to redistribute the savings of Canadians—was not working. The deficit was growing larger and the amount of tax revenue required to service that debt was growing larger.

The real key is jobs. If we can change the climate in the country and improve investment so that rather than buying a Canada savings bond people will buy stocks in a company or invest money in a plant which is manufacturing a product that can be exported, Canadians will then have real jobs rather than temporary jobs. It is a great experiment. There is no guarantee that it will work. But if we can create the proper business climate to obtain investment, plants and jobs, I believe it will work.

With respect to universality, the Hon. Member indicated that he believes universality helps the poor. I do not know how that can be when statistics show that the welfare system benefits people who are richer and the deductions help them rather than the poor. I think the real objection is to the means test, which was brought in at a time when the tax system was not as sophisticated. I believe that it is possible to use the income tax system to redistribute money to people who are genuinely poor, rather than using the means test. I do not want to see my constituents, relatives or friends being required to sit before a bureaucrat to list their assets and debts and to explain how they live. None of us is interested in that. When we speak of getting away from universality, we are not talking about a debilitating and humiliating means test. However, we can use those creative measures which have developed since the 1930s, for example, the income tax system. I am sure, if we were to put our minds together, we could come up with something which would genuinely redistribute wealth to the poor and at the same time provide flexibility and creativity so that the people who want to take a risk will be adequately compensated.

Mr. Foster: Mr. Speaker, the Hon. Member went through a long description of the economic plans of the Government to have massive consultations between the Prime Minister (Mr. Mulroney) and the Premiers, and to have an economic summit. It sounded as though the Government would not be bringing down a budget until late next spring. In the meantime, important commitments were made in the election campaign, especially with respect to the agricultural sector which is facing bankruptcies increasing from something like 400 this year to possibly 1,000 or 1,700 next year. The Conservative Party indicated in the election campaign that it was going to decrease interest rates to current day interest rates; that it was going to establish review boards for young farmers who are facing bankruptcy; and that there would be other initiatives, like those in the United States, where farmers have a "set aside" provision.

• (1240)

Does the Hon. Member really think it is fair to those producers of agriculture that they must wait through this fall, through this winter and perhaps until a budget in the spring until some action is taken? It seems to me there are urgent matters out there, yet there is no legislation on the Order Paper to deal with them. There are commitments made. It is not up to the Opposition to propose legislation; it is up to the Government. I believe the Government should bring in this legislation. It campaigned, on the issue of lowering interest rates, to have review committees. It seems to me that if we move expeditiously now, this legislation could be in place before Christmas to the benefit of the agricultural community which is facing such a difficult time. I would just like to ask the Hon. Member, why does the Government not do that instead of leaving everything until a budget next April or May, or whenever?

Mr. Thacker: Mr. Speaker, I want to assure my hon. friend from Algoma that the Government has moved, is moving, and will continue to move. It will do many things between now and the budget process in April. For example, the very first move of the Minister of Agriculture (Mr. Wise) was to go to Regina and commit the Government to $60 million in order to help the livestock producers who are in trouble because of the drought on the Prairies. That was fast action.

Mr. Axworthy: That was our program, though.

Mr. Foster: That was already approved by the Treasury Board.

Mr. Thacker: But if the Grits had been in power, we cannot be sure it would have happened, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Order. I am sorry but the period for questions and answers has been terminated. Before I recognize the next speaker, there is a question of

privilege from the Hon. Member for Victoria (Mr. McKinnon).

Mr. McKinnon: I intended this to be a point of order, Mr. Speaker. It concerns an interjection by the Hon. Member for Brant (Mr. Blackburn) with respect to Canada's position in NATO and our contributions toward defence. If I heard correctly, the Hon. Member said that Canada, on a per capita basis, was in second place. I believe he was supported by the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) in that outburst. I would ask the Hon. Member if he could be more explicit and tell us where he got his reference. I am looking at *The Military Balance* for 1984-1985, which was received in the parliamentary Library as recently as three weeks ago. It shows the contributions and comparisons of defence expenditures for the nations of NATO. Under the heading "Dollars Per Capita (in American funds)" it shows Canada in tenth place. In total budget, Canada is shown in sixth place. In percentage of government spending, Canada is in ninth place. In percentage of the Gross National Product—

The Acting Speaker (Mr. Paproski): Order. That is not really a point of order. I recognize the Hon. Member for York South-Weston (Mr. Nunziata) as the next speaker.

Mr. John V. Nunziata (York South-Weston): Mr. Speaker, I would like to begin by congratualting you on your appointment as Acting Speaker of the House of Commons. I have been most impressed with your firm deliberations and sense of fairness during the first two weeks of this Parliament. Hon. Members from both sides of this House have cause to be proud of their new Speaker. I wish you every success in discharging your new responsibilities.

May I also take this opportunity to congratulate the "Class of '84", my newly elected fellow Members of Parliament. As has been said, "Blessed are the meek for they shall inherit the earth". My congratulations as well to all of the re-elected Members of the House of Commons.

Before I begin my remarks, I would like to extend my sincerest appreciation to the residents of York South-Weston for their expression of faith in my candidacy and for placing their trust and confidence in me on September 4. I am proud and honoured to be their Member of Parliament. I give to my constituents, Mr. Speaker, my solemn pledge that I will faithfully discharge my responsibilities with integrity, honesty and thoughtfulness. I will devote my full and complete energies to the task of working not only for the best interests of my constituents but for the best interests of Canadians from coast to coast. It has often been said that a Canadian can enjoy no higher honour than to be selected by his fellow citizens to represent them in this House of Commons. I wholeheartedly believe this to be true.

I feel a very special debt of gratitude to all of those who have devoted their time and energy and who have worked so very hard on my election campaign. I am here because of them and I shall always remember and cherish their generosity and friendship. Please permit me as well, Mr. Speaker, to thank some very special people in my life, my family, especially my parents and sisters and brothers, for all their devotion, love and hard work.

I would also like to acknowledge my predecessor, the former Member of Parliament for York South-Weston, Mrs. Ursula Appolloni, who served the riding with distinction for ten years. Her work in Parliament reflected her deep commitment to our country. Many Hon. Members of this House will recall that York South-Weston was represented previous to Mrs. Appolloni by the former Leader of the New Democratic Party, the late David Lewis. There is little I can add to what has been said many times about Mr. Lewis's great contribution to Canada and to Parliament. Suffice it to say that I am honoured to continue the work of two distinguished and dedicated parliamentarians.

I understand it is traditional, Mr. Speaker, for a new Member of Parliament to describe the riding he or she represents for the benefit of Hon. Members. The riding of York South-Weston is an urban riding in the west part of Metropolitan Toronto. It can be described as a multicultural working class riding. The proportion of people who describe their country of origin as being other than British or French comprises 53 per cent of the population of York South-Weston. There is a significant Italian community in my riding of which I am a proud member. In fact, 11,000 of my constituents list Italian as their mother tongue. I might add at this point, Mr. Speaker, that the Canadian-Italian community is honoured to have elected to Parliament six Italian Canadians—five Liberals and a Conservative—the most ever in Canadian political history.

There are many nationalities from every corner of the globe in York South-Weston, including people from Europe, the Middle East, Asia and the sub-continent. There is as well a high proportion of new Canadians. Between 1965 and 1978 some 20,000 individuals from other countries decided to make their home within the boundaries of my riding. These new Canadians work side by side with the native born in companies such as Cooper Sports Equipment, Levy Brothers Machinery, Kodak of Canada, Canada Packers and Pepsi-Cola, to name just a few. Although there are cultural, linguistic and racial differences, both new and old Canadians regard Canada as the land of opportunity. Through their hard work and sacrifice they are determined to build a better life for themselves and their families.

My parents immigrated to Canada in the early 1950s and settled in Revelstoke, British Columbia, which happens to be my home town. For them, indeed, Canada was the land of opportunity. They worked hard, they sacrificed and they built a better life for themselves and for their seven children. Canada gave them the opportunity as it gave it to many other immigrants.

There are also many senior citizens in York South-Weston, people who have made this country what it is today. In our deliberations we must never forget the observation of historian Arnold Toynbee that a society's quality and durability can best be measured "by the respect and care given its elderly citi-

zens". One of the most ennobling duties of government is to ensure that the elderly are accorded the dignity and security they so richly deserve.

As one of the youngest Members of this House, I am a product of the 1960s and 1970s, an era which saw incredible upheaval and change: Vietnam, the "hippie movement", student demonstrations, Watergate, and political assassinations. It was also an era which witnessed a strong undercurrent of idealism. The Kennedys and Martin Luther King challenged humanity with a vision of decency and brotherhood which we have yet to realize. Their dreams must never die and our efforts for a better world must never cease. As John Kennedy said, "We are not here to curse the darkness but to light the candle that can guide us through the darkness to a safe and sane future".

Kennedy once described himself as an idealist without illusions. As part of a new generation of Liberals, I share these sentiments. Liberals understand the power of idealism and that government can and must be used as an instrument for moral progress. Government must be fair and compassionate. It must be quick to respond to the needy in society. It must be the protectorate of our democratic institutions and the advocate of individual rights and freedoms. Caring for the disadvantaged in our society, the sick, the disabled, the poor, the unemployed, the elderly, increasing opportunities for women and our young people and sharing with the less fortunate in our society is the Liberal legacy. This is the tradition of Canadian liberalism, a tradition fostered by Laurier and continued by King, St. Laurent, Pearson, Trudeau and now Turner. It has been this leadership, during this century, that has guided Canada to its place as one of the most humane and decent societies anywhere in the world.

• (1250)

But, Mr. Speaker, Liberals are also realists. We are pragmatists. We are without illusions as to what can and cannot be done by government. We understand that it is the individual who, through initiatives and sacrifice, is the source of our economic strength and the engine of growth. We, as Liberals, fight to correct abuses and injustices within our society. Injustice anywhere is a threat to justice everywhere. We in the Liberal Party, now Her Majesty's Loyal Opposition, intend to live by this philosophy over the course of the Thirty-third Parliament because we are the Party of reform.

The Speech from the Throne that began this Parliament is certainly a most important document. As Hon. Members opposite know only too well, a Conservative Government in this country is a rare bird indeed and one that seldom, if ever, learns to fly. Conservative Throne speeches, as a result, are such rare documents that Canadians had a right to expect much more from this one. Traditionally the Speech from the Throne affords a Government the opportunity to translate its election promises into a blueprint for legislative action.

If the recent Throne Speech is any indication, however, that tradition has suffered a serious setback. The Throne Speech repeated some of the Conservative election promises. It also spoke of re-introducing many important Liberal initiatives from the last Parliament. However, it did not reveal any substantive description of how the Government intends to follow through on its campaign commitments.

I concede the fact that Throne Speeches are, by their very nature, general. But this document is so vague and contains so few specifics, that it truly lacks any substance or depth. Indeed, Mr. Speaker, it gives Canadians a very poor reference point from which to judge Tory promises against Tory action. Tory action to date is diametrically opposed to Tory election promises. The Tories made many promises during the election campaign, a number of which were irresponsible, in my view.

There were to be tens of thousands of jobs just as soon as a new government was sworn in. Where are they? We are still waiting. There was to be an open and accessible government. Where is it? It is nowhere to be found. They promised hope to our young people. Instead, they exacerbated the despair and snuffed any light of hope that existed. The list of broken promises goes on and on.

It will soon become abundantly clear as the honeymoon fades that the Tories have hoodwinked the Canadian electorate. Canadians have been seriously jilted by the Conservative Party, and I would submit, Mr. Speaker, with fraudulent intent. In their thirst for power the Tories were either innocently naive or deliberately dishonest with Canadians. Is it any wonder, Mr. Speaker, that the integrity of politicians is so often called into question?

The Throne Speech is virtually silent on how the Government actually intends to pursue solutions to Canada's problems. We are promised consultations, studies, task forces, talk and more talk, when what we need is action.

It is obvious from the Throne Speech that the Tories really do not know what they are doing. They really do not know what to do about our greatest problem, namely unemployment. Astonishingly, one of their first acts as a government was an economic statement that will have the effect of increasing, not decreasing, the unemployment roles. The Government must address the tragedy of unemployment and must do so quickly. The unemployed cannot wait for the off chance that the private sector will create much-needed jobs.

The Conservatives have put their blind faith in the free enterprise system and in the private sector creating jobs. Let us not forget that business is in business to create profit, not jobs. A corporation has no moral conscience to create jobs. It has no obligation to our unemployed. But government must and does have an obligation toward those who want to work but cannot.

Government is in business for people. We are not running a railroad. Government is not judged by its balance sheet, but rather by the way it treats its people, by the way it cares, and by its sense of justice. The Tory paranoia and pre-occupation with the deficit will only serve to create more serious hardships for those who have already suffered and for those who are less able to care for themselves. I agree, Mr. Speaker, that the Government must be fiscally responsible, but let it not be

morally irresponsible. Let us manage the deficit; let us not have the deficit manage us.

The question of unemployment and what the Government has done so far leads naturally into a further discussion of broken promises. One promise that tops the broken promises list and goes right to the heart of the new Government's credibility is the promise of open government. The Tory election campaign handbook says, "We will run an open, honest and accountable national Government". It adds that a new Tory Government would be "open to public scrutiny". The handbook says that Liberals have denied Canadians legitimate access to Government. It says that the Liberal Party has refused to release Government information, and it reports that Liberals have restricted access to Government records despite freedom of information legislation.

This Parliament is not yet three weeks old and already the Secretary of State for External Affairs (Mr. Clark) has publicly repudiated directions he had issued for open government when he was Prime Minister. A severe and totally unwarranted muzzle has been placed on public servants in their dealings with the press. The Deputy Prime Minister (Mr. Nielsen) has warned colleagues that if they talk to journalists, their jobs could be in danger. Ministers' staffs are not responding to legitimate questions from reporters. There have been thwarted moves to suppress news releases from private organizations. If this is the "New Ottawa", I will take the old one any day. Parliament is truly becoming Orwell's *Animal Farm* under the Conservative Government.

Let us look at some of the other promises. During the election campaign the Prime Minister constantly praised Liberal social programs and medicare, calling them "a sacred trust" and pledging never to tamper with the concept of universality. Within days of this Parliament's opening, the backtracking started. Now he says all programs are under review.

The deficit is another case in point. During the election campaign, in August as a matter of fact, the Prime Minister said that the deficit was not an overriding priority. Because of the need to create jobs quickly, he could envision some increase in the deficit. Then he reversed himself in the Throne Speech by saying that an immediate and substantial cut would have to be made in the deficit in order to produce jobs. Now he is saying, based on a speech given in Toronto last week, that even if the deficit is cut, unemployment will remain high.

The question of broken promises is an important one, especially concerning the economy, but an even more important question was raised by an economic analyst in a recent column when he asked, "Does the Mulroney Government really know what it is doing?" I will leave that judgment to the Canadian public, Mr. Speaker.

Let us look at some of the other promises. In October the Secretary of State for External Affairs, repeating a campaign pledge, said at the United Nations that our Government intends to maintain Canada's commitment to reach by 1990 7 per cent of the Gross National Product in official development assistance. Several weeks thereafter, the Minister of Finance (Mr. Wilson) embarrassed the Secretary of State for External Affairs, and embarrassed Canada, by saying that the commitment made by Mr. Clark would have to be deferred until 1995. This Government's right hand does not know what its other right hand is doing, Mr. Speaker.

What about some of the other election promises? During the election campaign the Tories cried crocodile tears for the unemployed youth of the country. In *Pocket Politics*, their campaign bible, the Tories said, "We believe that all levels of government and the private sector face a major task in resolving the tragic youth unemployment situation".

The Acting Speaker (Mr. Paproski): It being one o'clock, I do now leave the chair until two o'clock.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

SPORTS

CANADIAN FOOTBALL LEAGUE—1984 GREY CUP GAME—A HAMILTON VIEWPOINT

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, Sunday afternoon was a time of mixed emotions. For 15 somewhat euphoric minutes, the Tiger Cats of Hamilton outmuscled, outclassed, and outplayed the Winnipeg Blue Bombers. Oh, that football were a 15-minute exercise! What was by any standard a glorious event, with the passage of time turned into a bit of a nightmare for some, but not all.

As the voices of the stout hearts from Hamilton grew silent, the exuberance of the Winnipeg faithful grew in intensity. The best of the West drove on and in, pushing aside the protesting warriors from the East, until at last, with one final blast, it ended.

After 22 years I suppose we in the steel city must steel ourselves, smile a bit bravely, pretend it does not hurt, and recall, as some sort of solace, that it is only a game. We want to congratulate, of course, the winners from Winnipeg, and say with as much conviction as possible—

Mr. Speaker: Up until now we have been well within form, but when we get to congratulations we are leaving the form of statements under Standing Order 21.

Mr. Deans: Mr. Speaker, I want to say that I almost had to put that in. I want to say to the winners in Winnipeg: "Wait until next year!", and to Harold Ballard: "On with the Maple Leafs!"

NATIONAL REVENUE

CANCELLATION OF NORTH YORK TAX CENTRE PROJECT

Mr. Sergio Marchi (York West): Mr. Speaker, in the Government's great urge to cut, cut, cut, it has once again forgotten about people needs and people concerns.

Just recently the Government announced the cancellation of a $58 million tax centre to be built in the city of North York. Government representatives were quoted as saying that it was part of a move to trim the construction budget. Well, it appeared that they used a machete to do their trimming.

This unfortunate trim means that the City of North York will lose $1 million in tax revenues. It will mean a loss of 3,000 jobs, 1,000 full-time and 2,000 part-time. It will also mean a loss of hundreds upon hundreds of jobs that would have been created in the construction sector. It means the loss for North York citizens of the many services that were to be theirs. The City had approved the rezoning of the 20-acre, 42,000 square foot complex. Everything was in place. However, in one fell swoop we lost jobs, services, and civic pride.

This is the sad reflection of an insensitive, unilateral, job losing cut-back that looks only at statistics rather than to the people behind those statistics.

I therefore ask the Minister of National Revenue (Mr. Beatty) to reverse this unfortunate decision and give credibility to the expectations that he created for the Department of Revenue when he was in opposition.

* * *

CAPITAL PUNISHMENT

CALL FOR FREE VOTE ON RESTORATION

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, in light of yet another police killing in Ontario last week, how long can we as legislators ignore this horror? Constable Miller's funeral is probably being held this very minute in Matheson, Ontario.

Are we behind our law enforcement officers, or not? Parliamentary waffling on this issue is a vote of non confidence for Canadian policemen. They spend every waking hour protecting us, yet we refuse to reciprocate.

Murder statistics in this country would be much higher were it not for great advances in medicine over recent years. In order to get a true picture of the occurrence of such crimes we must look closely at attempted murder statistics as well.

I am aware that there are two private Members' Bills in the works which advocate capital punishment. Instead, the Government should introduce a Bill allowing a free vote in the near future. This matter is far too important to put on the backburner.

I believe calling for a vote is a direct reflection of the public sentiment which is, after all, our mandate. Any confidence that we can give our policemen should be granted immediately. If the reconstitution of capital punishment saves the life of just one policeman, we shall have fulfilled our duties as elected officials. We must end this political delinquence now.

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ENVIRONMENTAL AFFAIRS

CANADIAN WILDLIFE SERVICE—EFFECT OF BUDGETARY CUT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, among those affected by the cuts announced by the Government are 84 people who will lose their jobs in the Canadian Wildlife Service, which employs 384 across the nation. This means a cut of almost 25 per cent. They are highly trained biologists, technicians, and office workers.

If these jobs are terminated next spring, urgent work on the environment will be abandoned. The affected projects include the study of toxics in the Great Lakes, the tracing of toxic contamination in gull eggs, the tracing of many forms of toxic contamination in wildlife habitat, the management of endangered species, the tracking of the movement of wildlife by way of radio collars, the effects of budworm spray on wildlife and songbirds, and many other projects. Does the Government expect these people to find employment within provincial government wildlife services and, if not, does it expect them to find employment abroad?

* * *

INDUSTRY

FIVE-YEAR FOOTWEAR IMPORT RESTRAINT PROGRAM ADVOCATED

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, for some time the Canadian footwear industry has been consistently seeking a comprehensive and effective period of import relief to allow it the time to invest in new emerging technologies. Consequently, reliable restraints on footwear imports will be needed for a full five-year period if the Canadian industry is to survive as a productive and efficient industry fulfilling its potential to maintain Canadian jobs.

The restraint programs since 1980 have all been for short periods, and very spasmodic. For example, there has been a temporary termination of the leather footwear quota for one year, followed by its restoration for two and one-half years, and now a 16-month extension. These periods have seriously impeded the progress of the footwear manufacturing industry when viewed in the context of the investment process.

The industry is looking for something that is tangible and concrete—a period of reliable footwear import restraint. Therefore I call upon the Government to address itself to this serious problem, and make a positive decision which would significantly help safeguard the thousands of jobs in the Canadian footwear industry which are now in danger of being lost.

S.O. 21

SOCIAL SECURITY

UNIVERSALITY—POSITIONS OF LIBERAL AND PROGRESSIVE CONSERVATIVE PARTIES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, it should come as no surprise that Liberal Leader John Turner is flip-flopping on universality. In an interview on CTV's *Question Period* he stated: "The Liberal Party could rethink its commitment to universal social programs". Meanwhile, the Liberal health and welfare critic, Douglas Frith, was overheard on *The Nation's Business* pledging the Liberal Party to safeguard the universality of social programs at all costs.

Can the Liberals really believe it possible to take both sides on this crucial issue at the same time? Perhaps Turner's true blue colours are showing and he is envious of the accolades that the Prime Minister (Mr. Mulroney) is reaping from mutual friends on Bay Street. Is it the Tweedledee and Tweedledum syndrome?

On the other hand, our new Conservative Prime Minister has been taking lessons in Liberal obfuscation. He is unwilling to deal honestly with the issues of universality, which are twofold. First, Canadians, including middle income Canadians, regard universal social programs as a right, not a charity. Second, sharing the cost of universality requires not just tinkering but a major reform of the income tax system so that the rich pay their fair share.

● (1410)

Obviously the Bay Street boys have both been studying Frank Scott's poem about MacKenzie King:

The height of his ambition
Was to pile a Parliamentary
Committee on a Royal Commission;
to have "conscription if necessary
But not necessarily conscription"—

Mr. Speaker: Before I recognize the Hon. Member for Scarborough Centre (Mrs. Browes) may I remind Members of the practice in this House to refer to other Members by constituency and not by name. We are developing an unhappy new tradition of using names.

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LABOUR CONDITIONS

PLIGHT OF THE OLDER UNEMPLOYED

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, I rise on a matter of grave concern to the people of Canada. Last Friday I was in my constituency office in Scarborough Centre and I met a gentleman aged 51, who recently lost his job. He told me of the anguish and frustration that he and his family are going through. He told me of his mortagage payments and his son's university tuition that he can no longer pay. He told me of his long, lost days searching for work, only to be turned away because of his age.

This gentleman is one of 138,000 unemployed Canadians between the ages of 45 and 55. I urge the Government to take action on this segment of the unemployed. While I applaud the current efforts to assist unemployed youth, we can never forget the vast number of older unemployed people who find it much harder to find work because of their age.

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[*Translation*]

ADMINISTRATION OF JUSTICE

REQUEST THAT MARIJUANA POSSESSION BE STUDIED AT NOVEMBER CONFERENCE

Hon. Jean Lapierre (Shefford): Mr. Speaker, today, a well-known Canadian citizen is appearing in criminal court for simple possession of marijuana. Let this case be a reminder to us of the thousands of Canadian citizens who have been forced to suffer the same treatment because of outdated legislation that makes this House look like the proverbial ostrich. I would therefore ask the Minister of Justice (Mr. Crosbie) to put possession of marijuana on the agenda of the Federal-Provincial Conference on the Criminal Code, to be held on November 22nd and 23rd this year, and give Canada legislation that will bring it in step with the eighties.

* * *

[*English*]

THE CENSUS

CONSEQUENCES OF CANCELLING 1986 CENSUS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, many Members are concerned with the Government's announcement abolishing the 1986 census. Apart from the many other issues that have been raised in the past is the question of lost jobs. Some 40,000 part-time jobs will be lost through cancelling the 1986 census, or approximately 5,800 person year equivalents.

The 1986 census was to cost $149 million and it had been in the planning stages for two years. Consultations have been held with several groups since 1982, including provincial Governments, ten federal Departments, academics, and business people. This census would have resulted in several new questions being asked, specifically on ethnic minorities and disabled people. The Government will not be able to institute any new affirmative action programs without the results of the census. This census should be re-instated immediately. the Minister of Finance (Mr. Wilson) should change his plan to cancel the census, which cancellation some people have qualified in the last week as criminal.

SPORTS

CANADIAN FOOTBALL LEAGUE—1984 GREY CUP GAME—A WINNIPEG VIEWPOINT

Mr. George Minaker (Winnipeg-Saint James): Mr. Speaker, I rise to report that we have had an end to a 22-year drought in our region in Manitoba, specifically Winnipeg.

Some Hon. Members: Hear, hear!

Mr. Minaker: We were concerned in the first 15 minutes of that special occasion on Sunday when we spotted some 14 points to our eastern friends, but like good western lads we dug in our heels and showed that we did not want once again to be the best man rather than the groom. Our drought came to an end. I know, Mr. Speaker, that if I were allowed to congratulate the Winnipeg Blue Bombers I would do so, but, knowing that I cannot, I will not.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Speaker: I applaud the Hon. Member on his learning curve.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

ORAL QUESTION PERIOD

[*English*]

SOCIAL SECURITY

PROPOSED REVIEW OF SYSTEM

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, my question is for the Prime Minister. The Prime Minister has told us through an interview with *The Toronto Star*, and I might add we are pleased that somebody over there is allowed to speak to the press, that any savings that might be derived from a review of family allowance and old age security would be applied to help the neediest members of our society and would, I believe I quote accurately, "absolutely not be used to reduce the deficit." I must say we are very pleased the Prime Minister made that statement. We are also pleased that he went on to say—

Mr. Lewis: Question.

Mr. Johnston: —that medicare would not be subject to that review. Would the Prime Minister here in this House confirm that commitment for us? Will he also confirm that the review will not tamper with the transfer of payments to the provinces for post-secondary education, so necessary, and for Canada Assistance Plan payments, so that these constituencies can proceed with the certainty of their sources of financing?

Mr. Crosbie: In other words, don't do what you did.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, inasmuch as the previous Government unilaterally tampered, without consultation, with those kinds of programs, I want to give the Hon. Member the assurance that we will not repeat his sin in that regard. The Hon. Member so disturbed members of his Party and the Canadian public with his remarkable statements about doing away with universality and other things, during his Party's leadership campaign, that I felt it appropriate to put it right on the record that we are interested in helping those people who genuinely need help in our society, and that is what we are going to do.

Some Hon. Members: Hear, hear!

Mr. Johnston: I think we are all pleased if that is to be taken as a confirmation, Mr. Speaker. With respect to some of the other gratuitous and unfounded remarks, I think I should reply in another forum, because I am not the recipient of questions but the poser of questions.

* * *

FINANCE

REDUCTIONS IN GOVERNMENT EXPENDITURES

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, my question now is for the Minister of Finance. He has told us in his economic statement that he intends to reduce projected levels of expenditure by $10 billion to $15 billion by the end of the decade. We have heard from the Prime Minister that certain areas have been circumscribed as a sacred trust. We also know that defence is to be increased and foreign aid will not be decreased, and so on. Without raising taxes, which the Minister of Finance has told us is not the way to go, and with these areas which are protected, where does he see, in general terms, not in specific terms, his being able to obtain cuts in the order of magnitude of $10 billion to $15 billion before the end of this decade?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if the Hon. Member would look at the agenda paper it would be quite clear to him that in chapter 4 there is a very good statement on the broad range of programs that we can consider, and the broad range would be addressing a number of specific areas. I want to assure the Hon. Member that the whole question of deficit reduction is not going to be met just simply by cutting expenditures. There is a very important common element of economic growth which will be directed to reducing the deficit, and that is going to be a very important part of the policy of this Government.

GOVERNMENT DEFICIT—DEPARTMENTAL PROJECTIONS

Mr. Speaker: Final supplementary.

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I would also be pleased, as members of my Party

would, and of this caucus, if there were some evidence of the projected economic growth. The 3.4 per cent which was seen to the end of the decade—

Mr. Speaker: Order, please. I rise with great respect to say to the Hon. Member that if I do not cut off preambles on a third supplementary question, I will be in some difficulty cutting off preambles on others later in the Question Period. I would ask him, as a leader of the House, to put his question.

● (1420)

Mr. Johnston: Mr. Speaker, could the Minister produce and table in the House before the end of this week—he did not do this with respect to jobs—for public scrutiny, the underlying assumptions with respect to the economic analysis of his Department which justify a discrepancy of $9 billion between the February projections and the November projections as early as the year 1985-86? Indeed, this would go a long way toward achieving a deficit reduction of $10 billion by the end of the decade. I think it important that that data be tabled in the House for public scrutiny at the earliest possible date.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if the Hon. Member will look at my statement and at the agenda paper, all the information is clearly there. The assumptions are there, and there is a reconciliation between the February figures and the November figures. I said to the Leader of the Opposition that I would be happy to appear, and to have my officials appear before a committee of the House to discuss this, provided, of course, that he also gave the officials the freedom to table and to explain the assumptions and figures which were given to him in July when he became Prime Minister.

Mr. Johnston: Table them.

* * *

GOVERNMENT OF CANADA

COMPOSITION OF PROGRAM REVIEW ADVISORY COMMITTEE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. Last Friday his colleague, the Deputy Prime Minister, issued a news release in which he set forth the names of an advisory committee to aid him in the Task Force on Program Review. That committee was to advise and participate in the over-all review of government programs. I want to commend the eminently qualified committee members, and those organizations mentioned, for having provided private sector input to the Government.

While the individuals appointed are of high calibre, this extremely blue chip committee is not representative of our country. Would the Prime Minister explain why this powerful committee has no female member, no Francophone, no representative of any organization representing students, senior citizens, farmers, native people, the disabled, the environment, or the arts? Indeed, except for one member, all members of the committee have been chosen from Montreal, Ottawa, and Toronto; there is not one westerner on it.

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, since this question—

Mr. Gauthier: Look at that.

Mr. Blackburn (Brant): Have you cleared it with yourself?

Mr. Nielsen: —concerns a responsibility the Prime Minister has devolved upon me, I make so bold as to answer it. Unlike the approach of the previous Government—the process of handpicking and selecting only those who will be favourable to government and produce reports that government wants and likes—we have gone the democratic way and have invited nine nationally based organizations thus far to participate in the work of the Task Force on Program Review. Those organizations themselves, including the CFL and CLC, which I am sure will be delighted to learn that the Leader of the Opposition refers to them as blue chip organizations, selected their own designates to sit on the advisory committee, and they themselves selected their own chairman. The building is far from complete, but because there are some, for whatever reason, in the country who believe that we should be more forthcoming with information, last Friday's press release was an effort to bring the Opposition and the people of Canada up to speed on the progress we have been making thus far. The dimensions which the Leader of the Opposition mentioned will be eventually included.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I am glad that we flushed the bird out of his cover. I am also glad that we have his undertaking that this committee, representative of big business, labour, and the independent business organization, will be broadened to include the group I mentioned.

REQUEST THAT ADVISORY GROUP APPEAR BEFORE PARLIAMENTARY COMMITTEE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, could the Deputy Prime Minister assure the House that the committee will be allowed, after checking with him, to appear before the appropriate parliamentary committee, so that Hon. Members of the House could have the benefit of the factors upon which the advice is rendered and will have a public revelation of what the committee gives by way of advice to the Deputy Prime Minister?

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, that very interesting and constructive suggestion of the Leader of the Opposition will be taken under consideration.

THE ECONOMY

ECONOMIC STATEMENT—EMPLOYMENT AND UNEMPLOYMENT PROJECTIONS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also directed to the Prime Minister. The Government announced its targets for deficit reduction in its economic statement but continues to keep secret the impact and the effects of its statement on the numbers of persons who will lose their jobs due to it.

Is the Prime Minister now prepared to provide for the House of Commons the projected targets, both in terms of job creation and in terms of unemployment reduction, which the Government has set in order to provide the necessary jobs for the 1.5 million people who are presently unemployed and for the other 50,000—or however many there are—who will become unemployed as a result of the economic direction the Government is taking?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Minister gave the main thrusts in his economic statement. I think the Hon. Member would agree that the first action which we took was but one variable that will come together with a series of others pursuant to consultations with trade unions, the private sector, and the provinces. The full budgetary documents that will be brought down by the Minister in the spring, which will be the first full opportunity we will have to deal with the kinds of specifics the Hon. Member wishes, will be made available at that time.

JOB CREATION—GOVERNMENT POLICY

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, the Prime Minister said that at some time in the spring the analysis might well be completed and that he, or the Government, will be prepared to make the targets known. The problem is that we have about 1.5 million people who are unemployed. The Prime Minister said during the campaign that he and his Government, if elected, would be able to create tens of thousands of jobs. I ask the Prime Minister on behalf of those people, many of whom do not collect unemployment insurance or do not qualify for public assistance, when they can expect to see the benefits of the program which the Prime Minister touted around the country as being the way toward an economic Utopia.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I never at any time suggested that there would be an economic Utopia. I indicated across the country that the new Government would be confronted with grave economic problems, and that was true. However, in point of fact, since the election and the swearing in of the new Government, even though the improvements have been modest they are there—32,000 new jobs were created, interest rates have dropped to record levels, and inflation is at a record low. Those are the beginnings of the kinds of things which can be accomplished by working together.

Presence in Gallery

GOVERNMENT POSITION

Mr. Ian Deans (Hamilton Mountain): At the rate of 32,000 jobs per month, it would take the better part of five years to achieve the numbers of jobs we might require to meet the existing numbers of unemployed persons. Does the Prime Minister suggest to those 1.5 million people that they must wait until after the next election in order to see the jobs necessary for them to find work?

• (1430)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have made no such suggestion, and the Hon. Member knows that is—

Mr. Deans: At 32,000 a month.

Mr. Mulroney: If the Hon. Member will accept 32,000 a month, for openers that would be pretty good. Let me put it this way. It is 32,000 people, 32,000 heads of households who are back at work today who were not at work when we came in, and that is a major accomplishment. As a Member of this House, he should be proud of it.

Some Hon. Members: Hear, hear!

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF DISTINGUISHED VISITORS

Mr. Speaker: I would like to advise the House that we have a number of visitors in our Gallery today, including the Hon. Gordon Dirks, Minister of Social Services for the Province of Saskatchewan—

Some Hon. Members: Hear, hear!

Mr. Speaker: —the new Commander-in-Chief of Norad, General Robert T. Herres—

Some Hon. Members: Hear, hear!

Mr. Speaker: —and, dear to my heart, the members of the Canadian National Culinary Team, winners of the World Championship of the Nations.

Some Hon. Members: Hear, hear!

Mr. Benjamin: Send them to the Parliamentary Restaurant.

Mr. Speaker: The comment about the Parliamentary Restaurant was heard.

Oral Questions

NATIONAL DEFENCE

IMPACT OF ECONOMIC STATEMENT

Mr. Leonard Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, my question is directed to the Minister of National Defence. First, through you, Mr. Speaker, I would like to take this opportunity to congratulate the Hon. Member for Cumberland-Colchester on his appointment as Minister of National Defence. I would also like to offer my condolences to him because of the ambush job that the Minister of Finance did on him in his economic statement.

The Minister of National Defence has been quoted as saying that if the money is not there to keep the promises that the Conservative Party made to the Canadian Armed Forces and the Canadian people during the last election campaign, then it will have to be found. I appreciate that statement. I will back him up 100 per cent on that. How does the Minister explain the announcement in the economic statement by the Minister of Finance that the Defence budget will be cut by $154 million, while at the same time saying that Canada's commitment to NATO can be maintained, particularly at a time when he and his colleagues have been saying over and over again that Canada's commitment to NATO is not being maintained?

Hon. Robert C. Coates (Minister of National Defence): Mr. Speaker, I wish to say to the Hon. Member for Renfrew-Nipissing-Pembroke how pleased I am that he among his colleagues was selected to be the critic for National Defence. He has had a continuing commitment to our defence forces, even though he has represented a Party that forgot its commitments over and over again. I want to give him the assurance, as I did in my speech this morning, that the so-called cuts in the Defence budget were indications of a reduction in the costs of purchasing equipment because the rate of inflation came down, the only achievement that his people had anything to do with during the four years they were there. We will move forward on the commitment we have given to the Canadian people in relation to our commitments to both NORAD and NATO. He can rest assured that, by the time this Government has completed its first term in office, everybody in the world will understand that Canadians keep their commitments to their defence alliances.

Some Hon. Members: Hear, hear!

CANADIAN COMMITMENT TO NATO

Mr. Leonard Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I have a supplementary question. I appreciate the Minister's remarks about me. It was the type of answer that I expected him to come forward with at this time.

Mr. Speaker: No, no. Question please.

Mr. Hopkins: How does the Minister justify the statement in the Expenditure and Program Review document by the President of the Treasury Board which states that "these savings can be realized while maintaining Canada's commitment to NATO"? Surely their own government document infers that Canada has been keeping its commitment to NATO all along, while the Conservative Party statements have been to the contrary. There is a conflict between the Minister and the President of the Treasury Board. Will he explain that to us?

Hon. Robert C. Coates (Minister of National Defence): Mr. Speaker, I will be pleased to explain it to the Hon. Member. If he will read the speech I gave in the House this morning, he will find the explanation. I was subjected to questioning by the Member for Winnipeg-Fort Garry, who is a rather new Member of this House and does not realize how the former Government emasculated our commitments to NATO and NORAD. We are putting them back together at this time.

* * *

INDUSTRIAL AND REGIONAL DEVELOPMENT PROGRAM

LEVEL OF FUNDING

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, since the Government will not release what the Finance Department's economic model shows will result from its cuts, I have a question for the Minister of Regional Industrial Expansion with respect to one program which has been cut. The Industrial and Regional Development program has had $525 million in cuts. We estimate that they will result in 41 per cent of the grants that would have been given in the first nine months not being possible. Is the Government aware that one consequence of these $525 million in cuts will be 55,000 jobs lost to Canadians? Will the Minister release any studies which were carried out on which his decision to change the categories in this program was based? Canadians have a right to know why these changes were made.

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member, and as this is the first opportunity I have had to do so, I congratulate him on his new role as critic of my Department. I can only add, in response directly to his question, in which he refers to 55,000 jobs being lost, that the facts are that we are expending under IRDP grants in the coming year 35 per cent more than in the current year. Only a socialist could reason that that means a loss of jobs in Canada.

Some Hon. Members: Hear, hear!

Mr. Langdon: I am perhaps a socialist, but I am also a mathematician. The Minister indicated in his statement that he was cutting the amount for that program by 35 per cent. Either the cuts are real, in which case it is $175 million less—

Mr. Speaker: Order. With great respect, does the Hon. Member have a supplementary question?

CONSULTATION QUERY

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my supplementary question is directed to the same Minister. His Government has promised to consult Canadians with respect to key policy changes. Will he inform the House which Canadians he consulted with respect to these cuts which will affect so many communities across the country?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member's question, it is a contradiction of fact to state that a mathematician can be a socialist.

Some Hon. Members: Oh, oh!

Mr. Blackburn (Brant): What about Bertrand Russell?

Mr. Speaker: Order, please. Would the Minister like to answer the question?

Mr. Stevens: In direct response to the Hon. Member's supplementary, he indicated that I had said there was a 35 per cent reduction in the funding. It is a 35 per cent increase in the funding next year compared to this year. In my book, that will help create jobs for Canadians.

* * *

VIA RAIL

AGE OF LOCOMOTIVES—GOVERNMENT PLANS

Mr. Alan Redway (York East): Mr. Speaker, in the absence of the Minister of Transport I will direct my question to the Minister of State for Transport. In view of the fact that the Canadian Transport Commission's report of the inquiry into the on-time performance of VIA Rail has indicated that no other railway in the industrialized world entrusts mainline services to a fleet of locomotives as old, outdated and obsolete as VIA does; in view of the fact that VIA lost some one million passengers between the years 1982 and 1983; and in view of the fact that in spite of the recent reductions and cuts we are still subsidizing VIA to the extent of $600 million per year, will the Minister tell us what plans, if any, he and/or the Department has for improving both VIA Rail's performance and its financial track record?

• (1440)

[*Translation*]

Hon. Benoît Bouchard (Minister of State (Transport)): Mr. Speaker, I can inform the Hon. Member that the investment plan for VIA Rail has not been cut but will be spread over a longer period of time. The amounts earmarked for improving the VIA Rail fleet will stand, and we intend to use these to improve the service criticized by the Transport Commission. However, I think the Hon. Member should give this Government a chance to make its own assessment before speaking of VIA Rail in this way.

[*English*]

ADMINISTRATION OF JUSTICE

ONTARIO PRISON SENTENCES

Mr. John V. Nunziata (York South-Weston): Mr. Speaker, in the absence of the Solicitor General my question is directed to his Parliamentary Secretary. I am sure the Parliamentary Secretary is aware of published reports concerning sentencing practices of Ontario courts. Figures contained in *The Globe and Mail* last week indicated that the number of people from Ontario sentenced to federal prisons during the past two years grew twice as fast as the national average. An official from the Correctional Service of Canada was quoted as saying that this large and recent influx is putting a serious strain on the federal penal system.

Can the Parliamentary Secretary tell the House when the Minister first became aware of this situation? Second, can he tell us what action, if any, is being taken to address this problem? Third, has the Minister discussed this matter with his provincial counterpart? Finally, can the Minister give the House an assurance that Ontario's sentencing practices of handing down longer prison terms are not a result of overcrowding in provincial institutions and a deliberate attempt to direct the overflow to federal penitentiaries?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I will attempt to answer that encyclopaedic question. The Hon. Member may not be aware of the fact that there has been—

Some Hon. Members: Oh, oh!

Mr. Crosbie: Please do not interrupt me. I get rattled.

Some Hon. Members: Hear, hear!

Mr. Crosbie: I get rattled when faced with the rats, Mr. Speaker.

A sentencing commission has been appointed and is headed by Mr. Justice Sinclair. Hopefully that commission will be reporting within the next two years on the principles that should govern sentencing in Canada, in order to try to avoid differences across the country, including Ontario. The matter brought forward by the Hon. Member is certainly under consideration and is being dealt with.

Mr. Nunziata: Mr. Speaker, seeing that there is so little to rattle in the can, I can understand why the Minister can get rattled so easily.

STUDY OF ONTARIO PRACTICE

Mr. John V. Nunziata (York South-Weston): Mr. Speaker, there appears to be a great deal of speculation as to why this Ontario influx is taking place. Is the Minister prepared to release the details of any study done by his Department so that the causes of this phenomenon can be understood and a solution sought among all interested groups?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, it may well be that there are more bad guys in Ontario than there are elsewhere.

Some Hon. Members: Oh, oh!

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REGIONAL INDUSTRIAL EXPANSION

UNEMPLOYMENT FORMULA APPLICABLE TO BRITISH COLUMBIA

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my question is directed to the Hon. Minister of Regional Industrial Expansion. The tier system for the Regional Industrial Expansion Program continues to discriminate against British Columbia, a province which has an unemployment rate of 15.1 per cent, the third highest in Canada. While 43 out of 46 areas in the Atlantic provinces have been designated tiers 3 and 4, the tiers which receive maximum help, and 60 out of 76 areas in Quebec have been designated as tiers 3 and 4, only one area out of 29 in British Columbia has been designated tier 3. Will the Minister make changes to the tier designation formula in order to give adequate recognition to actual rates of unemployment, so that British Columbia will get its fair share under this program?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member I would like first to indicate to him that we find most distressing the present unemployment level that exists in British Columbia. He will be pleased to know that this Friday I will be meeting with British Columbia governmental officials with a view to signing a new Economic Regional Development Agreement between the federal Government and the Province of British Columbia. This agreement will undoubtedly have subagreements following it that will hopefully relieve some of the unemployment to which the Hon. Member is referring.

Mr. Manly: Mr. Speaker, any help that the Minister can give to the repressive Government of British Columbia would be most welcome.

FUNDING FOR PROGRAM

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, if the Minister is not willing to change the tier designation formula, is he at least willing to reconsider his plan to cut $525 million from Tier 1 communities over the next three years? Under the present system, British Columbia is being discriminated against in two ways. First, it is given the low tier designations and, second, it is not receiving the benefits from Tier 1 designation. Will the Minister reconsider?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, again in reply to the Hon. Member, I would indicate that the reduction to which he refers is one which is not a reduction to the present year's expenditures. Next year, the present year's expenditures will rise by the 35 per cent indicated.

I can assure the Hon. Member that, with respect to the designation of tiers, these are always under review and are dependent upon the data that we receive from Statistics Canada. If there are data with respect to the unemployment situation to confirm that tier designations should be adjusted, we, of course, will do so without any delay.

* * *

IMMIGRATION

AVAILABILITY OF COUNSEL FOR POTENTIAL IMMIGRANTS

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Is it correct that the Immigration Department recently issued a policy directive which will prohibit potential immigrants from having legal or non-legal counsel present during preliminary interviews at Canadian points of entry? Why was this policy directive issued? What has been the past practice of the Department with regard to allowing counsel in this situation?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, there has been no change in policy whatsoever. When people enter this country they meet first with persons who interview everyone entering the country. If, for any reason, these people are passed on to a second stage of interview, they are then allowed to retain counsel. There has been no change from the practices that formerly existed.

* * *

• (1450)

NATIONAL RESEARCH COUNCIL

BUDGET REDUCTION

Mr. David Berger (Laurier): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. I would like to take this opportunity to congratulate him on his appointment to that important position. In answer to a question last Tuesday the Minister stated that the decisions which were announced by the Minister of Finance were discussed fully with senior officials at the National Research Council. The Secretary-General of the NRC was later in the week reported as saying that the decisions about what program cuts would be made to fulfil the budget reduction were made by the Government, not the agency. Can the Minister explain this discrepancy, and will he admit that the cuts were made blindly without a proper regard to their effect?

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, I would like to compliment the Hon. Member for Laurier on his appointment. In response to his question, I must indicate that he is, of course, incorrect. Indeed, we sought advice from senior officials of the National

Research Council as to areas of higher and lesser priority. Then, given a certain desire to contribute to the general exercise of restraint which is so necessary, as pointed out by the Minister of Finance, the final decisions were taken by the Government.

REQUEST FOR SUSPENSION OF BUDGET REDUCTION

Mr. David Berger (Laurier): How can an intelligent decision be made when workers are told not to speak with reporters and discouraged from going to their MPs?

My supplementary question to the Minister of State for Science and Technology is this: As the health and safety of millions of Canadians and the protection of our environment are at stake, will he suspend the reduction and allow a parliamentary committee to meet publicly with officials of the NRC to study whether the cuts could be implemented in a more appropriate fashion?

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, it was the habit of the previous Government to study problems to death.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Siddon: The people of Canada have chosen a Government which would act and take the necessary initiatives.

There were no instructions given to any of my officials not to speak to the press. Indeed, there was a key spokesman appointed, and when asked whether officials could approach their Members of Parliament, which was one of the questions discussed in the press, the employees of my Ministry were told that they should be free to do as they wished.

* * *

ENVIRONMENTAL AFFAIRS

CANADIAN WILDLIFE SERVICE—CANCELLATION OF HERRING GULL EGG PROGRAM

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my question is directed to the Minister of the Environment. Last week I asked the Minister whether she would reconsider the cancellation of the Herring Gull Egg Program which monitors the levels of toxins in the Great Lakes. Has the Minister had an opportunity to consider the seriousness of the cut-back and to reflect on the wide variety of concern expressed by many people about how serious a mistake it is on her part? Is she willing to reconsider the cancellation of this program for the sake of the health of Canadians?

If she is not willing to reconsider for that reason, will she reconsider it in view of the fact that this constitutes part of an agreement with the United States with respect to Great Lakes water quality and that we should be doing this, if not for our own sake, for the sake of our credibility with the Americans? It is hard to imagine offending the environmental sensitivity of the American Government, but this Government has succeeded.

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I said last week that if the cuts affecting these biologists were putting the lives of Canadians at risk, I would of course be prepared to review these cutbacks. However, I also said that was not the case at the present time, and I can inform my hon. friend that we still have 78 people working on monitoring toxic material in the Great Lakes, that we are constantly evaluating the quality of water, sediment and precipitation, and that other ministers as well have an ongoing interest in animal and water toxicology.

[*English*]

Mr. Blaikie: I find it incredible that the Minister can play down the seriousness of this matter.

MINISTER'S VIEW

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, has the Minister had an opportunity to review the remarks made by her colleague, the Minister of State for Science and Technology, in which he set up a false dichotomy between a healthy industrial economy and environmental issues as being merely service issues? That is the problem as I see it with the Government. Will the Minister undertake to review the remarks made by the Minister of State for Science and Technology and tell the House whether it is also her view of environmental issues?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I am fully aware and I have the assurance that the cuts I proposed in the Department, after consulting with departmental officials, were submitted to and analyzed before all Members of Cabinet, and we are all agreed on the general issues.

[*English*]

CANADIAN WILDLIFE SERVICE—FUTURE OF EMPLOYEES

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I would like to congratulate and express good wishes to the Minister of the Environment on her assignment. I would like to focus the attention of the Minister on the announcement which was made 10 days ago by the Minister of Finance, that one of our finest services, the Canadian Wildlife Service, will be cut by 25 per cent in its strength. This will mean the laying off by next spring of some highly trained biologists, technicians, and office workers, who are presently engaged in studies regarding toxics in the Great Lakes and the toxic contamination in gull eggs, the management of endangered species, the impact of lobbying practices on wildlife, and the impact of wildlife on forestry, just to name a few. Could the Minister inform the House where these fine Canadians will find employment and

what will happen to the projects in which they are engaged at the present time?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I wish to thank my hon. friend for his kind words and in turn, I would like to offer him my best wishes on his re-election.

Mr. Speaker, the Canadian Wildlife Service still has 300 employees and a budget of $19.8 million. I do not think the cutbacks we have made will adversely affect the survival of this program.

* * *

[*English*]

FINANCIAL INSTITUTIONS

EXISTENCE OF COMMITTEE STUDY

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is directed to the Minister of State for Finance. Members are congratulating others on their new appointments, and I would indicate that this is the Minister's first opportunity to answer a question in the House. She will know in taking over the portfolio that the former Minister was supposed to have established a committee to study trust companies, insurance companies, banks, security dealers and so on, with respect to new legislation. Did that committee in fact exist? If it did exist, will it be making a report to this House?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I thank the Hon. Member for his question. I am pleased to report that there is a private sector group which has been examining the issue at the instigation of the former Minister. This committee is not and, as far as I can understand, was never intended to report to the House. It is commenting on papers which were put together by the Department of Finance, and in due course, as soon as possible, an over-all report will be published and presented to the House. I will be happy to report on that later.

* * *

[*Translation*]

EMPLOYMENT

CLOSURE OF CANEXEL IN GATINEAU, P.Q.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Hon. Minister of Employment and Immigration.

Last week, the Canexel company in Gatineau announced that it would be closing down on February 14, thus putting about 200 employees out of work. During the election campaign, the Progressive Conservative Party talked a great deal about job creation. In view of the impending situation in Gatineau, I would like to know what the federal Government intends to do about the possibility of keeping this factory open and saving 200 jobs.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I can inform the Hon. Member that we are aware of the problem and are taking every possible action to improve the present situation. For instance, we are prepared to set up a committee with the employer and employees and to consider training, mobility and adjustment programs for all employees concerned.

* * *

• (1500)

[*English*]

CLERK OF PETITIONS' REPORT

PEACE CAMP ON PARLIAMENT HILL

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Ottawa Centre (Mr. Cassidy) on Friday, November 16, 1984, meets the requirements of the Standing Orders as to form.

I must also, however, advise the House that there is some doubt in my mind as to the acceptability of this petition. Citation 688(1) of Beauchesne's Fifth Edition states:

> Aliens, not resident in Canada, have no right to petition Parliament.

The precedents in our practice are not as decisive as they are in other jurisdictions. While I must report today on the form of the said petition—I am required to do so in fact by the rules of the House—I wish to advise the House that I am entering a caveat on the propriety of certain signatures of non-Canadian citizens pending further study on the matter.

Mr. Cassidy: I have a point of order, Mr. Speaker, I submitted this petition, and since the overwhelming number of signatories to the petition are in fact Canadian citizens, indicating that they—

Mr. Speaker: Order. The very reason that I indicated I was raising a caveat on the matter and wished to study it further is precisely the point the Hon. Member for Ottawa Centre is making. I wish to advise both him and Hon. Members of the House that I do not propose to make a ruling today ruling the petition out. However, I do want to make it clear to the Hon. Member—and I know it is a serious petition for him as well as for others—that there are traditions about who can and who cannot petition the House of Commons. In the past, Speakers have ruled that petitions containing any names other than Canadian are simply not receivable. It is for that reason that I am reserving a judgment until I look at the precedents further. I will be making some comment on it later.

The Hon. Member for Ottawa Centre on a point of order.

Mr. Cassidy: Thank you, Mr. Speaker. I will make representations privately. However, surely, when thousands of

Canadians sign a petition, their petition should not be struck down because it happened to be—

Mr. Speaker: The Hon. Member is an experienced member of legislatures. He knows that once I have indicated I intend to think about a matter—and he may wish to make private representations to me—it is simply improper to rise to discuss that matter. The Hon. Member knows that.

ROUTINE PROCEEDINGS

[*English*]

LAW REFORM COMMISSION

TABLING OF REPORT ON QUESTIONING SUSPECTS

Hon. John C. Crosbie (Minister of Justice): Mr. Speaker, I am pleased to lay upon the Table of the House, in both official languages, a copy of Report No. 23 of the Law Reform Commission on questioning suspects. I ask that the report be referred to the Standing Committee on Justice and Legal Affairs.

* * *

[*Translation*]

IMMIGRATION

TABLING OF ANNUAL REPORT ON FUTURE LEVELS OF IMMIGRATION

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, in accordance with the provisions of Standing Order 46(2), I wish to table, in both official languages, the annual report on future levels of immigration. Pursuant to the provisions of Standing Order 46(4), this report is to be referred to the Standing Committee on Labour, Manpower and Immigration.

* * *

[*English*]

CRIMINAL CODE

AMENDMENT TO REINSTATE DEATH SENTENCE

Mr. Gordon Taylor (Bow River) moved for leave to introduce Bill C-206, an Act to amend the Criminal Code (death sentence).

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Taylor: Mr. Speaker, I take great pleasure in introducing a Bill to amend the Criminal Code with respect to the death sentence. This Bill, when passed, will impose the death sentence on any adult who deliberately plans and kills another human being and is found guilty of so doing beyond a reasonable doubt.

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

* * *

JUSTICE AND LEGAL AFFAIRS

REFERENCE OF ANNUAL REPORTS TO STANDING COMMITTEE

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, there have been consultations among House Leaders of each of the Parties. I believe you will find that there will be a disposition to accept unanimously the following motion:

That the Standing Committee on Justice and Legal Affairs shall have permanently referred to it all annual reports made to Parliament pursuant to section 72 of the Privacy Act and section 72 of the Access to Information Act; and

That it be an instruction to the Standing Committee on Justice and Legal Affairs to:

1. Consider every report prepared under section 72 of the Access to Information Act and of the Privacy Act;
2. Undertake, on a permanent basis, a review pursuant to subsection 75(1) of the Access to Information Act and of the Privacy Act, of the administration of those Acts; and
3. Undertake, within three years of their coming into force, a comprehensive review of the provisions and operation of the Access to Information Act and of the Privacy Act pursuant to subsection 75(2) of each of the said Acts.

Mr. Speaker: The House has heard the motion. Is there unanimous consent for its introduction?

Some Hon. Members: Agreed.

Mr. Speaker: Shall the matter be adopted?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mr. Ken James for an Address to Her Excellency the Governor General in reply to her Speech at the opening of the session, and the amendment thereto of Mr. Allmand (p. 252).

Mr. John V. Nunziata (York South-Weston): Mr. Speaker, as I indicated before the luncheon adjournment, during the election campaign the Tories cried crocodile tears for the unemployed youth of this country. In *Pocket Politics*, their campaign bible, the Conservatives said, "We believe that all levels of Government and the private sector face a major task in resolving the tragic youth unemployment situation". But what does that Party do when it resumes power, Mr. Speaker? It cuts the Canada Summer Works Program which

provides thousands of summer jobs to students. It cuts the young worker's exchange program. These and other program cuts will have a devastating effect on the unemployed young of our nation. Pity the young without hope for they will have nothing to inherit.

What is worse is that we are not even told of the effect of the economic statement on unemployment because of the Government's penchant for secrecy and surreptitious government. What is it afraid of and what is it hiding? I call on the Government, Mr. Speaker, to come clean with Canadians and to put its cards on the table.

We are not here to fight old battles or to settle old scores. Our duty is clear. We must forge ahead with vision and commitment to build a strong and united Canada, a just, equitable, decent and civilized society.

What will be the role of the Liberal Party in this process? As Her Majesty's Official Opposition, we intend to be vigorous, competent and constructive. We will fight hard for the individual and the disadvantaged in our society. We intend to examine thoroughly all government proposals. As my Leader has already stated, we will support legislation when support is warranted, we will amend when amendment will serve to improve, and we will oppose when opposition is necessary. We will seek to correct errors of omission and commission in legislation and, in due course, we will outline policy alternatives and new directions. Unlike the pseudo opposition to the left, we are not fettered by dogma, we do not live in the past, and we are prepared to change for a better future.

In conclusion, Mr. Speaker, I put the Government on notice that the Liberal Party is but on a short sabbatical. While in opposition, we will rejuvenate, we will rebuild, and we will regain the support and confidence of Canadians. We will earn the right to be re-elected. Let me remind Hon. Members opposite that political defeat is as transient as political success.

Mr. Deputy Speaker: Are there questions or comments on the speech of the Hon. Member? If not, we shall resume debate.

• (1510)

Mr. Lawrence I. O'Neil (Cape Breton Highlands-Canso): Mr. Speaker, I would like to begin by congratulating you on your appointment to such a prestigious post. The manner in which you have discharged your duties today confirms the wisdom of your appointment.

I also wish to congratulate the mover and seconder of the Address in reply to the Speech from the Throne. All previous speakers have spoken well. They have enlightened me about their parts of Canada. From the other speakers I have learned something about our West Coast, our Prairies, the North, and central Canada. Today I will be telling the House and other Canadians something about my riding in Atlantic Canada.

The differences among our regions have struck me, Mr. Speaker, but I have been more impressed by our common commitment to Canada and to the development of all our regions. It is a striking feature of our Confederation that we as Canadians accept a sharing of our national wealth. We as Canadians are prepared to share our wealth with each other and to share our wealth with the world. Canada's generous aid to Ethiopia is a fine example of this commitment to the underdeveloped world.

Many national policies are possible because we share a commitment to all Canadians. Atlantic Canadians are among the recipients of these benefits. Such programs are viewed as equitable and in the interests of all Canadians. It is therefore not prudent to suggest that such economic sharing has been done at the expense of one region more than another. In our short history there has been give and take by all Canadians. As Canadians we also hold political and social equality as a high priority. Canada is truly a country which permits each Canadian the opportunity to achieve its greatest political office, that of Prime Minister.

Our Prime Minister (Mr. Mulroney) is of a humble but honourable background. Notwithstanding this, he has achieved the highest political office in this land. A humble beginning was no bar, geography was no bar, nor were race and religion. That is a great compliment to our society and our system of government. Yet I agree, Mr. Speaker, there is much more to be done before we can boast of total equality of opportunity.

The election of our Prime Minister with the greatest parliamentary majority in the history of the country is a tribute to him as a man. I am proud of our Prime Minister. He is providing the sound leadership Canadians have not received in decades but have so dearly wanted. In addition, Mr. Speaker, I have a special reason to be proud. Canada's eighteenth Prime Minister is a graduate of St. Francis Xavier University, a distinguished institution situated in my riding.

My constituents, Mr. Speaker, are representative of many cultures: Irish, Scottish, English, Dutch, native and Acadian, to name only some. In an effort to better represent my Acadian constituents I have begun the process of learning the French language. My next major statement to this House will be in both official languages.

We in Cape Breton Highlands-Canso are a people of basic values. We are people close to the land and the sea. The people of Cape Breton Highlands-Canso have a history of social service, having supported missions around the world and the training of Third World leaders on the principles of co-operatives at the Coady International Institute. We have a history of supporting our neighbours, not only next door, but across the world's oceans. Sharing is very much a value we hold.

The people of Cape Breton Highlands-Canso regard the family as a most valued institution. I resist the urging to describe our values as traditional. To some that reference connotes a lack of worldliness. In light of the value we place on the family, it should come as no surprise, Mr. Speaker, that the people of Cape Breton Highlands-Canso value the life of unborn children. It is no surprise that my constituents strongly support legislation and programs that recognize the rights of unborn Canadians. These are values, Mr. Speaker, that I share. These are values that I am honoured to express for the people of Cape Breton Highlands-Canso. We regard the extent

of support for the handicapped, the elderly, the infirm and the defenceless as evidence of the real progress of our society.

The people of Cape Breton Highlands-Canso are independent. We are ordinary Canadians. We are proud to be led by the only Party in Canada that represents the ordinary Canadian. The Prime Minister and I have been honoured with the greatest PC vote ever in the history of Cape Breton Highlands-Canso. For this vote I am most grateful and I thank my constituents. My riding was represented just a few short months ago by the former Deputy Prime Minister, the Hon. Mr. MacEachen. He served his constituents and all Canadians with distinction. On behalf of the people of Cape Breton Highlands-Canso it is appropriate that I acknowledge the contribution of Senator MacEachen and thank him for his years of service.

Cape Breton Highlands-Canso is a geographical, cultural and economic mosaic. It includes an important fishing industry with deep sea fleets sailing from Canso and Petit de Grat. These deep sea fishermen leave their families for a week or more to harvest the sea's bounty. It is hard work. These are independent persons who spend more of their adult lives at sea than on land. At the present time, they are struggling to make ends meet.

Many other constituents are hard working inshore fishermen who are also striving to meet the problems of their industry and to earn a living. These men are entrepreneurs. They own their boats. They risk their lives to make a living to provide for their families. These people talk straight. The people I represent need no education to identify hardship.

The people of Cape Breton Highlands-Canso have distinguished themselves as the best pulp and paper workers in this country and among the best woodsmen in Canada.

The people of Cape Breton Highlands-Canso enjoy one of the best public school systems in the world. Cape Breton Highlands-Canso is an area known for incomparable hospitality. This reputation greatly contributes to growth in our tourism industry. That is one reason, Mr. Speaker, that the Cabot Trail is one of Canada's leading tourist attractions. It is also a natural beauty surpassing in appeal any other attraction in Canada. The people of Cape Breton Highlands-Canso have distinguished themselves as tradesmen, small businessmen and farmers. We view offshore oil and gas development as an opportunity and are working hard to realize its potential.

Despite these strengths, Mr. Speaker, we have been plagued by successive years of high unemployment and outward migration. In the thirties, forties and fifties, Nova Scotians left to seek employment in the United States and Ontario. Later they left for western Canada. Today we find there is no place to go. It is, as never before, imperative that our strengths be fully developed, that we strive for self-sufficiency, and that we achieve self-sufficiency.

On a daily basis my office deals with requests from many constituents looking for employment. These are people with families, children and spouses and with bills they cannot pay. That is why I ran for office and why they elected me, Mr. Speaker. These people want jobs, and I am pleased that the Government has made job creation its priority.

On September 4, I was elected on a platform which called for the rejection of short-term make-work projects as an answer to unemployment. The people of Cape Breton Highlands-Canso have rejected make-work projects as a long-term solution. They want permanent, meaningful jobs. I am confident that the new Government can meet that challenge. Indeed, it has already begun the task.

● (1520)

In its Throne Speech, the Government identified our new approach. We are committed to getting this country moving quickly to achieve a new era of national reconciliation, to moving quickly to economic renewal, and to attaining greater levels of social justice.

I wish to congratulate the Prime Minister on his Cabinet selection. Nova Scotia's two Cabinet representatives, the Hon. Robert Coates and the Hon. Elmer Mackay, are distinguished parliamentarians and Nova Scotians. I am honoured to be here with them.

I have met with the Hon. Flora MacDonald, the Minister of Employment and Immigration. She has displayed an openness and empathy that was more than I could have anticipated. It is clear to all Canadians that she is a leader. I wish to congratulate the Prime Minister on his appointment of the Hon. Sinclair Stevens as the Minister of Regional Industrial Expansion. In our meetings, he too has displayed a driving commitment to developing areas most in need of economic activity. The Hon. Pat Carney, Minister of Energy, Mines and Resources, has displayed a true commitment to East Coast energy development. The Hon. Minister of Fisheries (Mr. Fraser) has also shown himself to be interested in solving the serious problems of the East Coast fishery. As Canadians, we are most fortunate to have such talented individuals willing to serve us.

I have heard members of the Opposition complain that Cape Breton has no private sector economy. That is why the previous government was defeated. It was the previous government that left that legacy. I know that the people of that area of Canada can develop a self-sustaining economy. We in the Progressive Conservative Party have confidence in the people of Cape Breton Highlands Canso. We have begun the process of attaining that result.

Our Government has established a new Ministry of Forestry, headed by a distinguished New Brunswick Member, the Hon. Gerald Merrithew. This appointment reflects our Government's decision to enhance the development of a renewable resource. It will mean long-term benefits for the people of Cape Breton Highlands-Canso. Our Government has established a new Ministry of Tourism headed by another distinguished Maritime Member, the Hon. Tom McMillan of Prince Edward Island. This commitment by our Government will result in a more rational development and orderly marketing of our tourism resources. That decision will result in an increased growth in our tourism sector.

Our Government has started the process of reducing our huge budgetary deficit. The people of Cape Breton Highlands-Canso realize that long-term economic security cannot be achieved simply by spending government money. Decisions to invest must have a rational business basis. My constituents know this better than any other group of Canadians because of the failure of northern Nova Scotia to establish a stronger economic base despite the input of large sums of government money.

The Prime Minister has confirmed the commitment of our Government to assist the needy. Ours is a government that is compassionate. The Throne Speech outlined the Government's commitment to the elderly, the disabled, the poor, to reducing inequality between the sexes, and to the preservation of our health care system. The Prime Minister has announced action on spousal allowances and veterans' benefits.

I am proud to be a Progressive Conservative. Our Party believes in sound management and compassionate leadership. I am proud to be led by Prime Minister Brian Mulroney. He will be remembered as the Canadian leader who turned this country around and as a Prime Minister with the courage to lead.

Mr. Foster: Mr. Speaker, I want to compliment the new Member on his speech in the House today. However, I also want to say that it is my understanding that it is the practice in the House not to refer to Members by their names but rather by their constituencies. I think we should follow that practice in the House.

Mr. Deputy Speaker: The Hon. Member is perfectly right. I was aware of it but the Hon. Member is a new Member in the House and not the only one to do so in his first speech. The comment by the Hon. Member for Algoma (Mr. Foster) is well taken and should be noted by other new Members in the House.

Mr. Langdon: Mr. Speaker, I too want to congratulate the Hon. Member on his first speech. He indicated that he had the opportunity to meet with the Minister of Regional Industrial Expansion (Mr. Stevens). I assume that his conversation would have dealt with concerns for industrial development in the Cape Breton area. Would the Hon. Member give us his views on how industrial development in that particular area would be encouraged?

Second, would he address himself to an issue which concerns our Party? In the program changes that have been announced by the Minister of Regional Industrial Expansion, there has been an elimination of three categories of support for industrial and regional development program grants in constituencies such as the Hon. Member's. There has been the elimination of support for tourism projects, for restructuring projects, and for business climate studies.

I suggest that these projects would be of particular importance to the steel and coal industry in Nova Scotia and particularly Cape Breton. As the New Democratic Party critic for industrial regional development, I would be very interested in the Hon. Member's reaction to the steps taken by the Minister of Regional Industrial Expansion.

Mr. O'Neil: Mr. Speaker, I thank the Hon. Member for his question. With respect to my ideas for industrial development in my constituency, I believe that a basic principle to be followed is, first to develop our indigenous resources to their full potential. In the case of Cape Breton Highlands-Canso, that will require that we stabilize our fishing industry, and that we fully take advantage of our marketing opportunities and fully develop our forestry sector. We have a very large and successful pulp and paper company. We must do everything possible to protect our renewable resources in forestry and the fishery.

The Hon. Member knows that the Government has established a separate Ministry of Forestry. Part of its function will be to protect our forests.

Our agricultural industry must also be protected because it too is a renewable resource. These sectors provide permanent jobs on which people must rely.

With respect to new industry, we have a magnificent harbour in the Strait of Canso. I am looking at possibilities for developing that harbour, but I must say that it is not my personal philosophy that industries should be established there only for the sake of creating jobs if they must also be grossly subsidized.

With respect to the second part of the Hon. Member's question, let me say that I am very pleased with the objectives and the steps taken by the new Minister. His goal is for stable, long-term benefits for my area of the country as well as the area which the Hon. Member represents. I am sure he will deal directly with the Minister if he has particular questions with respect to Essex-Windsor. I have full confidence in the Minister, and I believe he has good programs and ideas to bring forward.

Mr. Deputy Speaker: If there are no further questions or comments, we shall proceed with debate.

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, first I would like to congratulate the new women parlimentarians who have joined us in the House. I wish them well and I hope that we can work together to voice the many concerns of our sisters across Canada.

Canadians from all provinces voted for a change in government in the hope that it would be a change for a better future for themselves and their children. They want a government they can trust and one with promises that it will keep. They want an end to secrecy, patronage and privileges for the rich.

• (1530)

The Progressive Conservatives come to government at a time when there are 1.5 million Canadians jobless, and technological change will displace many more. We have 4 million poor people, including increasing numbers of children. Young people have few opportunities for jobs or for further education. Women continue to be denied full equality. Added to increas-

ing economic insecurity and family stress, Canadians live under the fear of a nuclear holocaust and the anxiety that their government is doing very little to prevent this.

Will the new government policies as outlined in the Speech from the Throne improve the health, economic, and social well-being of Canadians, particularly Canadian women? As my party's critic for health and welfare and the status of women I wish to highlight our concerns in these three areas.

First, I want to thank the residents of Vancouver East for their very strong support during the last election. I must say I am very pleased to represent them in the House of Commons. I regret to say that the Speech from the Throne unfortunately does not show many benefits for the people of Vancouver East. People in my riding need jobs desperately and a more secure future for their children. This they have not been promised in the Throne Speech.

The unemployed are told to wait by the Conservatives until the private sector develops confidence, and then by some sort of magic new jobs are going to appear. Unemployment insurance meanwhile is going to be tightened and social housing units will be cut back. Grants from the Secretary of State (Mr. McLean) are going to be cut and universal social programs are threatened. If in addition to this students who cannot afford the increased fees of colleges and post-secondary education and who have no job prospects should know that this new government has cut $5 million from student loans. It has also terminated Canada Summer Works.

I am particularly saddened, coming from Vancouver East which has a very large number of immigrants settling in the neighbourhoods, that we will now welcome new Canadians with increased fees for Canadian citizenship, for immigration processing and even to obtain visas and passports.

I want now to concentrate on government proposals as they affect women and also as they affect the area of health and welfare.

First, let me deal with women. Despite the platitudes that I note in a press release put out by the Secretary of State, who, Mr. Speaker, you will recall was belatedly given the responsibility for the status of women, the new government shows a remarkable lack of awareness of the major concerns affecting women in Canada. Let me quote from the Economic Council of Canada's study entitled, "The Occupational Diversification of Women in the Labour Market":

> —only 23 per cent of "traditional male occupations" are held by women, in spite of the fact that they make up 42 per cent of the labour force, and only 8.4 per cent of women in the labour force earned over $20,000, compared to 36.5 per cent of men in 1980.

The study notes that until governments take some concrete steps to improve the position of women, "There persists an under-utilization of talent and resources that, while it affects women the most, penalizes Canadian society as a whole."

The Throne Speech mentioned no economic development targeted to women. We are very concerned about that. There was no mention of job creation programs, training programs, or even affirmative action within the existence of Canada Works projects, something which has been lacking until now. Despite election promises, there was no commitment to mandatory affirmative action and no plans to enforce the current law to which surely we should be adhering for equal pay for work of equal value.

I might mention also a matter about which I was concerned in the last House, namely, the conditon in which many part-time workers, most of whom are women, find themselves and the need for prorated benefits for part-time workers. There was nothing mentioned about that.

Women are demanding substantive changes that will improve their lot. I do not think when the Prime Minister (Mr. Mulroney) mentions that he is going to appoint more women to high places that he really understands what we mean by affirmative action and by equal pay for work of equal value. We will look forward indeed to the recommendations of Judge Abella, which I believe will be coming forward tomorrow.

We are very concerned that $9.8 million will be chopped from the grants of the Secretary of State. This is the main source of funding for women's groups, for women's centres, for immigrant and native women as well as for many other very important programs. We will be questioning the Minister to find out just what impact this cut will have on women's programs.

We will support the Government's decision to extend the spouses allowance to widows and widowers between the ages of 60 and 65. I am glad the Hon. Stanley Knowles is with us in the House to hear this because it was he who for years pushed not only for increases for widows and widowers but for all people in the age group 60 to 65 who are unemployed. He was particularly concerned that these benefits not be based on marital status which is, in effect, discriminatory.

I want to mention the question of day-care also. The Prime Minister has called for a Parliamentary task force on day-care. I cannot understand why it is necessary to delay action in the whole field of daycare, action that is desperately needed for children of working parents. There has been a very active task force on daycare which has been working over the last few months which I understand will be making recommendations in the very near future. There are also excellent reports from the Canada Day-care Advocacy Association, which association consists of experts in this field. What all these groups want and I am sure what all parents want is action so they will have decent affordable day-care available to them in their communities. Too many children are being cared for in very risky situations.

I urge the Minister to consider the model day-care bill which was prepared and sent to him last week by the provincial Minister of Community Services for Manitoba. I believe that that Minister sent copies to all her provincial counterparts. I hope this bill will be studied very seriously.

We believe the federal government should take an active role immediately in providing direct funding for day-care centres as was proposed by the advocacy group. We think this should be direct funding, very similar to the way funding is

provided through education and for health services, although directly to the centres would be a first step toward universal daycare. Surely children should have higher priority than the purchase of new uniforms for a generation of military personnel who have long accepted integration. I find that this kind of absorption with the past instead of with the future may be a symbol of this Tory government, and this concerns me.

The government should take steps to remove abortion from the Criminal Code. The Morgentaler case has already illustrated once again how obsolete this legislation is. It is certainly long past time, and I think public opinion in Canada supports the fact that women should be allowed to make this decision themselves. It is a very personal decision. It should not be something that we as Parliamentarians or the legal system interferes with.

There are many recommendations relating to justice as it affects women, Mr. Speaker. We agree that these Bills, which were Bills largely on the books before the last session ended, should be brought forward, particularly reforms to help with the control of pornography. This is a deep concern to almost everyone in Canada. Also we require a new Divorce Act which would provide protection in terms of the care of children. We also think that early action on the Badgley report regarding child abuse, and on the Abella report is top priority. We are glad to know that the Government will be considering these reports.

● (1540)

Of course Canadian women are very concerned about the whole question of health. We will expect the Government to implement the Canada Health Act as it has promised. I am sure this will be an important and difficult challenge for the new Minister, in view of the fact that undoubtedly he will be battling, despite the intention of co-operation, strong resistance from Conservative provinces in implementing health care provisions.

Also we welcome the mention in the Speech from the Throne that the federal Government will provide assistance to community-based health services. I think this is very important. There are many ways our health dollar could be used more effectively. Certainly one way would be to apply medicare and to develop community health clinics which employ more paraprofessionals, nurses and other health care practitioners. We look forward to hearing more about these proposals in committee.

The most shocking revelation of the new Government is its intention to redesign universal social programs, particularly Old Age Security and family allowance, despite the promise of the Prime Minister that universality was sacrosanct. This will come down very hard on the view of Canadians who expected the Prime Minister to keep his promises. One of the first things he proposes is a review of these programs, with very provocative questions, indicating that they are considering a targeting of programs and the development of a means test approach with benefits only to those with the greatest need. If this happens, it is unlikely to increase programs in that respect.

The document, *A New Direction for Canada*, indicates several possible changes. We hope very much that any debate will involve the people directly affected, as well as Canadians from the middle class who feel very strongly that it is their right to have universal medicare, health services, old age pensions and family allowances. That group pays most heavily for these programs through their tax system and certainly expects to retain some benefits.

Surely it goes without saying that a bank manager earning over $500,000 per year should be taxed back for old age pensions or family allowances. The Prime Minister raised this point with me in the House the other day. However, let us not be fooled by the suggestion of tax reforms in a Mickey Mouse sort of way. The Prime Minister should have said—and this should have been indicated in the Throne Speech—that Canadians demand major reform in the tax system and that the regressive tax system which allows wealthy people to pay little or no tax at all places the burden of the tax load on middle income Canadians. We believe—and I thought the Prime Minister supported out Leader's position on this during the election campaign—that upper income Canadians should pay a minimum of 20 per cent of their income in tax. If we had this money, we could beef up family allowances for families most in need and we could continue to maintain social programs for middle income Canadians.

I am very concerned that the Tories will follow the Liberal lead. We saw this happening in the six and five program where they really chopped into family allowance programs. Senior citizens vote; they have a very strong block of votes, which every political party knows. Let us face it, kids do not vote. Thus, when governments want to chop something, it is the family allowances and children's programs which are the most in jeopardy. I am concerned that these are the programs which will face the chopper. Of course we will oppose it.

I should like to refer to some excepts from a statement by the National Council on Welfare in 1983 entitled "Family Allowances For All". In part it read:

> We see no compelling reason at the present time to change the family allowance program . . . From an equity point of view, it makes far more sense to cut the regressive children's tax exemption rather than tamper with the progressive family allowance—
>
> Universal family allowances recognize the value our society places on child-rearing. They constitute a modest but significant source of independent income for mothers, especially for those who work full-time in the home; ending universal payment of family allowances would simply widen the economic gap that persists between men and women. By stimulating consumer spending, family allowances help create and sustain employment; more jobs might be lost than gained if funds were diverted from family allowances to direct job creation schemes that provide only temporary work—
>
> The most compelling argument in favour of universal family allowances is the role they play as part of the foundation of Canada's social security system.

It continued:

> The abandonment of universal family allowances would threaten other universal programs and, in time, weaken public support for necessary improvements to selective programs designed for those in need. In the end, poor people could lose most from a retreat from universality.

This group has considerable expertise in this matter. I hope the Minister and the committee which will look at cut-backs and will study that report thoroughly.

The Government's review of social programs should not only review the cost of programs but the conditions in which families are living in Canada. Most of us know that the cost of raising children has risen phenomenally. It is very difficult for families with several children to meet those costs today. Family allowances help in this regard.

The impact of financial stress on families with young children is very great. There are many single parents, particularly mothers raising children on their own, with very marginal incomes who go on welfare because of their children. They do not have any other basic security. If it were possible to have increased family benefits for those children, many single parents would be given the option to work, and to ensure that their children have the total family income which is needed.

I urge the Government to consider an increase in family allowances to help families stay together and to help marginal earners remain off welfare. This would ensure that the next generation has the nourishment and opportunity they need for healthy development.

I do not know how many Hon. Members realize that most family allowance cheques these days for families in the lower income group go toward basic food. In most cases those families also have to line up at food banks at the end of the month. This is disgraceful in Canada.

Finally, I remind the Government that true economic renewal and social justice require a fulfilment of the rights of all Canadians. The rights of Canadians cover many different areas; the right to a decent job, to adequate incomes for those who cannot work, to affordable housing which is being ignored by the Government, and to universal health care which should include more health promotion or prevention of illness. We need more, not less, post-secondary educational programs to help prepare our youth for a rapidly changing future, a future in which they have very little hope of obtaining employment.

Economic and social recovery must go hand in hand. The best way to maintain and improve social programs is to put people back to work. We will certainly be stressing job creation. It will save on unemployment insurance as well as increase Government income from taxes. A reform of our tax system, as I said earlier, is overdue and absolutely essential so that higher income Canadians pay a much fairer share of the cost of our universal programs. Reduced interest rates would also help.

• (1550)

Canadians, especially, Canadian women, will not tolerate a return to a pre-depression system which treats people as charity cases, dependent on food banks and private charity.

Mr. Deputy Speaker: Questions and comments.

Mr. Blenkarn: Mr. Speaker, I have a question for the Hon. Member. She spoke at length about the present family allowance system. I agree with her that it needs changing. Would she look at the fact that presently under the Income Tax Act there are four separate ways in our transfer system that we help families. The first is the deduction for children of $710. Then there is a youth allowance as they become older. That deduction is worth more to those earning high incomes than to those earning small incomes. To a person with no taxable income, the deduction is worthless.

Second, there is the family allowance which she spoke about of roughly $30 a month. In addition, there is the $367 this year, rising to $384 next year, for the child tax credit. I point out to her that the child tax credit, while income tested, is a lump sum payment. A lot of that lump sum payment winds up going to tax discounters.

Lastly, there is an allowance of $2,000 for those who must use daycare. The $2,000 allowance from taxable income is worth a great deal to someone in a 50 per cent bracket who sends their kids to private school, but not worth a darn to a woman who has no taxable income or a family with no taxable income.

Would she and her Party agree that this system of assistance to families with children should be totally reviewed so that we can ensure that the money is paid to those who need it and not to those who do not need it? Does she agree that we should look after the needy, not the greedy? Does she agree that rather than go after the family allowance program alone that we should go after all of these programs together to make sure that the money is channelled where it is needed most?

Ms. Mitchell: Mr. Speaker, my hon. friend who used to sit near me on this side of the House, and I have had discussions on this before. I agree with his analysis of the family benefit programs. Certainly the child tax deduction is very regressive, as is the daycare deduction. Both those programs benefit people who pay taxes. We certainly agree that they are regressive and that perhaps there needs to be a review of them.

On the child tax credit, I would also agree. The National Anti-Poverty Group has appealed to us on different occasions. Because poor families are desperate for that money, they cannot wait until the end of the year. Therefore, they often go to people who will buy the tax credit from them and charge them very unfair amounts.

Our concern is that in doing this review, and in possibly making changes to some of these programs, the family allowance program will suffer. That is why I stressed it particularly in my remarks. It is the basic program. It is the program that recognizes that children belong to all of us. I do not have any children, but I am delighted to pay my taxes to pay for your children and to have benefits that will go to all families, particularly to recognize the value of children.

We must also keep in mind that if we had a progressive tax system generally, this would automatically be taxed back. It is very nice for the wives of some of the gentlemen sitting in this House to get a cheque in their own name. For many of them it is the only cheque they get in their own name.

I am not against some reforms. However, I want to stress over and over again that we believe the basic universal family allowance program is the most important program. As I said earlier, it recognizes the middle income earners. I can tell the new Government that if it is going to take away all benefits from that group, then politically it will be in real hot water. That is a little bit of advice.

Mr. Oberle: Mr. Speaker, I always listen very intently and with great interest to any of these discussions, and to the speakers from the New Democratic Party on this critical question. I wish to ask the Hon. Member for Vancouver East (Ms. Mitchell) whether she realizes that a lot of the inequities in the welfare and social contract system have to do with the fact that Canadians are sometimes deprived because of where they live. Poor people living in isolated areas of the country, for example on remote Indian reserves, are suffering because of the universality system.

The Department of Indian Affairs has a statutory requirement not to make any welfare payments that would exceed those paid in the provinces. I always like people who haven't any children lecturing me, one who has four children, or people who have never run a business telling me how to run my business. Has the Hon. Member not realized that it is because of the universality, because of the very nature of the system, that poor people are being deprived?

The Hon. Member says that higher income Canadians should pay more. I would like to pay more, but I would like to know that it will get to the right place. My ability to pay more is limited by the fact that I am already paying for something that the Government wants to give me back. Rather than paying more, I would like to have the choice of saying "Don't pay me my old age pension and don't pay me my family allowance." I will gladly contribute because nobody has a monopoly on a social conscience. However, we want to know that what we are giving goes to the right place, that it is not skimmed away by some bureaucracy, or whatever.

I would like the Hon. Member, who comes from British Columbia, to tell me what the solution would be for my people in Fort Ware, for instance, where the cost of living is four times what it is in Vancouver, or in some of the isolated communities up and down the coast.

The old age pension cheque is the same because it is universal. The family allowance cheque is the same because it is universal. By the 12th or 15th of the month, these people go hungry. I am not overstating that. We have malnutrition and starvation on some of these Indian reserves because of the universality of the system. That is a problem. How do you overcome that?

Ms. Mitchell: Mr. Speaker, I agree completely with the Hon. Member that people in remote areas, and particularly those on Indian reserves, are suffering desperately from poverty. This certainly must be a very major concern. What I think the Hon. Member is doing is confusing the concept of universal family allowances or old age pensions with basic social assistance programs.

Mr. Oberle: It is the same thing.

Ms. Mitchell: No, it is not the same thing. The basic social assistance plan is administered under the Canada Assistance Plan. It is 50 per cent provincial and 50 per cent federal responsibility. In the case of native people, there is a special federal responsibility for those on reserves. It is a basic raising of those rates and some adjustment for remote areas that is required.

In some cities, the cost of housing is much higher than in others. There should be an adjustment for a more flexible housing allowance. That is where the solution has to come from in order to meet the basic needs for food and shelter for these people.

Mr. Deputy Speaker: We shall now resume debate.

● (1600)

Mr. Bob Pennock (Etobicoke North): Mr. Speaker, I would like to take this opportunity to congratulate you, Sir, and the Hon. Member for Don Valley West (Mr. Bosley) on your appointments, and to express my personal confidence in you and your office. I would also like to congratulate the Hon. Member for Sarnia-Lambton (Mr. James) and the Hon. Member for Montreal-Mercier (Ms. Jacques), the mover and seconder respectively of the address in Reply to the Speech from the Throne. In particular, I would like to commend them for their eloquent and sincere addresses.

As a new Member of Parliament, I am sure that I can speak on behalf of all new Members in thanking the veteran Members of Parliament on both sides of the House for the assistance they have provided us in these first few weeks. I know many of my colleagues would agree that the sheer volume of information that has been thrust upon us has made us feel much like we are trying to paddle a canoe up a waterfall without a paddle.

Having the opportunity to present my maiden speech in the House so early in my parliamentary career is both difficult and exhilarating. The institution of Parliament is steeped in history. However, it was not until the division bells rang and I walked through the curtains behind me into the House for the first time that I realized the gravity of my new responsibility fully. For me personally, it was a time for deep reflection.

On September 4, our Party was given a mandate for change; not just a change in Government but a change in the nature of the relationship between Government and the people. I am deeply honoured to be part of the new Government and to meet this new challenge.

I represent the Riding of Etobicoke North which is geographically situated in the Northwest corner of Metropolitan Toronto. I am proud of the fact that I am the first local resident of my community ever to represent our riding in the House of Commons. I have lived in the riding for 26 years. It is where I have made my home, founded my business and raised my children.

I have a deep sense of commitment to the people of Etobicoke North who placed their confidence in me. For that I thank them. They can be assured that I will work diligently and effectively on their behalf because I look forward to representing them from the government benches for many, many years to come.

The name "Toby Cook" appeared on the maps of early Upper Canada and it referred to the rivers and land now known as Etobicoke. Toby Cook was a mispronunciation of the Indian word meaning "the place where the alders grow". Although the Constituency of Etobicoke North has only been in existence since 1979, the communities of Thistletown, Rexdale and Albion which largely make up the riding have long and deep histories. These villages were first settled in the early 19th century by the Queen's Simcoe Rangers and the United Empire Loyalists.

Today in Etobicoke North we have a cross-section of people from all ethnic, religious and socio-economic backgrounds. The diverse blend of ethnic groups adds to the flavour of our community. In a sense, Etobicoke North could be viewed as a replica of the larger Canadian ethnic mosaic. Many of the residents are new Canadians, just as the United Empire Loyalists were 150 years before them.

If I had to describe my constituency in one word, it would be the word "mixture". As I have mentioned, we are blessed with an ethnic as well as a socio-economic mixture. Businesses in our community are quite diverse and range from small single proprietorships to primary industries, from small construction firms to advanced high-tech industries active in research and development. There is even a balance between single-family homes and apartments.

When I first moved to Etobicoke North, farms, orchards and cow fields were the predominant features. Today our community offers the residents a variety of social services and recreational facilities. There is everything from bachhi courts to the new Woodbine race track. Perhaps in the very near future, Hon. Members will be able to refer to Etobicoke North as the home of the dome. Although Etobicoke North is primarily an urban riding, it still contains two farms.

As I mentioned earlier, Mr. Speaker, the people of Canada have given our Party a mandate for change. The Throne Speech has provided our Government with a blueprint for that change. The people of Etobicoke North join with me in applauding the Government for its sensible, honest approach in dealing with Canada's truly difficult and complex problems. The Speech from the Throne addresses those issues of concern that have been voiced to me throughout the course of the recent election campaign, including economic growth, social issues and legal reform.

Etobicoke North is no different from any other urban industrialized riding in that the recent recession has caused unemployment. Many factors contributed to the recession and to the corresponding rise in the unemployment rate. Personally, I see no merit in dwelling on the past. The Throne Speech spoke in very positive tones with new approaches to dealing with the issues. The past is the past; what concerns us is the future and the best security for one's future lies with a steady job. However, the key to long-term job creation is economic renewal.

On Thursday, November 8, the Minister of Finance (Mr. Wilson) put before the House an economic statement which outlined the Government's economic agenda. The responses I have received from my constituents thus far indicate their strong support of the Government's initiatives, particularly with respect to its approach to fiscal responsibility. The people of Etobicoke North recognize the necessity of tough policy during tough times. They have tightened their belts and expect the Government to do the same. They know that through responsible Government, renewed growth and prosperity in the future is achievable.

The problems facing our youth today go beyond the economic ones. During the election campaign I promised my constituents that I would create a local task force adopting a similar approach to that contained in the Throne Speech. The idea was to bring together local businessmen, educators, labour representatives, youth groups and representatives of the three levels of Government to discuss long-term job opportunities in a spirit of consultation and co-operation. We must work in a harmonious environment with the provincial Governments to ensure that our educational system is training young Canadians for jobs that will be in existence 5, 10 and 20 years into the future.

The private sector forecasts its employment and technical requirements in advance. Only through co-operation with that sector will we avoid the unfortunate situation that is occurring today, a situation in which young people have been or will be trained for jobs that do not or will not exist.

The fact that the Throne Speech equally addressed social as well as economic issues serves to reaffirm to the Canadian people the Government's commitment to the maintenance of our social programs. The Canada of today is not the Canada of 20 years ago. Alterations in the economic and social fabric of our country have created new circumstances. My constituents applaud the Government's commitment to positive action in dealing with these new circumstances. I would like to deal briefly with some of these circumstances.

Issues that concern women are very important to me personally. My wife has always been my partner; first in marriage, then in business and now in politics. I also have two teenage daughters and, like all fathers, I wish to ensure that they have the opportunity to attain their goals, whatever those goals may be. Today, because of economic conditions, technological changes and a desire for personal advancement, women have become a more integral part of every sector of the work force.

I am proud that our Government has reaffirmed its position of favouring equality for women in all sectors of society. The principle of equal pay for work of equal value remains a cornerstone of the Government's social policy. As well, I am pleased that the Government intends to place greater emphasis on employment opportunities for women in the public sector.

In Etobicoke North, as in the rest of Canada, we have witnessed a significant rise in the number of single-parent families. The issue of daycare is, therefore, becoming increasingly important to us. It is encouraging that the Government has proposed the creation of a Parliamentary Task Force to study the future of daycare. Undoubtedly, positive solutions will be proposed to effectively deal with this important issue.

Seniors' issues are as well vital to my constituency. More than 18 per cent of the population of Etobicoke North is over the age of 60. There are several large senior citizens' developments in the riding. We must ensure that those Canadians receive sufficient benefits in their retirement. I am pleased to report to my constituents that positive action in this direction is forthcoming in the Government's proposed legislation to extend the income-tested Spouses Allowance to those aged 60 to 64, and as well, in the legislation to enhance the financial situation of veterans.

• (1610)

The Government has shown its progressive nature through the proposals put forth in the Throne Speech which dealt with legal reforms. It has only been within the last 10 years that the Government and agencies have made positive steps toward aiding those individuals who, tragically, have become the victims of crime. It is a most unfortunate situation when a society spends much of its taxpayers' dollars incarcerating criminals and only a fraction on aiding and assisting the victims of crime. I am pleased that the Government intends to work in conjunction with the provinces toward developing policies designed to provide more assistance to those who have fallen victim to crime.

I am also pleased that impaired driving will be addressed. The issue of impaired driving has received much publicity in recent years and is a truly vital concern. One only has to speak to the parents of a victim of an impaired driver to realize the importance and gravity of this issue. My constituents are no strangers to this problem. The programs to reduce impaired driving, now being used by police forces all across Canada, were initiated in Etobicoke North. However, government legislation is not the only means by which to curtail impaired driving. Equally as important is education. Through education we can teach our children the dangers of such actions.

In conclusion, I would like to add a few personal comments. As I look around the House and see my colleagues, I am filled with confidence and hope. With some of them I have become good friends. I look forward with anticipation to working closely with them all. But, what I see most is tremendous potential; potential that I am confident will translate into success. Why am I confident? Because Canada is a country which is truly blessed. We have enormous potential for development, not only with respect to our natural resources, but, more importantly, with our human resources. It is individual Canadians who are the key to our future. No doubt there will be difficult times ahead. Everyone will have to pull together and contribute. I believe that our Government has set a fine example.

To be very honest, this is a totally new experience for me. I have much to learn, but I believe I have something to offer. I am excited by the prospect of being a member of the team which will put Canada back on track. Under the leadership of the Right Hon. Prime Minister (Mr. Mulroney), Canada will once again become a great and prosperous nation.

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Gatineau (Mrs. Mailly). Question or comment.

Mrs. Mailly: Mr. Speaker, I wish to congratulate my hon. friend from Etobicoke North (Mr. Pennock) for speaking so eloquently to women's issues.

[*English*]

I want to tell him how proud I am to be a member of the caucus with enlightened people such as himself. I would also like to assure the House that a combination of men like the Hon. Member and the 19 women who have been elected to the Government of Canada will ensure that the women of Canada make the progress for which they have been waiting for a very long time.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Deputy Speaker: If there are no further questions or comments, we shall continue the debate. The Hon. Member for Mégantic-Compton-Stanstead (Mr. Gérin).

Mr. François Gérin (Mégantic-Compton-Stanstead): Mr. Speaker, I want to thank you for giving me this opportunity to take part in the debate. I suppose you realize what it means to rise in the House of Commons for the first time, even if one has been pleading cases in court for many years.

I also wish to take this opportunity to congratulate you on your appointment. I know you personally, and I am sure that you will perform your new duties with great skill and competence. From my seat, which is quite near the Chair, I can see it is not always easy to bring down impartial rulings, and I am sure you will perform your new duties with consummate skill.

On this occasion, I would also like to say a few words about the work done by my predecessor in the House, Mr. Claude Tessier, who was the Member for Mégantic-Compton-Stanstead for ten years. During that time, he worked very hard, both in the House and in his riding, in a riding that, I must say, is not an easy one.

The riding of Mégantic-Compton-Stanstead has 65 different municipalities, and for the benefit of my Western friends, I should explain that this means 65 different mayors. Whenever the Government launches a program like Canada Works, for instance, 65 mayors, often responsible for very small communities, each want a piece of the pie, in other words, their own program for their own municipality.

This very large riding—130 miles long by 50 miles wide—borders on six other federal ridings. To give Hon. Members an idea where my riding is located, to the west and north it borders on the ridings of Brome-Missisquoi, Shefford, Sherbrooke, Richmond-Wolfe, Frontenac and Beauce, while to the south and east, it borders on three U.S. states, Vermont, New Hampshire and Maine. Obviously, a riding of this size can be a problem, especially where travelling is concerned. It takes me longer to travel across to the other end of my riding than to go to Montreal, which is already a fair distance. It is easier for me to go skiing in the Laurentians than to go to Woburn. My predecessor weathered these problems as well as he could, and he also gave me a few tips for dealing with them after I was elected. I now realize that the entire country has the same problems. In Canada, these are problems we have to live with. It is so often a matter of distance, whether we are thinking in the geographic sense, and that of course is clear to everyone, or about economic and political "distances".

• (1620)

For instance, when the previous Government had a majority in the House, but hardly any Members from the West, it could not govern the country in a way that would be accepted by all Canadians. Only a truly national Government, a Government representing all parts of Canada, can govern this country. It is the only way to overcome the political distances that separate Canadians and tell Canadians: All parties in Canada are represented . . . The only way to avoid friction, to avoid the problems we have had for years, the only way to prevent the West from saying: I am not represented. Or Quebec from saying: We were not there when the decisions were being made. The distance problem is also present in the economic sphere. We have cities like Toronto and Montreal that are economically far stronger than the towns in my riding. We must constantly try to overcome these distances and do so in any way we can. We have to live with it, but we also have to overcome it, in the same way we live with and overcome the rigours of winter. If we refuse to overcome these distances, we might as well all go south and live where the sun shines all year. This is important. Within each government program, there should be room for the most sparsely populated areas or those furthest from the urban centres, such as my riding, across the border from Maine. These areas should be considered a part of Canada on the same basis as other areas and be given the same opportunities enjoyed by Canadians in Montreal or Toronto. However, I am confident that the Progressive Conservative Government will give us programs that will overcome these differences, that will help small municipalities like Lac-Mégantic or Woburn or Lac-Drolet to overcome the problems facing them every day. Industries located 100, 150 or 200 miles from Montreal, far from the markets, are going to find it harder to provide jobs for local people. If we do not make an effort to provide those jobs, to give them that extra opportunity, those people are going to react like some Quebecers and some people in Western Canada have reacted, to express their disappointment and frustration. Today, however, the same people are encouraged by the fact that a Progressive Conservative Government is in power, and by the new programs the Government wants to introduce. These people have confidence once again, and I believe they have reason to be confident.

My riding, which has a population of a little over 80,000 is 15 per cent English-speaking, reflecting a duality that has always existed in Canada. In the Eastern Townships, the two communities have always lived in harmony. The riding has always had a number of English-speaking citizens, like my birthplace, Coaticook, where at one time, there were as many Anglophones as Francophones. We live quite happily together, sharing each other's culture and enjoying the best of both worlds.

Because of the riding's excellent geographical location, we have made representations to the Minister of Transport (Mr. Mazankowski) asking him to restore the VIA Rail link, not in order to give one specific community its own rail service but to restore the Halifax-Montreal route, the Atlantic route, which would be a tremendous importance to the development of our area, the Beauce, Mégantic, Frontenac and Sherbrooke. We also made representations aimed at upgrading the Sherbrooke airport, not to make it possible for the Member for Mégantic-Compton-Stanstead to fly instead of driving his car to be in attendance in the House, but to spur real regional development.

We certainly hope that the government will react positively, if only because those measures were promised during the election campaign. We are quite confident that they will be translated into specific projects in the coming months. That would help the region fight against an unemployment rate of 14.4 per cent and go a long way toward convincing those Canadian citizens that they are not as far removed from the decision centres as geographical distances might at first lead them to believe. I think that the people of Mégantic-Compton-Stanstead did get the message we gave them during the election campaign, a message of hope and a message of renewal.

Last Saturday, two days ago, I attended a meeting of a group of people from my riding and I explained to them the economic problems with which the government has to cope.

I am referring to the rather difficult problems left behind by the previous government. Those problems would surely have created more unemployment and might even have led the country to bankruptcy.

Last week, I listened to the remarks made by the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) about the Speech from the Throne, when he said that he had nothing against it and that, much to his surprise, he agreed with it. I commend him for saying that because it does him credit. He has been a Member of this House for

many years, so he can appreciate the problems he has left us with.

The same thing goes for other Members from the Montreal region. I heard a few who kept saying that the Speech from the Throne had a new and worthwhile approach and that we ought to steer in the direction indicated.

The issue of universality is one which, I believe, people understand quite well in the sense that they know it has to be debated, that such a debate is not necessarily a new step but rather part of the normal evolution or review of the system which should have occurred perhaps a few years ago, instead of just allowing the country to sink into a total indebtedness of more than $190 billion.

People agree, I think, not so much that the less fortunate should have less money, but that there should be a redistribution which is more equitable and more in line with the country's aspirations.

Mr. Speaker, I am pleased to support this motion calling upon the House to concur in the Speech from the Throne, as it incorporates all the principles for which I have been fighting for the past 20 years.

Mr. Deputy Speaker: Are there questions or comments on the speech of the Hon. Member?

[*English*]

If not, we shall resume debate.

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, it is a pleasure for me to participate in this debate. I would like, first of all, to congratulate you, Sir, on the position you hold. I would like to congratulate as well all those who hold office. I may say that so far the House has witnessed the toughness, the firmness and yet the sensibility with which you have governed. We appreciate that. I would also like to congratulate the mover and seconder on their addresses in reply to the Speech from the Throne and, indeed, all Hon. Members who have participated in this debate, particularly those who have addressed the House for the first time.

I want to thank those who have seen fit to elect me to this House for the fifth time, Mr. Speaker, and to tell them that I appreciate the confidence they have shown in me. I will certainly do my best to see that I serve them to the best of my ability, as I have in the past.

I would like to direct some comments to the Speech from the Throne, Mr. Speaker, as well as to the economic statement which followed it. The central message seems to be that private enterprise is the engine of the economy and that it must be put front and centre. I have no quarrel with that particular philosophy. Second, and more specifically, it is said that the deficit must be reduced. Again, I have no quarrel in principle with that particular philosophy. However, it is the application which bothers me, Mr. Speaker. I believe the question is; if that is the direction in which the Government wants to move, is it moving in that direction in an evenhanded and fair way? From what I have seen, Mr. Speaker, of the effects of the Throne Speech and of the economic statement, it seems to me that the people in Atlantic Canada and in my riding will be particularly hard hit by certain economic measures. I would like to point out what they are.

Bear in mind, Mr. Speaker, that the province from which I come has the highest unemployment rate in the country and the highest cost of living. Historically we have been heavily dependent on transfer payments. Over $200 million a year goes into the Newfoundland economy by way of unemployment insurance. That is the second largest contributor to the provincial economy. I point that out, Mr. Speaker, not because I am proud of the fact, and not because I am satisfied with that situation. I point that out to indicate that sudden and massive change in transfer payments, in unemployment insurance, is going to have a negative effect on the economy of our province.

• (1630)

In the economic statement we were told that the Government was going to increase premiums, which indeed is a raise in taxes. At the same time people would be cut off the rolls and benefits would be cut. The reason given by the Minister of Finance (Mr. Wilson) for that situation was that people did not look hard enough for jobs. That is the interpretation of what he said. Therefore, he is cutting down on unemployment insurance.

I would like to tell the Minister of Finance and the other people on that side of the House that there are 8,000 Newfoundlanders in Fort McMurray, Alberta, who went there to look for jobs. They are in Faro in the Yukon, they are in Thompson, and they are even in Tuktoyaktuk. How far do we have to go to look for jobs, Mr. Speaker? Do we have to swim the Pacific to Japan to look for jobs? What must we do to prove to the Minister of Finance and the Government that Newfoundlanders really do want work? The reason given by the Minister of Finance for changing the unemployment insurance system is that people were not looking hard enough for jobs. In my province at the present time there are no alternatives and people are doing their best. They go anywhere in this country where they can find employment. I know that the Minister of Finance is a fair and honourable man. I just think that he does not quite understand the situation in that province and in the Atlantic area generally.

The Minister assumes that the private sector will create those jobs if the safety net that we have created for unemployed people is changed in some way. What is the evidence of that and what is the motivation? We have had tax breaks in the Atlantic provinces before. In spite of the programs that we have had in the past we have had difficulty attracting capital and creating those jobs. No one was more diligent in that than this Party when we formed the Government of Canada. A constant, considered, important and paramount plank in our platform was always regional development. It seems to me that we have somehow lost sight of that objective.

Let us look at the major industries in my province at the present time. We are told that the offshore holds a great deal of promise. I think that is probably true. Obviously an agreement is imminent. One was talked about and negotiated when the present Government was the Opposition. I hope that that agreement comes to fruition soon. If it is a good agreement for Newfoundland and for Canada my Party and I will support it. However, if that agreement comes into effect and Hibernia does start until maybe in 1989 or 1990, given the world price for oil and all the other factors that have to be considered in starting a commercial development, how soon will those new jobs come? What do we do until then? Even if Hibernia comes into existence it is not going to solve all our employment problems.

Let us turn to a second economic mainstay which may be the most important one for my province; that is the fishery. Fishery Products International is one of the largest companies in the world. It was created when we formed the Government of Canada. I think that company must be given time. That company and that industry is struggling, not just in Atlantic Canada, but all across the country. The marketplace is not sound at the present time. Therefore, our main industry in the province is still struggling.

The inshore fishery which is very important to my constituency in particular has had a particularly bad year. The fish just did not come ashore. No Government, of whatever political stripe, can ensure that. Hundreds of fishermen, through no fault of their own, are not going to be able to get the numer of weeks necessary to qualify for benefits this year. Given that fact, I submit that now is not the time to change the system. Now is the time to do what was done before; that is, put special programs in place to help those fishermen who will not receive those benefits, through no fault of their own.

Instead of tightening up on unemployment insurance it seems to me that we have to ensure that that net is in place. However, there has been a toughening of unemployment insurance and, as far as the fishery is concerned, these other measures had been taken. Capital projects which were to proceed, such the Smokes on the Labrador coast, have been cancelled. The Government is going to cut out the advertising program that was put in place to advertise fish products abroad. Insurance is going to be privatized. I wonder how many companies are going to get into the business of insuring inshore fishermen, their nets, gear and boats. So far there has not been much interest shown. That is why the Government is involved in those activities, because the private sector has not responded. Maybe we will find companies all across Canada suddenly insuring longliners, but I wonder and worry about that. If it does not happen there is going to be a severe burden on inshore fishermen.

Berthage fees are going to be doubled at a time when the fishery has had a particular bad year. Fishermen are going to have to pay more for maps and weather forecasts. All of these may seem insignificant to a large business, but when they are added as a burden to a small inshore fishermen, a small businessman, they add up to a very heavy burden indeed. That kind of measure is not going to create jobs in a struggling industry. Rather, it hits the little guy when he is down and needs a hand up. It is going to put massive economic pressure on those who can least afford it.

With regard to the forestry industry, in spite of the fact that our mills in the province are now in good hands and that modernization is underway, technology in and of itself is going to mean a loss of jobs. While the situation is stable in the forest industry, which is the third economic mainstay of the province, jobs have been lost. I do not foresee in the immediate future where those new jobs are going to be created. Yet, we are told that the forestry centre which was to be put in Corner Brook is going to be cancelled. That would have been an alternative for employment in that particular west coast area.

There is evidence in the Speech from the Throne and in the economic statement particularly, Mr. Speaker, that the people in the Atlantic and the North are the forgotten people. I would like to talk about the North for a minute. Consider what has happened to the people up there. The cost of gasoline has gone up. The airport tax has gone up. Bear in mind, Mr. Speaker, that air travel into the North is not an alternative, it is not luxury. It is the only way in and out. I do not know if the Government understands that, but when you live in that particular area the only way you can get out of the Northwest Territories, the Yukon and Labrador is by air. If you increase the cost of gasoline and airport taxes it will place an additional burden on people who already experience the highest cost of living in the country.

As a matter of fact, those measures which have been taken are exactly the measures which the Canadian Transport Commission recommended against last week. In one of the best reports issued by the Canadian Transport Commission it said that to do away with airport taxes and fuel taxes would give the people in the North a break which they deserve and require if they are going to continue to live in the North. If we continue to put that kind of burden on people in the North it will depopulate northern Canada.

What else was done as far as the North was concerned? The moratorium on the taxation of northern benefits which had been put in place is only there for a year. It was my understanding that northern benefits would not be taxed indefinitely, for the foreseeable future, and I understood that to mean for all time. Many of us fought that issue very hard and I can say that we will continue to fight it. The Minister of Finance said this would last only one year, and then he will review it. He said there is a possibility that northern benefits could be taxed at the end of this year. I give notice that I will fight that as hard in the future as I have in the past, because if such a measure were implemented it would depopulate the north, an area that we need to build up.

● (1640)

Let me talk about the plight of the youth. It is a serious situation all across the country, but particularly in the Atlantic area. In Newfoundland, 50 per cent of all eligible young people are unemployed. In the meantime, a mere $27 million is

allocated to youth employment as opposed to the $100 million that had been promised by this Party when we formed the Government of Canada. Moreover, there have been cuts in the industrial training allowance.

Let me give a small example of what that means to a northern community. The radio station in Nain, Labrador, and Inuit community, was depending on that industrial training allowance to employ trainees to operate a radio station for the whole of the northern Labrador coast in the Inuit language. If those industrial training programs are cut, then that project will have to be cancelled. It is a very important project for their communication purposes and the development of their area and society. That is an example of the effect it will have.

I wonder how many members of the Opposition realize those effects when they put those programs in place? We do not know what further cuts there will be. For example, we do not know about the transfer payments for education. What will happen to the Established Programs Financing? We already know that all of the money that goes to the provinces does not get to the universities, into education and to the students. We know that the provincial governments can use that money for paving roads, or whatever they want. If the EPF is cut further, the universities and post-secondary institutions will find themselves hardpressed, and I submit that the students will be carrying the burden in the final analysis. They will not only be carrying an educational burden but a financial one as well. We do not know what further cuts are coming but we do know that young people have seen an immediate cut to systems which they had taken for granted for job-creation.

I have said that I have no quarrel with the idea of giving priority to the private sector. I have no quarrel with cutting the deficit. However, when one embarks on such a policy, one must take regional differences into account. This country is not the same everywhere. Downtown Toronto and Labrador are two entirely different regions. The Government does not consider regional differences when it applies one policy right across the country.

We on this side gave a high priority to regional development. Now I hardly hear it mentioned. It is as if the Atlantic and the North do not exist. It is as if they are the forgotten people in this country. I have not heard any provincial premiers from the Atlantic say anything about the economic statement. Have any Government Members from the Atlantic Provinces said anything about it? Were they consulted and was there advice taken? If they were consulted they could not have been listened to. Either way they stand condemned.

I hope that I am wrong but I believe this budget will be a severe burden on the people in the extreme regions of this country, particularly in the Atlantic and in the North. It will be a long cold winter for those people. Newfoundlanders and Labradorians and people in the North will come to fully understand this winter the meaning of the old saying, "Tory times are hard times".

Mr. Crosbie: Mr. Speaker, first I must congratulate the Hon. Member for his fifth election. That is shocking news, indeed, but we must congratulate him for that.

When he finished his remarks he said that he hoped he is wrong. I am raising right now to tell him that he does not have to wait any longer for that hope to be fulfilled. He is wrong. He was wrong in just about everything he said during his comments.

He said that he had no quarrel with cutting the deficit, and then spent 20 minutes opposing in every way he could every suggested cut to the deficit. If the Hon. Gentleman has no quarrel with cutting the deficit, why is he quarreling with it? Why is he on his feet bringing forward all these objections if he does not quarrel with cutting the deficit?

The hon. gentleman tut-tutted about transfer of payments for education. There has been no suggestion by the Government whatsoever that transfer payments for post-secondary education to the provinces will be cut. As a matter of fact, the hon. gentleman was a minister in the government that, several years ago, put a ceiling on transfer payments to the provinces for education, contrary to agreements with the provinces. Now the hon. gentleman, the "Uriah Heap" of 1984, gets up and wrings his hands over some problem there will be with transfer payments for education when the hon. gentleman's government did exactly that by imposing a 6 and 5 per cent ceiling. The honourable "Uriah" should not come into the House and heap this kind of hypocrisy before Members of the House. He is saying "Please don't do what we did". I can convey the message to him that we will not do what he did.

The hon. gentleman weeps about northern benefits. He was a member of a government that announced it was eliminating the tax allowance for northern benefits given to people who live in the North. That government only changed it after the Opposition in the House sent out an outraged howl and the people of the North added their voices to it. Therefore we are glad to have him aboard and we know now that he is opposed to taxation in the North. We hope to have him on our side fighting for the cause of not letting that happen.

I did not hear a word from the hon. gentleman about the spouses' allowance. We did not hear him say that he was opposed to the increase in spouses' allowance this year that we are implementing for single persons in Canada between the ages of 60 and 64. They are primarily women who desperately need the assistance they will get this year, to the tune of $200 million, from the Government by way of an improved spouses' allowance.

We did not hear a word from the hon. gentleman about the veterans who will receive increased benefits this year as a result of the increase of $22 million with respect to veterans' benefits.

We heard the hon. gentleman complaining that a forestry centre would not be moved from St. John's to Corner Brook. Of course, there was a unanimous report recommending that it not be moved from St. John's. Further, the hon. gentleman forgot to say that partly as a result of this Government's

efforts the Kruger firm is going ahead to take over the Bowater Pulp and Paper Mill so that it will continue to operate in Corner Brook. I suggest that a living, breathing operating pulp and paper mill is 100 times better than having a forestry centre located in the community, any day of the year, any year of the century, any century of the world's history since recorded time began.

The hon. gentleman did not say a word about the fact that we are helping the fishermen, farmers, miners and loggers of this country by giving them relief with respect to the payment of gasoline tax. We are eliminating 12 cents to 14 cents a gallon of the gasoline tax. That is approximately two cents a litre, I believe—I am like the Member for Peterborough (Mr. Domm). Whatever it is, nothing could be sweeter than to measure in the litre. We are removing the fishermen's burden of 14 cents a gallon or three cents a litre of federal sales tax for gasoline. Did I hear the hon. gentleman say that?

That adds up to far more than the petty annoyances he mentioned. He alleged that berthing fees would increase and they would have to pay to get the weather forecast. What twaddle! One needs only to turn on the radio to listen to a free weather forecast on any channel. Very few people will have to pay any more for weather information.

The hon. gentleman forgot to tell his constituents about the tax reductions we are bringing in on taxes that that the hon. gentleman increased over the last five years. Remember, they were elected in 1980—

Mr. Allmand: A point of order.

Mr. Crosbie: They do not like to hear the truth.

Mr. Allmand: Mr. Speaker, I rise on a point of order. I would like to remind the House of Standing Order 35—I just had it.

Some Hon. Members: Oh, oh!

● (1650)

Mr. Allmand: Just a minute, Mr. Speaker, it is Standing Order 35(2)(b). This is one of the new provisional standing orders which provides for the ten-minute period following the twenty-minute speeches. It reads; in part:

—ten minutes shall be made available, if required, to allow Members to ask questions and comment briefly on matters relevant to the speech and to allow responses thereto.

The Acting Speaker (Mr. Paproski): Order, please. I did not see any other Members rising. I felt if the Hon. Member for St. John's West (Mr. Crosbie) was going to comment and take up the ten minutes, I should stop him very shortly anyway and allow the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey) to answer or rebut the comment. But I do not recall seeing other Members rising. They are entitled to speak, and if I see them I will definitely recognize them.

Mr. Crosbie: Mr. Speaker, I have a question.

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

The Acting Speaker (Mr. Paproski): I recognize the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) on a point of order.

Mr. Allmand: Mr. Speaker, I appreciate the response and the comments you made on my point of order. But this is a very serious point. These are provisional standing orders that are being tried in this House. We introduced the ten-minute debating period after twenty-minute speeches so that Members could ask questions and make brief comments, as the rule states. I think, as a matter of precedent, your ruling is very important. If Members are allowed to carry on and make full speeches after twenty-minute speeches, we will violate this provisional rule. I think it is important for the Chair to give direction on that ten-minute period.

The Acting Speaker (Mr. Paproski): Order, please. I have already made a ruling on it. I see the Hon. Member for Regina East (Mr. de Jong) rising. Is it to ask a question?

Mr. de Jong: No, Mr. Speaker, I am rising for debate.

The Acting Speaker (Mr. Paproski): The Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey) would like to give an answer?

Mr. Crosbie: Could I get to my question, Mr. Speaker?

The Acting Speaker (Mr. Paproski): Would the Hon. Member for St. John's West (Mr. Crosbie) put his question.

Mr. Crosbie: Yes, Mr. Speaker. What does the hon. gentleman think about the fact that the cupboard was bare respecting the unemployment and Canada Works funds when we got into office? We devoted, I think, a further $480 million to a Canada Works program that is coming into effect November and December this year, including additional funding under section 38 of the Unemployment Insurance Act? Did that happen to slip the Hon. Member's mind or would he like to congratulate us on doing what we can to overcome the worst effects of unemployment in districts like his own this year? The Hon. Member's own district, by the way, is going to get $3 million from that program.

Some Hon. Members: Hear, hear!

Mr. Rompkey: Yes, my own district is going to get $3 million, Mr. Speaker. It got almost $3 million last year because Canada Works is a program that was brought in by this party when we were the government.

Some Hon. Members: Hear, hear!

Mr. Rompkey: The use of Section 38 was a use of the Unemployment Insurance Act, a creative and imaginative use brought in by the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) when he was the Minister of Employment and Immigration. Those program are not Tory programs. They are Liberal programs being continued. I welcome them and I hope they continue.

I ask the Hon. Member not to talk to me about the bare cupboard. As far as the deficit cuts are concerned, Mr. Speaker, yes I agree with them. But I am saying to the Hon. Member for St. John's West (Mr. Crosbie) that the Conservatives are going about that in the wrong way. The Conservatives are cutting the wrong things. If the Hon. Member for St. John's West is prepared to stand up in Newfoundland and defend the cutting of unemployment insurance and to defend all the other cuts, I would like him to come to my riding, because if he does I will be in for a sixth term, Mr. Speaker. I hope he will come and defend what the Government has done.

As far as northern allowances are concerned, it was this government in the last measure taken that said there would be no taxation on northern benefits. That was a definitive statement. That is the situation. It was not the opposition that put up a fight. It was those of us from the North who said to the government of the day, "This is what you must do." And we were listened to—

Mr. Crosbie: Who was the government?

Mr. Rompkey: —unlike members from the Atlantic area who were not listened to in this budget and in this Throne Speech.

Mr. Crosbie: You were the government. You were a minister in the government. You were speaking to yourself.

Mr. Rompkey: People in the Atlantic area are the forgotten people. As far as the forestry centre in Corner Brook is concerned, the Hon. Member says, "yes, we have the Kruger Mill going". The agreement for the Kruger Mill was signed when we were the Government of Canada. Like a lot of other agreements, ribbon-cuttings, and press conferences, the Conservatives are taking credit now for things that were done when we were the Government of Canada. The money that was put into the Kruger Mill—

[*Translation*]

The Acting Speaker (Mr. Paproski): The time allocated for questions and comments is now expired.

[*English*]

The ten-minute period has concluded. Let me say to the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) that in future if he would like to be recognized I would very much appreciate it if he would rise as soon as the speaker has finished. I will then recognize him.

Mr. Allmand: I rise on a point of order, Mr. Speaker. There is no requirement that Members rise immediately after a speaker has finished speaking. I was only prompted to ask my question after hearing the question put by the Hon. Minister of Justice (Mr. Crosbie). I think that is my right. If he had not taken so much time I would have had time to put my question.

The Acting Speaker (Mr. Paproski): I would now recognize the Hon. Member for Ottawa West (Mr. Daubney).

Mr. David Daubney (Ottawa West): Mr. Speaker, let me begin by congratulating my friends and colleagues, the Hon. Member for Sarnia Lambton (Mr. James) and the Hon. Member for Montreal-Mercier (Ms. Jacques) on their excellent beginnings to this debate. I would also like to congratulate all new Members on both sides of the House on their election and to say to them and to all Members of this House how proud I am to be part of the Thirty-third Parliament of Canada. I am well aware that the honour of being here is a privilege that has to be earned every day. I am grateful to the electors of Ottawa West for the confidence they expressed in me in such overwhelming numbers on September 4.

As you know, Mr. Speaker, as a long-time resident of Ottawa, Ottawa West is an interesting and exciting community. It is an attractive community, so attractive in fact that I am pleased to say several Members of this House and one or two Cabinet Ministers reside in Ottawa West while they are in the capital.

Ottawa West comprises an area of about 26 square kilometres in the west end of the City of Ottawa. The eastern part of the riding is visible from the windows of the Government Lobby directly behind me. The riding follows the historic Ottawa River along the beautiful and well-travelled Ottawa River Parkway to the Ottawa-Nepean boundary in the west and then south to Baseline Road and east to the Central Experimental Farm, the only farm in my riding. I have the honour of having as the only farmer in my riding the Minister of Agriculture (Mr. Wise).

Ottawa West is a largely residential riding which boasts a population of approximately 90,000 and a labour force, as of the last census, of 48,520 people.

Many of my constituents are in the Public Service of Canada; many are in the commercial and business industries, particularly in the high technology sector. I will have more to say about the Public Service and high technology later.

English is the language most frequently spoken in the homes of my constituency. It is spoken by about 86.5 per cent of the people.

[*Translation*]

French is the language spoken in 7.4 per cent of the homes in Ottawa West; in 6 per cent of the homes in my riding, a language other than French or English is spoken, and 26 per cent of the population speak both French and English.

[*English*]

In terms of formal education 14.5 per cent of Ottawa West residents, aged 15 and older in 1981, had a university degree.

I am particularly honoured to represent Ottawa West in this House because it has been represented by so many capable members in the past and, indeed, by several prominent figures in Canadian history, including two distinguished Prime Ministers of Canada. Both Sir John A. Macdonald and Sir Robert Borden represented my area under its former name of Carleton. So did George Drew when he was here as Leader of Her

Majesty's Loyal Opposition. More recently, the Hon. Dick Bell, for many years national director of the Progressive Conservative Party and later a distinguished Minister in the Diefenbaker Cabinet, represented Ottawa West. Mr. Bell is still a leading figure of the legal community in the City of Ottawa and was a partner of that distinguished servant of the House, the late Hon. Walter Baker who I was proud to call my friend.

• (1700)

Some Hon. Members: Hear, hear!

Mr. Daubney: I would be remiss if I did not mention as well my immediate predecessor as Member of Parliament for Ottawa West and yours, Mr. Speaker, as Speaker of the House, the Hon. Lloyd Francis, who was the only Liberal to have ever been elected in Ottawa West. I take this opportunity to congratulate Mr. Francis upon his appointment as Ambassador to Portugal and wish both him and Mrs. Francis well in their important new duties.

Some Hon. Members: Hear, hear!

Mr. Daubney: As all Hon. Members appreciate, it is always a pleasure to note a constituent's achievement.

I mentioned earlier that many of my constituents are public servants. I myself was a public servant for three years until my election. In fact, I was the only federal public servant elected to the Chamber on September 4. I am also proud to say that my great-grandfather was a public servant in this city in the late 1800s and the early years of this century. Indeed, one of the highlights of the election campaign for me on a personal level was encountering a constituent in his 90s who had worked with my great-grandfather in the Ottawa post office before World War I.

As the Prime Minister (Mr. Mulroney) has said on a number of occasions, we have a good Public Service in Canada. In most cases public servants are a dedicated, hard-working group of people who have oftentimes been the subject of abuse that might better have been directed in the past at their political masters. Public servants like all Canadians are people who care about their jobs, their families and their country. They are people with the education and the experience to make a valuable contribution to the public life of Canada, not just on the job but outside their work as well. In my view they are people who have the right to expect that they will be treated equally under the Constitution. This is why during the campaign I made a commitment to push for an extension of political rights and freedom of expression for public servants.

The Public Service Employment Act, enacted by the House in 1967, establishes some very restrictive and narrow rules on political activity by public servants. The Public Service Commission in February of this year issued guidelines on political activities which in my opinion went beyond the scope and intent of the Act in extending restrictions on such activities even further.

[*Translation*]

I will therefore recommend to my colleagues that a special parliamentary committee be struck to draft a piece of legislation with the following objectives: first, to give political rights to public servants as recommended in the D'Avignon Commission report and, second, to indicate to all public servants in clear and precise terms to what extent they are allowed to participate in the political process, regardless of the category they fit in on the basis of the D'Avignon report.

[*English*]

I mentioned earlier that many of my constituents work in the high-tech industry. In fact, Ottawa West is home to several high-tech companies as well as to the Ontario Centre for Micro-electronics. Ottawa West has a large stake in the success of high technology industries. A good proportion of the new private sector jobs we need in Ottawa may come from these industries—from communications, laser, aerospace or other high level technologies, the same technology which other Canadian communities need if they are to prosper.

There is more at stake here than just the creation of new jobs in the high-tech sector itself. The fact is that Canada's economic health rests on the increased productivity of existing industries. To survive in the world we have to sell what we produce, and we can only do that by drastically increasing the productivity of our mature industries—the industries where there are jobs for more than just scientists and engineers.

I am talking about our forestry, agriculture, mining, petrochemical, textile, shoe, steel and automobile industries—the areas where there are large numbers of jobs at stake. The problem we face here is that we cannot match many of our Third World competitors in these areas in terms of wages. I am referring to countries such as Mexico, Taiwan or Brazil where the lessons of competitive international economics have been learned well, countries where labour-intensive industries are productive and thriving.

It is obvious that we cannot hope to compete internationally on the basis of labour costs. We can only compete, we can only keep our existing jobs and create new jobs if we can increase our productivity or if we can produce innovative products at a price people want. This means developing new technology, creating new high-tech industries and learning how to integrate new technology with our existing industries, to help us produce better products more cheaply than before in our existing industries. We should not think for a moment that only blue collar jobs are at stake here. We have all seen the vulnerability of the scientific and engineering community to staff cut-backs.

Because of the small investment required for equipment and high labour costs involved in office work, a number of U.S., Canadian, Japanese and Australian companies have already begun exporting data processing clerical work to Third World countries. Labour costs are less. These countries can acquire data processing technologies cheaply and they can produce high quality work. The concept of the offshore office has been born, and one more brick in the wall of our economic compla-

cency has tumbled to the harsh demands of international competition.

The loss of jobs is a problem, but the loss of our complacency can only be good for us. We have to learn from our competitors. We have to encourage new technological development, and we have to plan very carefully for the integration of new technologies into our existing industries.

The Japanese have demonstrated how useful and how necessary social consensus is for the introduction of new technology to society. Their social and cultural patterns cannot and should not necessarily be duplicated here, but we need co-operation between all sectors of our community if we are to make some of the difficult economic and technological decisions which are necessary for economic growth. That is one of the key messages of the Government's Throne Speech and economic statement—consensus and co-operation.

I was happy to see the appointment of my friend and colleague, the Hon. Member for Richmond-South Delta (Mr. Siddon), as Minister of State for Science and Technology. For the first time in many years we have a Minister devoted solely to this fundamentally important sector of our economy. Technological innovation does not come from wishful thinking. It comes from the creation of an economic environment which rewards risk and rewards research.

The Speech from the Throne and the economic statement clearly lay the groundwork for the creation of an economic environment that will stimulate confidence and encourage Canadians to take the risks which research and development involve. There is a long pay-back period on research and development. Investors, entrepreneurs and scientists need to know that government is serious about long-term growth before they will invest in research and development.

There has been a lack of confidence in the country bred in part by the poorly co-ordinated and recklessly expensive projects of the previous administration. In my opinion this has been the prime inhibitor to greater research and development in the past. In fact, the shamful statistic is that Canada spends less on R and D as a percentage of our Gross National Product than any country in the western world except Iceland.

The fact that our Government has shown that it means business on the deficit has already had a positive influence on business confidence in this country and abroad. I am confident that Canada can look forward to increased investment in research and development, increased productivity and increased competitiveness for Canadian industry. As a result we can look forward to more jobs for Canadians.

Some Hon. Members: Hear, hear!

• (1710)

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

Mr. Cassidy: Mr. Speaker, I would like to comment on many aspects of the Member's speech, but I will focus on the area of political rights for people working in the Public Service of Canada. I appreciate very much that the Hon. Member has indicated that he personally favours giving political rights to people working for the public service and that they should not be forced to continue with the kind of restrictions that now exist, restrictions which have existed since 1966, and which were reinforced by the directives sent by the Public Service Commission to all members of the public service during the months of February to July this summer.

The Hon. Member did not comment, however, on the specific promises that were made by his leader, now the Prime Minister (Mr. Mulroney), and by the Conservative Party during the course of the summer election campaign. Perhaps he recalls that in response to questionnaires from the Professional Institute, and also from the Public Service Alliance, that the promise was made that a Progressive Conservative Government would in fact set up a parliamentary task force or parliamentary committee and would assign that committee the job of looking into the question of political rights of public service workers with a view to taking early action.

While the Conservatives in the campaign did not say specifically what they intended to do, they made it very clear that they felt that most people working for the public service should have political rights. My question is whether the Hon. Member recalls that promise. I presume from his statement that he supports that action. Has he pressed the Government to in fact set up the committee which was promised? Can he give us a report, as a backbencher from the Government side, as to when that will likely take place?

Mr. Daubney: Mr. Speaker, I thank the Hon. Member for Ottawa Centre (Mr. Cassidy), my neighbour, for his question. I, of course, am aware of our position during the campaign. It is one that I support, as is clear from my remarks. It is one that I as a private Member will continue to work toward achieving.

In answer to one of the Hon. Member's subquestions, I have had discussions with certain Members of the Cabinet. I am confident that this question of political rights of public servants will be one that will form the subject matter of negotiations in due course between Treasury Board and various Government unions. As I said, I will certainly press for a parliamentary committee to investigate further. I think the D'Avignon Committee, which reported a few years ago, has gone a long way toward recommendations which in my view would be acceptable and workable. They are ones that I would be prepared to recommend to my colleagues on the front benches.

Mr. Cassidy: Mr. Speaker, I appreciate the remarks of the Hon. Member. I think I made clear that certainly my Party has felt for a long time that these political rights should be given to people who work for the Public Service of Canada. My colleague from Regina West (Mr. Benjamin) has on several occasions brought forward Private Members' Bills for debate. In fact, that was the only occasion on which this matter was raised in the previous Parliament between 1980 and 1984.

I mention that because when the Liberals were in opposition in 1980, prior to that election, they made the same promises as the Progressive Conservatives made this summer. That is why people in the public service and in the public service unions may rightly be forgiven for being just a bit jaundiced about what is there, although it is my impression that the Conservatives were perhaps more intent on acting than the Liberals had been.

I am disturbed, however, to see that this is now going to be a matter of negotiation and discussion. It is a matter that, if not acted upon early, may well get either forgotten or may get bound up in bureaucratic boondoggles or hornwaggles and not get acted upon. I would just ask the Hon. Member to join with me in pressing the now absent President of the Treasury Board (Mr. de Cotret) to see that the parliamentary committee be set up before Christmas with a specific view to maintaining a momentum on this issue. If the momentum does not exist, I fear in fact that the action that both he and I would like to see will not be taken in the life of this Parliament.

Mr. Daubney: Mr. Speaker, I can assure the Hon. Member for Ottawa Centre that I will do what I can to ensure that the momentum is in fact not lost on this issue. He will appreciate, of course, that I am not in a position to make any commitment on the part of the Government. However, I can assure him that I have a real personal interest in this issue. I know that many of my constituents do as well. I recognize that the principles involved are not black and white. We are balancing two essential principles here. One is the impartiality and neutrality of the public service which, of course, must be maintained. The other is the right of individual public servants to freedom of expression and political activity.

This is not an easy question. It is probably fair to say it is not one on which there is any consensus on this side of the House, and probably not on the other side either. As an Ottawa area member and a former public servant, I assure the Hon. Member that I will continue to press for this. I hope, with him and other members from the Ottawa area and other interested members from across the country, that this matter can be referred to a parliamentary committee in the very near future.

The Acting Speaker (Mr. Paproski): As there are no more questions or comments, I will now recognize the next speaker.

[*Translation*]

Mrs. Claudy Mailly (Gatineau): Mr. Speaker, I wish to thank you for giving me this opportunity to speak in the House for the first time. I am very proud of the fact that I am here at last, after all the attempts made during most of the last decade.

I would like to thank the people of Gatineau who have given me a mandate of which I am proud. I would also like to tell them that I do not intend to waste a single minute of my time and that I am going to take advantage of this opportunity to get Gatineau the development it needs, as a riding that has tremendous potential but has been terribly neglected, especially during the last twenty or thirty years.

Gatineau was one of the ridings of Sir Wilfrid Laurier. Although I have great respect for that great French-Canadian who put his mark on our history, I must say I am proud of the fact that I managed to win the riding for my Party, at a time when this country needs people with the courage to change its course and guide it in a direction that will help develop its great potential.

Mr. Speaker, this Government is accused of being vague in the throne speech, despite the fact that it contains the broad outlines of the new direction this Government wishes to take in administering the country. Heaven knows, planning and direction are something this country needs very badly! Too many ad hoc programs! Too many solutions based on political reasons, have adversely affected development and our ability to provide economic solutions.

[*English*]

We needed to have a new direction in our country. We needed to lay out the foundation for this new direction. It is very difficult to turn the *Queen Mary* around just by wishing so. You have to plan it. You have to make sure you know where you are going. You have to announce to the various technicians and experts, even to the engineroom, that you are going to change direction with this enormous equipment.

There is a similarity between what we have attempted to do as a new government, because the mess that we were left with by the previous administration and its previous administration and its previous administration is not something that can be changed overnight. Therefore, I would quarrel with the approach that has been taken by the Opposition, that in our Speech from the Throne there is nothing but generalities and pipe dreams and that there is nothing substantial.

• (1720)

[*Translation*]

On the contrary, the throne speech defines the structural problems of our economy which, for instance, have prevented us from providing for the lean years. Because of the enormous debt load, we did not have the flexibility required to act when, for instance, the economy of our biggest trading partner, the United States, was under pressure and buyers on the other side were unable to place the orders we needed to keep our factories going. Because we did not have the requisite flexibility, every time the U.S. elephant sneezed, we had no choice but to jump.

We must build this flexibility into our relations with our neighbour to the south who has a tremendous influence on our lives. While building this flexibility, we also want to ensure our country's sovereignty. We want to be able to make independent decisions to promote our growth and deal with the problems that occur from time to time. We cannot have equal

growth, because there are too many factors involved, and therefore we need this flexibility in order to cope with the rainy days.

In the Speech from the Throne, we gave a clear picture of how we are going to obtain the flexibility we need to cope with the lean years. We also discussed a new approach to consultations with the provinces. My Government's management of federal-provincial relations will pursue three basic objectives: to harmonize policies of our two orders of government, to ensure respect for their jurisdictions, and to end unnecessary and costly duplication. These are not just words but very definite goals. There is a good example of all this in my constituency today, where Canexel, a CIP factory, has just received an order to close down by February 14. As soon as I heard the factory was going to close, I got in touch with the mayor of the City of Gatineau, with the Liberal Member of the National Assembly for Gatineau, with the president of the Société d'aménagement de l'Outaouais and with people in the riding who I knew were very much motivated to protect employment in the riding. I did not say: Well, why should I want to work together with the provincial Liberal Member? He might get all the credit, so I should leave him out of it. I did not say: Well, as far as the Société d'aménagement de l'Outaouais is concerned, they have a pequist government and we do not agree on the constitutional issue, so why should I want to work with people who do not share my opinions? No, I said to myself: Our objective is to save 250 jobs at Canexel. That is why we got to work right away. Tomorrow we are having meetings with officials from the Department of Regional Industrial Expansion, to bring together potential buyers and experts from the federal and provincial development services, to make sure that the decisions we want to make will be both favourable to Gatineau and not detrimental to the area where the factory was to be transferred. So this is all very concrete. When we say consultation, we mean consultation.

My Government is also committed to ensuring that the equality of both official languages is respected in fact as it is in law.

[*English*]

Most people are in favour of bilingualism in Canada. The problem arises from the methods which are used to establish the bilingualism of the country. There is also a great deal of fear in those Canadians who live in certain regions of the country and who have not the advantage of living with people who speak a language other than English, except perhaps some European languages. They have been used to hearing people from Europe speaking various languages, but perhaps have not been exposed to North American French-speaking people. There is a great deal of fear.

I feel that if the previous administration made a mistake in its bilingualism policy, it was in not considering that when we want to have something adopted which deals with emotions, culture and attitudes, the first thing we must do is remove the fear which will be the greatest obstacle to making progress. That is why I am very pleased that my Party and the Government have realized that we must push bilingualism, but on the other hand that we must address ourselves to the legitimate fears of a great many people who are unfamiliar with life in a dual-language society. This is why it is a very important part of the Speech from the Throne.

[*Translation*]

We want to respect the equality of both languages. There is also reference to the methods that will be used to make all Canadians, whatever their mother tongue, aware of the importance of bilingualism in Canada in terms of justice, intrinsic value and the cultural wealth it represents. The constitutional agreement will remain incomplete as long as Quebec is not part of an accord. While their main responsibility is to achieve economic renewal the Ministers will work to create the conditions that will make possible the achievement of the prime objective.

Furthermore, this Government is committed not only to reconciliation but also to creating an economic consensus. Here again, creating a consensus is not a vague statement. It is a very practical statement. For instance, if we do not start the consultation process, we will never develop the solutions we need to deal with our very complex problems. We must have balanced development in the regions. We must also stop the duplication of efforts by provincial and federal governments because we no longer have the tremendous growth we experienced in the sixties. It is therefore imperative that we maximize the funds earmarked for economic development. That consensus is absolutely essential. There can be no progress without it.

Not only will the next summit seek to achieve a consensus but it will also gather under one roof spokespersons for consumers, women, native people, businessmen, unions and government officials. We will then have the wide variety of consultations needed to choose policies that will reflect real conditions in all regions as well as the country's real economic situation. As soon as the situation improves, we will be in a position to implement all the necessary programs or changes.

I am convinced that throwing lots of money left and right to score points or impress people will not solve our problems. On the contrary, I believe that the reason why Canada finds itself in this predicament is that this method has been used too often. They wanted to impress people instead of sitting down in a way which some people who like to show off would describe as being less dramatic and less ostentatious, but such methods will be far more constructive, competent and effective to solve the problems.

Perhaps there will be other summits on increased productivity. Everybody knows that we must increase productivity. When we talk about productivity, we do not mean that people ought to work harder and that they are lazy; no, we mean that the machinery is obsolete, that markets are not properly studied, that some products are simply left on the shelf. That is what productivity is all about, it is a lot more than simply telling people that they have to work much harder during their

working hours. I even think that this last problem is disappearing gradually and that our efforts should be aimed at modernizing the equipment and coming to grips with the latest technology. Speaking of the latest technology, we in the Outaouais region are still lagging behind the technological breakthrough. That is why I made it a point during the election campaign to tell the people that I would make sure that the Outaouais residents, French- and English-speaking alike, will very soon be part of that technological breakthrough.

Mr. Speaker, I want to say a few words about social justice, as mentioned in the Speech from the Throne. The role of women in all spheres of Canadian society and the equality which they rightfully claim are indeed the most significant development in recent years. True equality between men and women stems from economic equality. That is why I decided to join the Progressive Conservative Party in the first place. I came to the conclusion that, without economic equality, women can dream all they want about social equality, but they will never achieve it.

• (1730)

I knew that there can not possibly be economic equality unless Canada's economy is strong, and that the government in office must have the courage to make the necessary changes to spur the kind of economic growth which I, as a woman, as well as my sisters and my grandchildren—I have a son, so perhaps I will have granddaughters some day—need if ever we are to have that equality. This is why I believe that the efforts already made by our Government and by our Prime Minister, a true leader, are not only valuable, but essential to ensure women's equality.

Indeed, you will be asked to consider a number of important legislative measures, including removal of the discriminatory provisions in the Indian Act, certain amendments to the Divorce Act, and measures to control pornography and sexually abusive broadcasting.

It is also time to recognize the responsibility we all share for those of our fellow-citizens who suffer from physical and mental disabilities and this is why the throne speech also gave priority to this issue.

In addition, there will be a comprehensive overhaul of the Canadian pension system, particularly such matters as portability, vesting, survivors' benefits and pension coverage of women. These are very complex issues which require consideration if we want economic progress for women. As we all know, an astounding proportion, something like 60 percent, of women over age 65 live below the poverty line. Many of these women find themselves in that situation either because they have spent their lives bringing up their children and taking care of their husbands or because they have held jobs which provided no pensions or only a very meager one. If we want equality for women, it is therefore essential to overhaul our pension system. It is also essential for men because our society has changed. There is now much more mobility than before, and we must have even more because workers have to go where the jobs are and Canadians must be able to move anywhere in Canada, wherever job opportunities are, because it would be sheer deception on our part if we were to believe that a country as vast and diversified as ours could one day be evenly and equally developed. Mobility is therefore essential, and without pension portability, we cannot have the necessary flexibility to guarantee that unemployment will be eliminated or at least reduced to a rate which our society can absorb thanks to temporary assistance programs.

Canada owes much to those who have dedicated themselves to cultural, artistic and athletic endeavour. The throne speech says that the Government will address itself to this issue. However, it must be understood that we are in the middle of an economic crisis and that we are trying to give a new economic direction to our country. Unfortunately, priorities must be set and areas such as culture, the arts and athletics may not receive as much attention at the beginning of our mandate as unemployment and job creation. This is normal because we really must pay more attention to the jobless, many of whom are now on welfare, than to other matters; even though these issues, such as culture, arts, fitness and competition, are very important to us, we shall have to wait a while before we can find the necessary funds to provide assistance in these areas. On the other hand, there is a lot we can do which does not require grants or enormous amounts of money. For instance, we can review the tax system to make sure that artists are not penalized because of their way of life which is different from that of people who work for wages.

There is much to do if we are to make existing rules more flexible and simplify the tax system.

The Acting Speaker (Mr. Paproski): Questions and comments. The Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand).

[*English*]

Mr. Allmand: Mr. Speaker, at the beginning of her remarks in commenting on the Speech from the Throne the Hon. Member repeated what many Members, as well as the Leader of her Party, have stated, that it was not possible to put forward in the Speech from the Throne the many items which were promised during the election campaign, because after September 4 they found that the finances of the Government were in such a terrible state. The Hon. Member used the argument that the cupboard was bare. My question to her is very simple and straightforward. Is she not aware that during the election campaign her Leader and many Conservative candidates said that the country was in a terrible financial situation? As a matter of fact, they said that the deficit was between $36 billion and $37 billion. Despite the fact that they said the deficit was going to be between $36 billion and $37

billion, they made over 300 promises which the Leader of her Party estimated would cost approximately $4 billion.

The other night the Minister of Finance (Mr. Wilson) stated that the deficit this year would be approximately $34 billion. However, the Hon. Member and many of her colleagues are using the excuse that they cannot move forward with many of the election campaign promises because of the financial situation. How can they say that they cannot move ahead with those promises because the deficit is now $34 billion—according to the Minister of Finance—when during the election campaign promises were made when they said the deficit would be between $36 billion and $37 billion?

Mrs. Mailly: Mr. Speaker, I would be delighted to answer that question. I mentioned at the beginning of my speech today that one of the problems we wanted to address in the Speech from the Throne was the structural problems in the economy. Those problems have been neglected for many decades.

One of the structural problems is the growth of the debt which we discovered once we were in government and could look at the books. We did discover, as the Right Hon. Leader of the Opposition (Mr. Turner) said, that there had been great waste. We had to wait until September 17, when our ministers could get a look at the books, to find out how big a waste. That is number one.

Number two is that the debt was growing at an even greater and alarming rate than we had anticipated. When we were talking about $36 billion, $34 billion or $35 billion, we were talking about the year 1984-85. We could see only the tip of the iceberg. I believe the Hon. Minister of Finance made it very clear in his statement that it was the shock of seeing the direction which the debt was taking, compared to the growth that could be possible, that made him decide if we did not stop adding to the debt now, three or four years in the future we would be in even greater trouble, and we would never have the freedom to address the problems. Not only that, we would not be able to do anything about the 1.5 million unemployed people.

The last thing I would like to say about the promises made during the election campaign is that the Right Hon. Prime Minister (Mr. Mulroney) made it very clear that we would not keep all of those promises in the first 15 minutes or the first 15 days of government. We are only in the third month of our first mandate. I believe the Hon. Member would enjoy waiting around and seeing this unfold. He will be quite surprised to see how many of those "so-called promises"—which are actually only solutions to problems which had been created by the Hon. Member's own Government—are going to come up.

• (1740)

Some Hon. Members: Hear, hear!

[*Translation*]

The Acting Speaker (Mr. Paproski): Another brief question. The Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand).

[*English*]

Mr. Allmand: I am not used to getting that much applause from the Conservative Party, Mr. Speaker.

The Hon. Member did not answer the question as to why they made—

Some Hon. Members: Oh, oh!

Mr. Allmand: I listened to the Hon. Member very peacefully and quietly. She did not say why the Conservatives made over 300 promises amounting to $4 billion when they knew that the situation was serious. She did not answer that question. However, let me ask the Hon. Member this. She said, "We are going to deal with the deficit, the structural problem, by cutting out waste". Is she telling this House that over $9 million which is being cut from the budget for social housing is waste? There was the even bigger cut the other night from the amount for the rehabilitation for old housing in older districts of our city. Is she saying that was waste?

Mrs. Mailly: No!

Mr. Allmand: Is she saying that the cut to the foreign aid budget was due to waste; that the cut of $5 million from the student loan budget was due to waste? I would like to hear the answer to that. I would like to hear her tell us clearly and simply if that is really waste they are cutting from the budget.

Mrs. Mailly: The answer is no, Mr. Speaker, those were not the wastes I was referring to. I was referring to the fact that we are stuck with this enormous debt which is growing like a balloon and we have to do something. We have to take the measures with the courage you did not have in order to do it yourself.

Some Hon. Members: Hear, hear!

Mrs. Mailly: We could have done as your Government did in 1980 and announced to the world that—

The Acting Speaker (Mr. Paproski): Order. I wish the Hon. Member would address the Chair.

Mrs. Mailly: I am sorry, Mr. Speaker.

[*Translation*]

Mrs. Mailly: I am sorry, Mr. Speaker.

[*English*]

Mr. Speaker, it was precisely because the Government of the hon. gentleman did not have the courage to address these problems that we wound up with them. We had to look at all of the programs. We had to be equitable in the way we were going to distribute this bad news. And this was because of the fact that the Hon. Member's Government never did have the courage to look at any bad news. Even in 1980, Mr. Speaker, when the Hon. Member's Government was re-elected, after saying all had gone to rack and ruin, it did not have the

courage to change one iota in the direction in which it had been going.

Some Hon. Members: Hear, hear!

[*Translation*]

The Acting Speaker (Mr. Paproski): That will be all for questions and comments. I recognize the Hon. Member for Regina East (Mr. de Jong).

[*English*]

Mr. Simon de Jong (Regina East): Mr. Speaker, like all other Hon. Members of the House, I wish to extend to you my warmest congratulations on your appointment as Acting Speaker. I know that you will fulfil that position with honour, grace and fairness to all Hon. Members of the House. My personal congratulations to you, Sir. My congratulations as well to our new Government. Certainly, it received a very impressive mandate during the last federal election. There are many new Hon. Members in the House, as well as some older Hon. Members, and on a personal level, we wish them well.

There was no doubt, Mr. Speaker, that the message which the people of Canada gave during the last federal election was very clear. They were tired of the type of runaround they had received from the previous Liberal administration. I believe they were tired of double talk and mismanagement. Over-all, there was a sense that we had a Government in Ottawa which was essentially a Government of crisis management, a Government that did not know what to do nor did it have any idea of where to lead the country. The people of Canada on election day felt that a major change was needed. Even though this new Government has only been in power for less than three months, we are still anxiously awaiting that new direction.

It seems to me, Mr. Speaker, after listening to the Speech from the Throne and to the economic statement, that what we are experiencing is just a continuation of the old, perhaps accelerated a little bit. There is no doubt that we are living in very difficult times. There are tremendous social, economic and technological changes. There is a general sense of insecurity in the land. Young people do not know the type of future with which they will be faced. Workers today do not know whether the job they are doing will be around a year or two years from now. Older folks who are on the verge of retiring are not certain whether their pensions or meagre savings will suffice to provide for decent shelter and food in the coming years. There is a tremendous sense of insecurity. There is also a sense that the traditional solutions and answers will not solve the problem which most of the world is facing today.

Let us look at some contradictions, Mr. Speaker. We have high unemployment, a high deficit, and at the same time, generally, over the last number of years, cut-backs in government services. In terms of traditional economics, Mr. Speaker, that just does not make sense. Generally, during periods when there are deficits, it means the Government is injecting more money into the economy in order to generate more economic activity and growth. Therefore, you should not have unemployment. However, we have deficits and unemployment occurring at the same time. Normally, one does not have cut-backs in government services and programs and deficits at the same time. But again, Mr. Speaker, we find that we are receiving from the Tory Government what we received from the previous Liberal Government, ongoing cut-backs to government programs while, in fact, the deficit has increased. Something just does not make sense, Mr. Speaker.

There is no doubt that cutting the deficit is an important item which must be addressed. I understand that between 25 per cent and 30 per cent of public revenues—in other words, the moneys which Government takes in in terms of taxes, fees and so forth—goes to pay off our debt. Well, Mr. Speaker, that is unacceptable. Any person trying to balance his books at home knows that one cannot operate a household when one has to pay out 30 per cent of one's income to pay off past debts. No person can live that way and no country, either.

The types of solutions we have been hearing from Hon. Members of the Government just do not make sense to us. They have trotted out the slogan that Canadians are living beyond their means, that government programs and expenditures, particularly in the social area, are bloated. They say "We have been too good to the Canadian people. There are too many of these rich social welfare programs". But, Mr. Speaker, when you look at the programs we have in Canada and compare them with the programs in most western European countries, we come off pretty badly in that comparison. There are countries in western Europe, Mr. Speaker, with a fraction of the resources we have, which are able to offer their old people, their unemployed and disabled, much better economic security. So when I hear the slogans that we have been living beyond our means, all I can say, Mr. Speaker, is, that is hogwash.

Perhaps, Mr. Speaker, the reason we have this high deficit is that Governments have not been collecting the revenue they should have. It is not that we have been overspending but we have not been collecting the revenues which should be going into the public coffers. Look at the figures, Mr. Speaker, which show that we have some $18 billion in corporate tax loopholes. That is $18 billion which normally should have gone into the public coffers but which have not because of tax breaks. The banks of this country pay less taxes than all of the clerks who work for them. Look at all of the uncollected taxes.

• (1750)

The Government did make an attempt in the financial statement to collect some of the revenue. It hopes to collect some $400 million of the $4.5 billion that everyone agrees is owed to the Government. Approximately $1.6 billion of the uncollected taxes are owed by the corporate sector. I would suggest that a fair number of those corporations are large multinational corporations which have not paid the taxes which they and the Government both agree are owed to the public purse. Yet the Government is content to collect only $400 million of these taxes. That just does not make sense to me, Mr. Speaker. If we are going to balance our books in the country, which is important to do, we must look at the revenue

side rather than just the expenditure side. I am afraid the Government really believes that Canadians are living beyond their means.

We have heard the same type of rhetoric in the Province of Saskatchewan, Mr. Speaker. The irony there is that since we elected a Conservative Government in 1982 the deficit in the Province of Saskatchewan is now, on an accumulated basis, around $1 billion. That is larger than all of the previous deficits in the history of Saskatchewan. The Conservatives in Saskatchewan have been able to accomplish this while at the same time cutting social programs, education, highway construction programs and capital programs, and selling off our resources and Grown corporations.

One must wonder how the Tories have been able to increase the deficit while giving the rhetoric of reducing deficits. They have been able to create the largest deficit in the history of Saskatchewan while at the same time cutting social and human programs. They have been able to do it because they have given so many rich tax write-offs, particularly to the oil industry, that now we in the Province of Saskatchewan find ourselves with a debt of some $1 billion which we and our children must pay off in the years to come.

That is crazy economic thinking that originates in the Chicago School of Economics. Dr. Friedman is the great exponent of that. It is called the trickle-down theory and it is basically the notion that if you feed the horse a lot of oats, eventually the sparrow will get some. If you give the corporate sector a lot of tax breaks and special incentives, eventually this will get spent in new capital production and eventually we will have more employment and all these extra profits will find their way into the economy. Therefore people will have more dollars in order to buy the goods and services which they need. Well, Mr. Speaker, as has been illustrated in Saskatchewan, in British Columbia, in Great Britain and in Chile, where this experiment has been carried out to its greatest degree, we have found that massive unemployment, disinflation and economic chaos have resulted. It is a theory which just does not work.

The other area which we must address, Mr. Speaker, is that of interest rates and a "made-in-Canada" interest rate policy. Unfortunately, there was nothing in the Speech from the Throne or the financial statement which would indicate that the Government is prepared to set an independent course to determine a "made-in-Canada" interest rate policy. The previous Liberal administration told us in the New Democratic Party that we were whistling in the wind on this subject. They said that it was impossible to have a "made-in-Canada" interest rate policy. We in this Party, Mr. Speaker, maintain that we can. It is not surprising that when representatives of the provinces met in Nova Scotia this summer they called upon whatever Party formed the new Government to implement a "made-in-Canada" interest rate policy?

Interest rates are high. They have dropped marginally in the last little while but the real interest rate stands at a historic high. Normally interest rates are two points above the inflation rate. We have an inflation rate of approximately 4 per cent. Why are interest rates not at 6 per cent? I am even willing to concede 7 per cent, Mr. Speaker. At 7 per cent our deficit would be manageable. At 7 per cent young people could afford to buy a house or a car, to start farming or fishing. Seven per cent would be a reasonable interest rate and we would see some economic activity occurring in this country.

Interest rates are not at 7 per cent for essentially one reason: the American deficit. The American Government's deficit is now so high that total U.S. savings are hardly able to meet the interest on their deficit. Their deficit is so high in large part because of the arms race. The arms race is sucking the capital out of this world. It is destroying the economies, not only of the western world, but I would venture to say of the eastern socialist world as well. The $1 trillion that the world pours into armaments, into the death machine, is economically bankrupting this world.

The capital needs of the American Government are so high that in order to service its debts it must attract capital from Canada, western Europe and the rest of the world. The only way in which they can do that is with a strong American dollar and a high interest rate in the United States. Therefore, in order for us to maintain some of the capital at home we must jack up our interest rate. So it goes, Mr. Speaker. It continues to get jacked up and the people who benefit are the bankers and the international financiers. They are having a great time, Mr. Speaker.

Is it not about time that we had a Government in this country with the political determination to say we are not going to play that game again, we are not going to be blackmailed, we are going to develop an independent interest rate policy in this country, and we are going to keep the capital at home in this country? Is it not about time that we had a Government with the political guts to tell our banks and the multinationals that the profits made in this country will be kept in this country for this year? The Government should impose exchange controls and stop capital from being sent to wherever it is felt that profits can be increased and optimized. It is about time that the bankers and the large corporate sector of the country exhibited some responsibility to the economy and the well being of this country. However, Mr. Speaker, we are not hearing any of that from this new Government.

In preparing my remarks I went through some of the old files and I came upon a document which I think is still very relevant today. It is the Bishops' statement which was brought out on January 5, 1983. They talk in terms of present strategy. In January of 1983 the major concern was inflation. Here are some of the things they said:

> There is a very real danger that these same structural and moral problems are present in Canada's strategies for economic recovery. As recent economic policy statements reveal, the primary objective is to restore profitability and competitiveness in certain Canadian industries and provide more favourable conditions for private investment in the country.

That sounds very similar to the rhetoric we are hearing from the Minister of Finance (Mr. Wilson) and all of the other Government Members so far. The statement continues:

> The private sector is to be the "engine" for economic recovery. To achieve these goals, inflation—

In this case it is the deficit.

—is put forth as the number one problem. The causes of inflation are seen as workers' wages, government spending, and low productivity rather than monopoly control of prices.

● (1800)

The Acting Speaker (Mr. Paproski): Order. It being six o'clock p.m., pursuant to Standing Order 12(3) the House will now proceed to the taking of the deferred division on the amendment.

Mr. James, seconded by Ms. Jacques, moves:

That the following Address be presented to Her Excellency the Governor General of Canada:

To Her Excellency the Right Honourable Jeanne Sauvé, a Member of the Queen's Privy Council for Canada, Chancellor and Principal Companion of the Order of Canada, Chancellor and Commander of the Order of Canada, Chancellor and Commander of the Order of Military Merit, upon whom has been conferred the Canadian Forces' Decoration, Governor General and Commander-in-Chief of Canada.

MAY IT PLEASE YOUR EXCELLENCY:

We, Her Majesty's most loyal and dutiful subjects, the House of Commons of Canada, in Parliament assembled, beg leave to offer our humble thanks to Your Excellency for the gracious Speech which Your Excellency has addressed to both Houses of Parliament.

Mr. Allmand, seconded by Mrs. Pépin moves:

That the following be added to the Address:

But this House regrets that your advisors not only failed to make open government a high priority but also, in their actions, have sought to reverse the direction of previous administrations by severely restricting the availability of information on decision-making in government and by attempting to inhibit access to both the elected and non-elected participants in that process.

Call in the Members.

The House divided on the amendment (Mr. Allmand) which was negatived on the following division:

(*Division No. 2*)

YEAS

Messrs.

Allmand
Althouse
Axworthy
Baker
Benjamin
Berger
Blackburn (Brant)
Blaikie
Boudria
Caccia
Cassidy
Deans
de Jong
Epp (Thunder Bay-Nipigon)
Foster
Frith
Fulton
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Henderson
Hopkins
Hovdebo
Isabelle
Johnston (Saint-Henri-Westmount)
Kaplan
Keeper
Langdon
Lapierre
MacLellan
Marchi
Mitchell (Ms.)
Nicholson (Miss) (Trinity)
Nunziata
Nystrom
Orlikow
Ouellet
Robinson
Rompkey
Rossi
Skelly
Turner (Vancouver Quadra)—42.

NAYS

Messrs.

Andre
Attewell
Beatty
Belsher
Bertrand (Mrs.)
Bissonnette
Blackburn (Jonquière)
Blais
Blais-Grenier (Mrs.)
Blenkarn
Blouin (Mrs.)
Bourgault (Mrs.)
Bradley
Brightwell
Browes (Mrs.)
Cadieux
Caldwell
Cardiff
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Clark (Brandon-Souris)
Clifford
Clinch
Collins (Mrs.)
Comeau
Cook
Cooper
Crombie
Crosbie (St. John's West)
Crouse
Darling
Daubney
de Cotret
Della Noce
Desjardins
Dick
Domm
Ellis
Elzinga
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gérin
Gravel
Gray (Bonaventure-Îles-de-la-Madeleine)
Grisé
Gurbin
Gustafson
Halliday
Hamilton
Hnatyshyn
Jardine
Jepson
Johnson (Bonavista-Trinity-Conception)
Kilgour
Kindy
La Salle
Layton
Lewis
MacDonald (Miss) (Kingston and the Islands)
Mailly (Mrs.)
Mantha
Mayer
McCrossan
McCuish
McDermid
McDougall (Mrs.) (St. Paul's)
McKenzie
McKinnon
McMillan
Minaker
Mitges
Moore
Murta
Nielsen
Oberle
O'Neil
Oostrom
Paproski
Pennock
Peterson
Plourde
Price
Ravis
Redway
Reid
Reimer
Schellenberg (Nanaimo-Alberni)
Schellenberger (Wetaskiwin)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Stackhouse
Stevens
Stewart
Suluk
Taylor
Thacker
Toupin
Towers
Tupper
Turner (Ottawa-Carleton)
Vézina (Mrs.)
Vincent
White
Wilson (Etobicoke Centre)
Winegard
Wise
Witer—114.

Mr. Speaker: I declare the amendment lost.

At 6.25 p.m. the House adjourned.

HOUSE OF COMMONS

Tuesday, November 20, 1984

The House met at 11.00 a.m.

• (1105)

[*English*]

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed from Monday, November 19, consideration of the motion of Mr. Ken James for an Address to Her Excellency the Governor General in reply to her Speech at the opening of the session.

Mr. Simon de Jong (Regina East): Mr. Speaker, in my remarks last night before the adjournment of the debate, I was quoting from the Bishops' statement which was issued on January 5, 1983. I was explaining to the House how the rhetoric then is similar to the rhetoric we hear now. For example, we hear that we must be more productive, that the private sector is the engine for economic growth and recovery, that we must make our private sector more competitive, and that the private sector must have a greater return on profits, that this is the key to economic recovery. The Bishops pointed out in their statement that at the same time working people, the unemployed, young people, and those people on fixed incomes are increasingly called upon to make the most sacrifices for economic recovery, but it is these people who suffer most from lay-offs, wage restraints and cut-backs in social services. The Bishops went on to state that yet there is no clear reason to believe that working people will ever really benefit from these and other sacrifices they are called to make. For even if companies recover and increase their profit margins, the additional revenues are likely to be reinvested in more labour-saving technology or exported to other countries, or spent on market speculation for luxury goods.

The Bishops and we in this Party endorse an alternate vision of how society can operate. Let me quote the following passage from the Bishops' statement:

> There are, of course, alternative ways of looking at our industrial future and organizing our economy. This does not imply a halt to technological progress but rather a fundamental re-ordering of the basic values and priorities of economic development. An alternative economic vision, for example, could place priority on serving the basic needs of all people in this country, on the value of human labour, and an equitable distribution of wealth and power among people and regions. What would it mean to develop an alternative economic model that would place emphasis on—socially-useful forms of production; labour-intensive industries; the use of appropriate forms of technology; self-reliant models of economic development; community ownership and control of industries; new forms of worker management and ownership; and greater use of the renewable energy sources in industrial production?

Yet we see in the Speech from the Throne and in the economic statement exactly the opposite type of vision, Mr. Speaker. It is not a vision of self-sufficiency, because the Government cuts back on the home insulation program, and on research and development into alternate energy technologies. These are regressive steps, steps that make us more dependent upon capital intensive, large scale energy projects. This removes the element of self-sufficiency and protection which individual Canadians can have.

We see again in the Speech from the Throne and in the financial statement the belief that only through catering to the large multinationals will Canada recover economically. This is a wrong vision, Mr. Speaker. It is a vision that has been tried in British Columbia, Saskatchewan, Great Britain, Chile and in many other countries. It has proved to be a disaster for ordinary working people. I warn this Government that if it continues on this path it will destroy the economic and social fabric of Canada. This will result in poor people and working people having to rise up in anger against their plight.

This Government was given a tremendous mandate, a mandate for change. Canadians want to see a government develop and form new visions for economic development. They do not want to see Reagan economics as practised in the United States. They do not want to have the industrial and labour strife that has occurred in Great Britain.

I plead, therefore, with this Government to reverse its directions and to develop, on a co-operative basis, a new vision for Canada, a vision in which ordinary men and women can join, a vision based on fairness and equality for all.

Mr. Deputy Speaker: Are there any questions or comments?

Mr. Stackhouse: Mr. Speaker, I have a comment. I share the Hon. Member's concern that our technological development be accompanied by sufficient opportunity for human work. To supplement what the Hon. Member said, however, I would caution him that simply emphasizing the need for human labour is as bad as giving one's priority only to capital intensive development. If the Hon. Member has been in countries such as India, which I have had the privilege of visiting, he would see projects that involve much human labour. There are gangs of men and women making roads by hand, using hammers to break up stone for the road-bed. Such people know nothing else other than this dreary, almost animal-like kind of work. These people are the next in several generations of their families and clans committed to such labour. But one can go elsewhere in the great country of India and find that the level of life has been lifted, far above the kind of life I have just described, by technological development using large scale capital-intensive industries. What we in the western world are struggling to find is a balance which provides sufficient technological development and expansion to continue and indeed advance the standard of living and quality of life of Canadians and at the same time provide adequate employment opportunities.

● (1110)

With all respect to the Bishops' statement, I have not found sufficient recognition of the need for this balance. They have served us well in calling us back from an unbalanced reliance upon technology, but I wish for a far greater recognition of the need for balance in their statement and in the Hon. Member's address.

Mr. de Jong: Mr. Speaker, the Hon. Member has a point. The fact is that the balance right now tips so much to the capital intensive side that there is very little recognition by industry or by government of that which the Bishops call appropriate forms of technology. In their statement, the Bishops said:

> This does not imply a halt to technological progress but rather a fundamental re-ordering of the basic values and priorities of economic development.

I should like to give the Hon. Member one example in the energy field. If one invested the same amount of capital needed to build a nuclear reactor into home insulation, one would save more electricity than the nuclear power plant would ever produce. Home insulation is not capital intensive. It produces more work and it provides self-sufficiency for the consumer. The consumer would be no longer dependent upon the utility company and would no longer have to pay tremendous bills every month to pay off the cost of the nuclear power plant plus the interest on the debt.

Here are two different visions of development. We can go the nuclear route, which is capital intensive and environmentally questionable producing very expensive electricity; or we can go the route of home insulation and conservation. The same amount of money spent on the conservation side would surely bring much more benefit to ordinary people than going the nuclear route. Yet the Government in its statement slashes the Canadian Home Insulation Program and the program of developing alternate energies. Alternate energies can provide capital savings and produce greater self-sufficiency for the country, for communities, for individuals. The nuclear area, however, was never questioned or slashed in the statement of the Minister of Finance (Mr. Wilson).

The nuclear industry has cost the country billions of dollars. Underutilized heavy water plants have had to shut down. Nuclear power plants have been decommissioned at tremendous cost to the taxpayer. However, the Minister of Finance never touched one cent of the money that we continue to pour into the nuclear industry. Surely the Hon. Member must recognize that the balance is leaning toward capital-intensive programs, not programs for alternatives and for appropriate technologies, which would be more beneficial to Canadians in terms of creating jobs and being less capital intensive.

● (1115)

Mr. Stackhouse: Mr. Speaker, what the House needs to recognize and the nation needs to appreciate, as I believe most Canadians do, is that the Hon. Member has set up a false dichotomy between capital intensive and labour intensive projects, illustrated by his example of home insulation and nuclear reactor hydro electric generators. This is not a dispute over ecology and conservation. It really is a matter of providing that adequate technological development take place in our society and in other parts of the world which have a greater need of it, and at the same time of not ignoring the vital human need for useful employment opportunities.

The stark fact in a great part of the world is that their need is for technology and the kind of advance that we have known in the western world. In terms of electrical energy, the fact is that we could have all the conservation and insulation in homes that we could wish, but we would still have a desperate need for electrical power to be generated in sufficient quantity to serve the massive requirements of our society for electrical power. We need both.

Our need is not necessarily for nuclear reactors. They are an alternative. Nonetheless, we need highly technological generative plants. Whether they should be nuclear powered or powered in some other way is another issue altogether. However, we simply cannot maintain the level of life that we have come to enjoy and expect in this country without adequate technological development. That will be as great a human need as the other.

Mr. de Jong: Exactly, Mr. Speaker. The question is what type of technological development. Technological development that benefits people, that reduces the cost of production, that is environmentally sound, that has some social use as well, or technological development that is really exploitive? Third World countries cannot afford nuclear reactors. It is a technology that is of very little use to them. What they need is appropriate technologies. Vertical turbines, wind, solar are the types of technologies that make the most sense, not only for Third World countries but for Canada and the rest of the industrialized world.

In his statement, the Minister of Finance goes the road of highly capital intensive megaproject forms of energy generation. He cuts the areas that I believe are our future: appropriate and small scale technologies, such as wind, solar and conservation. A mix of those technologies is the solution to our problem. That is how we will either generate or save more energy than the capital intensive nuclear route.

My criticism of the Government is that it continues along the same path that the Liberals have taken in all these years. It has not struck a new direction. If it cut the nuclear sector and if all the billions of dollars in subsidy that have gone to that sector were directed toward home insulation and alternate energy programs, I suggest to Members opposite that it would create tremendous political goodwill among the men and women of Canada. They would applaud this Government. They would realize that here is a Government with some new ideas, with a sense of new direction, not one that is tied and beholden to the financial interest. Unfortunately, it did not do that. Therefore, we must judge it not on its words and not on its wishes, even though I sympathize with what the Hon. Member is telling us. I think we are saying the same thing. He has to recognize that he is out of step with the wishes of his

Government. His Government is taking a different direction from the one he is talking about.

Mr. Deputy Speaker: Order. The time for questions and comments on the Hon. Member's speech is now over. We will now resume debate.

• (1120)

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, on behalf of the constituents of York-Peel, it gives me great pleasure to be able to enter the debate today on the Speech from the Throne. It is a little over two weeks since Her Excellency the Governor General of Canada outlined the broad measures the new Government would be taking in this session. The measures announced in the Throne Speech symbolize, I would suggest, a new day for Canada. They symbolize indeed a watershed in this nation's history.

Canada has now joined the movement which preceded us in Europe, the United States and Asia. Those who have grasped the significance of this movement will understand that it is a movement in which the vitality of free enterprise will again be allowed to flourish in this country.

The new Progressive Conservative Government has committed itself to fostering economic growth. As the Minister responsible for regional industrial expansion, I and my Department have been given a tremendous responsibility in shaping the economic turnaround the Government has pledged to accomplish.

As you know, Mr. Speaker, since the Government took power some two months ago, we have been examining various government programs with a view to eliminating those that are no longer relevant and then fine-tuning those remaining to better serve Canadian needs. For example, the day after the Minister of Finance's (Mr. Wilson) economic statement was delivered in the House, we in our Department announced adjustments to the Industrial and Regional Development Program, adjustments designed to improve the program's efficiency, and focus assistance on innovation projects that will increase industrial productivity and help international competitiveness. They were designed to ensure that support is provided in areas of the country where it is most needed. We were able to do all of this, and we now anticipate that in the coming year, we will be expending 35 per cent more than was expended in this area in the current year. The acceptance of these changes by the business and working community of Canada convinced me that our new streamlined version has taken into account the concerns and priorities of Canadian business, and is one small step in the restoration of business confidence in Canada.

In announcing the changes to the Industrial and Regional Development Program, we have given instructions to give priority to those IRDP projects that emphasize R and D and the development of new projects and processes. We have asked that there be a targeting of funding to those areas of the country where it is needed most. At the same time, we have instructed the Department and particularly our regional offices to increase the non-monetary assistance that they provide to the Canadian business community. In this context, we intend to raise the profile of regional offices so that they become centres of information and assistance rather than simply centres for processing grant applications.

The regional offices have been directed to emphasize assistance to business and to industry in terms of expertise in identifying export opportunities and opportunities for import substitution. They will become centres for assistance in the fields of information, advice and co-ordination of various forms of support. To allow them to assume these added duties, we have streamlined the administration of IRDP by providing automatic eligibility for cases involving support under $100,000, provided the basis criteria are met. This is turn will reduce the bureaucratic burden and speed the processing of applications, thus relieving staff from much of the paperwork and allowing them to undertake more fruitful tasks for the business community.

• (1125)

The changes we have announced have the added benefit of reducing the forecast—and I emphasize the word "forecast"—expenditures of our Department by some $200 million a year in this and other programs, while at the same time maintaining the stated objectives of the Department that I have the honour to head at the present time.

Another area in which we will be active is industrial R and D, with a particular emphasis on the development side of that equation. Canadian industry must maintain its competitiveness on domestic and international markets by increasing its productivity and inproving, wherever possible, the quality of its products. Canadian firms must innovate if they are to remain competitive, grow and provide adequate employment opportunities in a world in which they are constantly being challenged by rapid technological advances from an expanding number of countries. One way of achieving this is for firms to make a far stronger commitment to research and development than ever before.

However, the ability to import technologies, apply and build on them is also of critical importance. Product, process and managerial innovations around the world are creating new products and reducing unit costs, yet there is considerable evidence that Canadian firms are slow to embrace and exploit them. We find a similar slowness in adapting Canadian research—in some areas research that is among the finest in the world—to the needs of Canadian industry.

Of course, this is not true of all industries. For example, I was recently asked to participate in the announcement by Northern Telecom of an $80 million commitment that company made to the development of new micro-chip technology. It is a development which will maintain Nortel's commanding lead in the world of digital communications.

Canada has no choice but to join the technological revolution to which I am referring. We must do so with vigour if we are to supply Canadians with the newest goods and services

and if we are to be a part of an increasingly competitive world market.

Not only must we have more research and, particularly, development—as well as acquire and build on technologies from abroad—we must also focus on accelerating the diffusion of these powerful new processes. I believe the way to encourage this is through better information exchange, technology transfer and demonstration. This is an area in which I see our regional offices taking a much more aggressive stance, in particular, with reference to our small and medium-sized businesses. Too often the day-to-day pressures of maintaining current production, meeting payrolls, and completing government forms diverts the management of small businesses from the task of investigating new and better ways of operating.

By becoming centres of information on new developments, the regional offices can provide a much needed interface between the Canadian research community whether at the university, private or governmental level, or in searching out on the international markets research-driven technologies which can assist Canadians to remain competitive. This supportive role of government Departments and agencies is one that all Canadian entrepreneurs will welcome. For too long they have been harassed by the paper burden, the duplication and the demands of big government, especially the type of big government that preceded this Government. All of those measures are in support of the central theme of this Government, which is to get government out of the business community's hair and let it get on with the task of undertaking new initiatives and providing new jobs for Canadians.

● (1130)

On October 30, we announced the new management and new mandate for the Canada Development Investment Corporation. The new management has been charged with the responsibility of privatizing the assets of CDIC as quickly as possible and consistent with the concern for value of the Canadian taxpayer's dollar. Sound management of the portfolio as well as protection of the workers' interests has been included in our direction. Many people have suggested that our desire to privatize the CDIC member companies was hastily conceived. I have been in this House since 1972 and have witnessed the growth of Crown corporations. At the time they were brought under the federal umbrella, it was generally said that it would only be for a limited duration and that they would be owned by the federal Government in the strict anticipation that they would be put back into the private sector. I find it almost beyond belief when those self same people today ask why we are moving so hastily with respect to the possibility of privatizing some Crown corporations, the same Crown corporations which they themselves have consistently maintained they intended to put back into the private sector.

On November 5 I announced the new management and new mandate for Fishery Products International, the Newfoundland fisheries conglomerate which is owned jointly by the federal Government, the Province of Newfoundland and the Bank of Nova Scotia. The intention is to make that firm, which is vital to the economy of Newfoundland, economically viable through sound business management and eventually to return it once again to private enterprise. Returning these assets to the private sector is not only better for the firms and their workers in the long run, but I would suggest the action serves as a further signal to the business community that the Government places ultimate reliance on the private sector as the source of economic growth.

Further announcements can be expected regarding the approach of Government to the general subject of assistance and support for small and medium-sized enterprises. We intend to review the various support instruments which are available at the federal level to help small business, including the Federal Business Development Bank. We are well aware of the role played by small business in economic growth, particularly in the context of regional development, and of the fact that small and medium-sized businesses are by far the largest creators of new jobs in Canada. We will, therefore, take steps to ensure that federal support gives priority and is appropriate to the needs of this sector.

Another area of my portfolio in which I am taking action is in regard to the need to increase non-Canadian investment in Canada. In the near future there will be legislation which will provide long overdue changes to the Foreign Investment Review Agency. It is our intention to transform FIRA into a positive agency for the encouragement of Canadian and non-Canadian investment so that investors throughout the world will get the message that Canada welcomes them and is willing to assist in their endeavours. The changes to FIRA will emphasize small business and will encourage partnership between Canadian and non-Canadian interests. No more will we hear the lament of investors who say that they tried but could not invest in Canada.

At the same time, we are convinced that by breaking down the barriers to international investment in Canada, we can once again convince Canadians to invest in their own country. As a Government, we are too painfully aware that Canadians are reluctant to invest in Canadian enterprises in spite of the fact that their level of savings is twice that of our American neighbours. A better investment climate will encourage Canadians to reverse this trend and once again invest in their own country, whether through direct investment or through joint venture with non-Canadian firms.

These changes, some of which will be immediate and some gradual, reflect the role of government *vis-à-vis* industry which underlines the Speech from the Throne. The role of government is not to take over but to support. The role of government is, first of all, to ensure an appropriate investment climate and then to act as a catalyst. The role of government is to intervene only where the achievement of national objectives is beyond the resources of the private sector.

It is difficult to forecast the future, but many of the studies which have measured the impact of the economic policies of the Government are truly optimistic. The policies put forth by the new Government are expected to increase employment

dramatically, to increase real growth and to increase productivity. Inflation and unemployment will be reduced, and there are positive indicators that the federal deficit and debt will fall. The key to these favourable impacts is the dual stimulation of business investment and the furthering of exports by Canadian firms. Together the two will help pull the Canadian economy back toward its potential.

The resources of government can be quite usefully employed in support of private sector growth, particularly in terms of export development, co-ordination of effort, achievement of consensus and provision of information. However, the resources of government should be employed to support private sector growth and not to compete with it.

We will not arrive at our objective overnight. There is no magic wand which can be used to reduce to zero the deficit we have inherited. There is no easy formula by which economic growth can be forced. To achieve national consensus on approaches to difficult and contentious issues will take much effort and considerable time. What is required is a consistent and persistent pursuit of agreed objectives, and I believe we have made a start in that direction. While work has already begun, lengthy and painstaking work and discussion is in front of us. However, I am confident that over the coming months the business community of Canada will come to realize that through sound fiscal management; through effective federal-provincial co-operation; through consultation with business and labour; and through consensus on major economic issues, the Government of Canada will do all that is possible to ensure the regeneration of private sector driven economic development in this country. In the process, the new business enterprises, as well as our existing enterprises in all regions, will not only survive but will thrive, thereby creating the employment and well-being which Canadians have a right to expect and which they were so obviously denied by a Liberal government which ruled this country for almost 16 years.

I am further confident that Hon. Members will be able to agree with me that when it comes to economic development, this Government, in the true sense of that phrase, means business.

Mr. Deans: Mr. Speaker, I listened with interest to the statements of the Minister. I must say that this is perhaps the first time I have heard set out as clearly the economic direction the Government intends to take. Apparently, we are to use the resources of Canada to fatten the pockets of those who have much at the expense of those who have little.

I wonder if the Minister has considered the long-term implications of opening up Canada for unrestricted investment from wherever, at whatever time or in whatever sector the investor determines he or she might want to invest. Has the Minister seriously looked at what has happened in this country over the last 20 years? The overwhelming majority of private-sector corporations in Canada do little if any research and development here. They draw almost entirely on the research and development facilities of their parent corporations wherever they are located. In spite of the grant structure put in place by not only the Liberal Government that was here prior to the last election as well as the Government of Ontario and many other provinces, some of them Conservative, in spite of their attempts to hand over taxpayers' dollars in an effort to get research and development to be the focus of the multinational corporations, they failed on almost every single occasion.

• (1140)

What does the Minister believe he can offer that will get the major multinational corporations to locate their research and development facilities in Canada? What kind of guarantee is the Minister prepared to extract from those who are eager to extract from the Canadian economy, those who want to come in and invest, that there will be research and development facilities which will allow Canadians who have gone through the educational system to find employment in their chosen field?

Finally, how does the Minister reconcile the emphasis that he puts on research and development with his Government's actions? The Government, in its budget statement, slashed and cut, as is the Minister's penchant, in every single area of crucial importance in terms of research and development. How are we to believe that this Government has an overriding view of the importance of that particular element to the future of Canada when in fact the Government's own actions make it quite clear that it does not give a damn about research and development?

Mr. Stevens: Mr. Speaker, in replying to the Hon. Member for Hamilton Mountain (Mr. Deans), I could say first of all that I sense a slight glimmer of hope for him. I think there is some sadness in his tone as to what in fact occurred over the last 20 years. He is taking an earnest look at it now, and I hope he remembers how often his Party came to the rescue of the Liberals when they needed that help to keep them in power.

When he describes what has happened in the last 20 years, he is undoubtedly referring to the fact that 20 years ago we had fewer than 500,000 Canadians out of work. Now, partly because of the alliance between his Party and the Liberal Party, we have almost 1.5 million Canadians out of work. That, I say to the Hon. Member, is totally out of the question. It cannot be tolerated, and it is time that those government policies, aided and abetted over the bulk of those 20 years by him and by his Party, were changed to allow a healthier economy in Canada so that Canadians can once again get the jobs to which they are rightfully entitled.

Again, Mr. Speaker, I sense a glimmer of hope when he refers to the changes that we anticipate for the Foreign Investment Review Agency. He of course must recall that that agency has been in place since 1972, and that much of the deterred investment in Canada, much of what has been denied Canadians in the form of non-Canadian investment, could have gone into job-creation industries in this country. I think he has a tremendous, if you like, past which he has somehow to explain to the Canadian public with respect to his Party's support of so many of these previous initiatives.

Believe me, Mr. Speaker, after hearing the two opposition Parties demanding that spending and the deficit be maintained, I can only ask them: When will they learn the lesson? If deficits were the solution to our unemployment situation in Canada, we should be booming today instead of having 1.5 million Canadians out of work. So if we are making some earnest efforts to narrow that deficit, I would think he would be shouting hallelujah; at last someone is trying to get the economy back on a more satisfactory basis. Deficits have not worked. When are you fellows ever going to learn that?

Mr. Foster: Mr. Speaker, the Minister spoke glowingly about selling off the assets of CDC, and one of those assets is Eldorado Resources Limited. Does he really believe that he will be able to sell off a corporation like Eldorado Resources when the Government continues to give exemptions to the further processing of our uranium resource? There has been a policy in this country for some 10 years that we upgrade our uranium in Canada. The Government has gone to the expense of building a uranium refinery in Blind River and another one in Port Hope to upgrade these resources. That was done on the basis that the Canadian uranium being sold to the U.S. or West Germany or wherever would be processed in Canada. Now, as recently as in the last month and a half, the Government has given a further exemption to upgrading, and our refineries and upgrading facilities are operating at about one-third of capacity. Does the Hon. Minister really believe that you can ever sell off an industry which is operating at one-third capacity, and will he stop giving these exemptions to further upgrading in Canada, which is really taking jobs away from Canadians and giving them to workers in other countries?

The other question I wanted to put to the Hon. Minister concerned his reference to creating new business enterprises and getting the Government out of the business community's hair. There has been a policy in Canada for many years that the Department of National Revenue would give advance rulings on corporate mergers and partnerships. The Government withdrew that in October of this year after it came to power so that companies such as Algoma Steel and Tembec could not go ahead with important business developments. Why not clear that away? The Government has made some changes in the last week in that policy, but there are still three or four hurdles where the company has to make a proposal before a certain time and has to complete its deal by December 15. I think those requirements are unreasonable. If you are going to apply a grandfather clause to a policy like that, it should be wide open so that projects like the one by Algoma Steel can get under way. It would mean 700 jobs would be created and the Government would really be getting out of the business community's hair instead of creating this kind of interference in which the Government has been involved in the last couple of months.

Mr. Stevens: Mr. Speaker, in reply to the Hon. Member for Algoma (Mr. Foster) let me say that he touched on the possibility of selling Eldorado back to the private sector. I know that most Liberals have a very pessimistic streak about them, but I can assure the Hon. Member that he would be most encouraged if he knew the interest being shown with respect to the possibility of acquiring or buying Eldorado itself. In due course I think we will be very pleased to be able to tell him what actually is transpiring with respect to the privatization of that company.

He also referred to the moratorium placed on tax rulings with respect to the setting up of certain partnerships. Again I am rather startled to hear the Hon. Member defend this process, which was a boondoggle that the former Liberal government allowed to continue. It became a tremendous rip-off. Brokers were making hundreds of thousands if not millions of dollars simply on the flushing of funds through corporate entities. I am startled that the Hon. Member would suggest that we should not have drawn back and said that there has been enough and we must put a halt to what the previous government tolerated, for whatever reason. If he checks the facts, I believe he will find that that was a very prudent move on our part.

• (1150)

Mr. Deputy Speaker: The time for questions and comments is now over. We will resume debate with the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy).

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I thank you for the opportunity to participate in this Throne Speech debate, coming as it does so closely after the wonderful rendition and readings from the Minister of Regional Industrial Expansion (Mr. Stevens). I am also pleased to be able to participate as a result of the judgment and wisdom of the electors in my constituency who have now elected me some five times in a row both provincially and federally. I know it was a matter of some deep interest to certain members of the Conservative Party, particularly the Leader. I am glad to be able to come back and share with my colleagues our notions about how the country should or should not be governed.

The Throne Speech is giving us an opportunity to finally flush the wolves out of the sheep's clothing. I know that using the word "wolf" is somewhat sensitive to the Prime Minister (Mr. Mulroney), and I apologize for it. However, the fact is that we have been given the opportunity for the first time to shear away—

Mr. Stevens: Why are you shearing a wolf?

Mr. Axworthy: We will find out more about the wolves in sheep's clothing this evening. We will leave that for the national television network to deal with.

My point is that we now have the opportunity in this debate clearly to come to grips with the differences between the rhetoric and the reality; between the honeycombed, wonderfully modulated, deeply versed words of change, confidence and consultation, and to what is really happening. It is totally different from all the public relations presentations we have heard since September 4.

We have heard much about the fact that the new Government is one that wants to restore confidence in the country. It is going about it in a very interesting fashion. First, it is doing so by breaking all the promises it made during the election campaign, so that hundreds of thousands of Canadians who expected those tens of thousands of jobs to come tumbling out of the system on September 5 are now finding that the reverse is taking place.

Mr. Stevens: No.

Mr. Axworthy: Instead of tens of thousands of new jobs, the Government is cutting a minimum of 50,000 to 60,000 jobs as a result of its economic statement. Moreover, that is only what we can count at the present time.

Mr. Stevens: Jobs went up last month.

Mr. Fennell: They will keep going up.

Mr. Axworthy: Let me comment on that for a minute. The Hon. Minister of Regional Industrial Expansion stated that the Liberal Government was at fault in all the previous problems, but he gives us no credit for the fact that the interest rates have gone down because the inflation rate has gone down. Therefore, I suggest to the Hon. Minister that he should be consistent once in a while in his economic statements. I know that he is suffering after having been dethroned from his title of the great slasher of the Conservative Party by Mack the Knife over there. He is trying to regain his reputation, but I will tell him that compared with the Minister of Finance (Mr. Wilson), the Minister of Industrial Economic Expansion is a piker. Compared with what the Minister of Finance is able to do, he does not even know how to go about slashing.

More important, we now have the opportunity to analyse clearly what the economic blueprint for this country will be. It is those expectations of growth and development with which we must really come to grips.

First, there is the question of the deficit. The Government believes it has been endowed with almost magical powers to cut the deficit. It believes that by cutting the deficit, all else will fall by the wayside and Canadians will be walking the streets of this country whistling and dancing because the deficit is being cut. I have not noticed too many people walking around whistling and dancing full of new confidence because of the Government's actions. In fact, it is quite the opposite. There are people in the villages, towns and cities of this country who are hurting deeply because of that cut. They are losing their employment and their opportunity for an economic future. They are losing an opportunity to develop their country as a result of the mindless slashing of programs without any consideration having been given to whether those programs have any importance in terms of economic growth.

The Government is not applying any industrial or sectoral strategy. It is simply implementing the same policies across the board. That is the situation which Canadians are facing.

Why is the deficit such an obsession with Members opposite and to our side? They say that it will stir new capital investment and revitalize the capital markets. We are well aware that the problem in Canada is not the shortage of capital but where that capital is being used. Almost 14 per cent of our disposable income is in private savings, yet, when one examines the economic statement, it contains absolutely nothing to stimulate the use of those savings for productive purposes. There is nothing in that statement to suggest how we could release that capital. Government borrowing is not pressing against the private capital market because that is not part of the economic system in Canada. Our problem is that the capital is not being allocated into useful, productive, industrial purposes. Yet there is nothing in the statement to provide for that.

The only tax measures that the Minister of Finance brought in were those which our Government introduced. He is simply picking up on those tax measures. The only valuable and constructive tax initiatives are those which were introduced last spring. Nothing else has been designed for the small business person in order to bring forward new capital, except for those measures which we introduced in our last budget.

The Government also states that the deficit will have an impact on interest rates. I suggest that that is simply woolgathering. I believe that any honest economic analyst in this country would recognize that our interest rates are very much conditioned by what takes place in the money markets in the United States.

There are some intelligent economists in the Tory caucus who were newly elected. They should tell their new Cabinet that it is the money markets in the United States which dictate our interest rates to a large degree. When the Prime Minister takes hollow credit for the fact that he is bringing down interest rates, he need only read the newspapers or financial papers to discover that interest rates are simply tracking the American money market as they have for a number of years. Why does the Government have this obsession? While it is cutting the deficit, it is not providing any strategy or blueprint to stimulate growth. It is only concerned with reduction. While we have always known that the Minister of Industrial Regional Expansion has a lot of nerve, we did not know that he was so full of bluff that he was prepared to tell the House that he is a believer in regional distribution. That has to be the greatest joke by far in this session.

The Government in its economic statement has introduced initiatives that add substantially higher costs to small business right across the country. There are close to $700 million in hidden taxes in that economic statement.

Who will be affected by the higher cost of transportation? It is people in the regions, the Atlantic, the North and the West, who must ship their goods and exports farther distances than those in other parts of Canada. Yet the price of gasoline is going up. The price of air cargo traffic is going up. The Government has added an additional tax to the business community in the outer regions of Canada where they can least afford it. That is an example of the Government's economic strategy.

The Conservatives declare that it is a national Government, with its members elected from across Canada. However, when one looks at the impact of the Government's initiatives, one sees that the cuts it has introduced are in those areas where the private sector is not strong. The Government says that its reliance on economic growth will be on the private sector. We do not argue with that view, because the private sector has been the engine of growth in our country for most of its history. However, it should also be recognized that ours is a mixed economy, because this country is not the same throughout. One cannot see all of Canada from the top floor of an insurance company or a bank in downtown Toronto. The fact is that in many parts of this country the ability of the private sector to provide jobs is very thin. In some places there is almost a non-existent private sector or one that does not have the same kind of critical, dynamic mass to create jobs.

The basic position of our Party, which we will continue to take, is that it is the responsibility of the federal Government to provide a balance within Confederation and to ensure that the benefits of economic growth are shared by all Canadians and not concentrated in one or two areas. That is the reason we react so severely to the kind of cut-backs brought forward by the Minister of Finance.

• (1200)

Let me speak for a moment about my own city. In one way it provides an interesting composite of the kind of stupidity in which this Government is engaging and the lack of sensitivity to regional economic development. We talk about the necessity for all parts of this country to share in the new information technology and how the basic industries, whether forestry, food processing or the textile and garment industry, can become competitive. The way is for them to apply new technology to their products in order to get costs down and to allow them to compete in foreign markets. We also know that new technology really is the breakthrough, the leading edge, for new economic growth across Canada. There has to be a *Magna Carta* for the application and distribution of high technology.

What do they do, Mr. Speaker? In my City of Winnipeg, the Tories cancelled the National Research Council lab for applied robotics. What would that lab have done? First, it would have enabled another region of the country to become a centre for first-class research in the very important area of artificial intelligence and robotics, which has its primary application to small business. It was not an esoteric academic group because the lab designed to provide a place for business, scientists, researchers and engineers who would come together to develop new techniques that could be applied to the garment trade, to mining, and to food processing. Therefore, it could enable those industries in western Canada and throughout Canada to acquire new technology and to apply it to their manufacturing and processing bases.

A building was already under construction. Equipment had been ordered. People had been hired and were already in the city. What does this Government do? It slashes, cuts and eliminates that area. What has been the impact of this, Mr. Speaker? Four major manufacturers, two of which were American, already planning to come to Canada to set up new businesses in the City of Winnipeg because of the application of that research centre are now changing their minds. This is a government that says it believes in economic growth and says that it want to attract industry from other countries. This is a government that says it believes in fair and effective distribution. But by one stroke of the pen it has eliminated the economic future of Winnipeg. That is the kind of government we have. That is the reality and not the rhetoric that we are facing.

We have a government that does not give a damn about the regions. It does not give a damn about economic growth or regional distribution because it is obsessed by its own theology and so preoccupied with its religious catechism, which it has to recite every day as it appears before Rasputin of the North, otherwise known as the Deputy Prime Minister (Mr. Nielsen). Members of the Government have to repeat their loyalty oaths and their promises of silence and they have to say, "God bless the new catechism. Thou shalt not touch the private sector". What the Government has done in the meantime is to eliminate a very important investment designed primarily to work with the private sector to develop new technology and new robotics for future industrial growth in a major region of Canada.

How do you explain that, Mr. Speaker? How do you explain such silliness and insensitivity? This is a government that was going to consult and to confide in all Canadians. I did not find anybody in my City of Winnipeg, including probably the Members of Parliament from the Conservative Party, who were consulted about those cut-backs. If they were, they should hang their heads in shame for having been so insensitive and so disregarding of economic prospects. But this Government talked to nobody. It did not talk to the business community, the universities or the provincial governments. In fact, this Government denied every single one of the precepts, conditions and promises which it had made.

Let me speak about the question of confidence and consultation. I want to address my remarks to members of the Conservative Party who have been in their constituencies preaching this new theology. Let me ask them why it is that the President of the Food Products and Manufacturing Association, a very large industrial group in Canada, criticized the Government this morning for lack of consultation and lack of involvement when it made decisions relating to metric and to wheat pricing. Those people were not consulted. They were not involved nor were they asked for their opinion. This decision will result in higher costs and in major changes. Were they asked for their opinion or their judgment? Is this the new kind of consultation? Is this what we can now expect? Are we going to have Ministers of the Crown preaching from on high new sermons on consultation but going ahead and making decisions in total disregard and ignorance of the groups primarily affected by those decisions?

I think it is time Canadians began to understand that there is a government run by public relations hand-buts, but the reality is much harsher, more severe, and much more destructive of the economic prospects.

We should also look at the question of foreign investment. The Minister was proud. He said, "I have given new instructions to the management of CDIC to change and to privatize". But the Minister did not provide any discussion, any prescription about what the industrial impact of that privatization would be in the aerospace industry. He has given no guarantees about the question of foreign ownership of those Crown corporations.

I ask the Minister now, although he is engaged in important conversations—

Mr. Rodriguez: And that is insulting.

Mr. Axworthy: Is he prepared in this House, he was not prepared in his oral statement, to say that he will, in critical areas, such as aerospace, communications, uranium mining, put very clear conditions on whether foreign countries can buy major industries in those areas? There are enough Members in this House who are old enough and some of us who have read enough history, to remember the example of the Avro Arrow.

Mr. Benjamin: And VIA Rail.

Mr. Axworthy: Here we have on the chopping block two of the major aerospace companies, and the Minister is prepared to say, "I am selling them off to anybody. If the purchasers strip these companies, gut them and take the technology, move away, I do not care". That is the kind of industrial strategy at which we are looking. It is simply devoid of any concept of what we must do to make sure that there is a healthy aerospace industry in Toronto, Montreal, Winnipeg, or Vancouver.

Mr. Caccia: How about R and D?

Mr. Axworthy: Then we have Teleglobe. We have the same kind of commitment that we are going to sell off Teleglobe, which is one of the major pioneers and leaders in international telecommunications. Will we have a foreign owner of our telecommunications satellite system? Will some sort of foreign private corporation dictate the use of that corporation and, therefore, cut Canadians off from any opportunity of maintaining any involvement in that very critical area of industrial development? The Minister has not said anything. He has covered up. This is the new open government that we have. Where is the Minister's statement and his opportunity to explain? I do not see it, Mr. Speaker.

Similarly, we have the Minister's statements about FIRA, that he is going to make major changes in foreign investment. What the Minister has not been prepared to say to Canadians—and again I pose a question to him that I hope he will get around to answering—is whether, in the changes he is proposing for FIRA, he will eliminate the test of significant economic benefits for Canada. In his changes, will the Minister eliminate the ability of the Foreign Investment Review Agency to negotiate with proposed foreign purchasers of Canadian business what they intend to do in the provision of jobs, in the provision of new research and development, and in the provision of significant economic world mandates for Canadian business? I suspect not. I suspect the so-called open-door policy of that Minister who does not care about those kinds of requirements. He has not placed those conditions because if he had, he would have already said so. As a result, what we have is the prospect of a number of Canadian businesses that are beginning to advance and develop new technology and new products that can be purchased without any kind of restraint and deterrent immediately moving their research and technology south of the border or east or west of us, and Canada will once again become simply a hewer of wood and a drawer of water for the rest of the world. That is the kind of prospect we are facing.

The Minister talks about his commitment to small business. The Foreign Investment Review Agency has been protecting small business because we recognized that with the disparity in dollar value there is an immediate economic advantage for the American purchasers as a result of the value of their dollar. They could come in and take over almost all small businesses without any constraint.

• (1210)

We have a number of questions. I am simply saying that we have heard the rhetoric and now we are seeing the reality. Reality really requires that the Official Opposition provide clear alternatives. We want growth and we want jobs, but we do not want them at the expense of Canadian sovereignty, the regions of the country or the small business community, the victims of the economic statement. The Official Opposition will provide those alternatives and show Canadians that there is a better way to generate growth in Canada.

Mr. Blaikie: Mr. Speaker, I rise to make a comment, not so much to ask a question. Now that the Liberals are the Opposition, they will be resuming their economic nationalist stance. We will be hearing great things about the importance of FIRA, with no recollection of the fact that FIRA began to be weakened under the previous Liberal administration.

I do not often find myself, as I think the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) will attest, in a position to agree in most part with what he has to say, but with the exception of his very selective memory when it comes to FIRA. I agree with what he had to say about the manufacturing technology centre in Winnipeg and the utter stupidity demonstrated by the Government in cancelling that project.

Because I have the responsibility of looking into cuts in environmental services on the part of this Government, last night I thought I would take a look at the book of the Prime Minister (Mr. Mulroney) which he wrote a number of years ago entitled *Where I Stand*. I looked for any reference to the environmental dimension of our problems, either with respect to research, technology, economic strategy or whatever, something upon which I could hang a question in the House. I was

unable to find any reference or any acknowledgement that the problem existed. However, I found a statement by the Prime Minister concerning research and technology. It indicated that the budget for the NRC should be increased by at least 20 per cent, because it was one area where it made absolute sense to invest, particularly when it came to manufacturing technology. That was one area which required a lot of attention. However, what did we get? Instead of what the Prime Minister wrote in those days when he was trying to obtain the support of Canadians, we got the cancellation of an obviously worthy project. This is something which flies in the face of the need for research and development. It also flies in the face of what the Prime Minister promised prior to his election.

With the caveat that I think the Hon. Member for Winnipeg-Fort Garry displays a selective memory with respect to FIRA and the way in which the Liberals moved with respect to FIRA prior to the election, I think all Members of Parliament from Winnipeg should join in censuring the Government for that action. Not all Winnipeg MPs have done so, such as the Hon. Member for Winnipeg-Saint James (Mr. Minaker), the Hon. Member for Winnipeg-Assiniboine (Mr. McKenzie), and others. They have been absolutely silent while their own city has been savaged by this cut. It was the one chance that Winnipeg had to reverse the long-standing concentration of manufacturing and technology in eastern Canada. Those same people moaned for years about western Canada not having enough representation in Cabinet and in government, but they are absolutely silent when this happens to Winnipeg. I think that is disgraceful.

Mr. Axworthy: Mr. Speaker, I thank the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) for his comments. His reference to the book of the Prime Minister (Mr. Mulroney) *Where I Stand* reminds me that the Prime Minister is very much like the man who cut down a redwood tree, then got up on the stump and made a speech about conservation. Again he is simply contradicting himself. In addition to the very savage cuts in the NRC, the elimination of the ongoing major research and development programs of environmental and atmospheric testing in Gimli and Churchill is equally disastrous. It will eliminate some 25 jobs. It will totally eliminate the opportunity for Canadians to be involved in high atmospheric research. More important, I discovered just this morning that it will eliminate a number of money-making contracts with the National Aeronautics Space Administration in the United States. It contracted that atmospheric group to conduct tests. The group was actually turning a profit, it was actually paying its way. The cancellation of a $5.8 million project will mean a loss of $22 million to the Canadian national account along with 85 jobs. That is what we call Tory economics. There is almost a religious catharsis in cutting something rather than endoring something, allowing it to grow, and nurturing it so that it becomes a useful product.

We are trying to say that we are no longer talking about economics or politics. We are now talking about theology or a cast and bound ideology which is satisfied more by the adherence to some remote and abstract theory, which they picked up by reading books written by Margaret Thatcher or someone, than by looking at down-to-earth, practical realities in terms of what will make the country grow. That is what we are objecting to. When they reach the point of deciding upon an economic blueprint, they should look at what is practical and effective.

As far as FIRA is concerned, I point out to the Hon. Member for Winnipeg-Birds Hill that in fact we made administrative reforms in FIRA which substantially cleared up the time necessary to service applications. There was a real complaint that they took too long. In 1983, as a result of administrative changes, we could turn around applications, some 70 per cent to 80 per cent of them in the first 45 to 60 days. We were able to say to someone applying that we could give them a proper and effective response. This did not eliminate a vital necessity, that is, the test of economic and significant benefit to Canadians. We used FIRA as a way of calling to account various proposed purchasers of Canadian business and negotiating with them. FIRA became a negotiating agency in order to ensure that we obtain world mandates, commitments on R and D, on purchasing and on job creation. That was the purpose of FIRA. We want that maintained. We need it as a continuing control agency. We do not want it eliminated, as the Minister of Regional Industrial Expansion (Mr. Stevens) proposes.

Mr. Redway: Mr. Speaker, I was fascinated during this debate by hearing the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) and many other members of his Party speaking about the economic answers which they seem to have. To my mind, they have extremely short memories. They do not seem to remember that the economic difficulties which we are now facing were created while they were in power and in government. They seem to have forgotten, for instance, the enormously high inflation rate of not so long ago. It was an inflation rate in double digit figures which reached in excess of 12 per cent. Their answer to that—those great solutions which they now say we should be following—was to raise interest rates. What did that do for the country? It created bankruptcies, both business and personal, such as we have never seen before. It created the unemployment which we have now, which is in excess of 11 per cent and reaching 1.5 million people. It created a situation where the industrial capacity of the country was operating at only about 65 per cent instead of 100 per cent. These were the great answers the Hon. Member and his Government gave to the country.

Apparently he is now suggesting that we should have more of the same sort of answers which created unemployment and reduced the standard of living in Canada from something like the third highest in the world to the thirteenth highest.

If the policies of the Hon. Member and his Government were so wonderful and answered all our economic problems, why has our standard of living slipped to where it has, and why do we now have 1.5 million unemployed people?

• (1220)

Mr. Axworthy: Mr. Speaker, it seems like old times now that we are getting questions about the policy of the Government. Let me try to reply very quickly to the Hon. Member.

First, I remind him that what we went through during the early part of the 1980s was something that was a world-wide phenomenon. He may have had his head in the sand during that period. Most of us were dealing with the fact that unemployment and high interest rates were effective in Europe, the United States, Great Britain, Canada and Japan. Every single industrial country was faced with the same problem. One cannot point to one Government and say it was the sole cause.

During that period of time, we were trying to get at the sources of the problem. We did achieve a substantial reduction in the inflation rate. The fact that we now have a 3.8 per cent inflation rate has nothing to do with the Conservative Government of the last two months. It is because of the six and five program that was introduced 18 months ago. We brought that inflation rate down. You are fortunate enough to be the beneficiaries of it.

Mr. Deputy Speaker: We shall now resume debate.

Hon. G. S. Gerry Merrithew (Minister of State (Forestry)): Mr. Speaker, it is a great honour to make my inaugural address in this House on the occasion of the debate on the address in reply to the Speech from the Throne. This is particularly so because I have the honour to hold a new portfolio, that of Minister of State for Forestry, which was created by our Government and our Prime Minister (Mr. Mulroney) in recognition of the enormous importance of the forestry sector in our economy.

It is just as important to me, however, to be here fulfilling my more immediate responsibilities as a Member of Parliament for Saint John, New Brunswick, Canada's most dynamic port city. I want at this time to thank the citizens who supported me in Saint John for the confidence they have placed in me over six elections in the last 13 years, one municipal, four provincial, and, most recently, for a convincing win on September 4.

The City of Saint John is one of eastern Canada's major industrial centres, boasting a population of over 100,000 people, mainly of British, Irish, Scottish and French descent. Our city was the first incorporated city in Canada. Next year we will be celebrating our 200th anniversary. A meeting, by way of coincidence, will be held this week to commemorate the first provincial Cabinet meeting which was held in Saint John on November 22, 1784. To mark that particular event, the Government of New Brunswick's present executive council will meet in our city on Thursday of this week to commemorate this important date in our nation's history.

Saint John is, first and foremost, a port city. It is also an important industrial city with major industries such as Saint John Shipbuilding & Dry Dock Co. Ltd., a large brush and broom factory, one of the largest in the British Commonwealth, an oil refinery, two pulp and paper mills, and a growing number of small and medium-sized businesses.

The people of Saint John are also very proud of our city's efforts to modernize the downtown core. This venerable city recently initiated a major facelift built around the now famous Market Square complex, which includes a new trade and industry centre, an office complex and a library and, of course, very attractive common areas. Those people who have not chosen to have a convention there are certainly welcome to come and experience our Saint John hospitality.

Despite its age, the city and its people are modern and forward-looking. The people of Saint John are by tradition entrepreneurs, willing to accept the challenge of the marketplace, looking for opportunities to create and to prosper. It is a community that was, of course, positioned to feel very directly the hardships of the recent recession. Dependent on the marketplace, vulnerable to the disasters affecting international trade, the people of Saint John suffered through all of the economy's failures over the past five years.

They also suffered through the paralysis of federalism which prevented national solutions to national problems. As a provincial Minister of Commerce and Development for six years and later as Minister of Natural Resources of the Province, I was forced to witness the long, bitter battles of businessmen faced with crippling interest rates and sagging markets.

Believe me, I saw firsthand the impact of bankruptcy and unemployment on Canadians as they realized that their dreams for the future would have to be postponed or forgotten. Like every Canadian, especially those of us with children, I worry about the effects that economic uncertainty and unemployment might have on the next generation. As Minister, I turned around to find only slogans and arrogance at the federal level. There was no sense of national crisis, only jealous protection of what they called their turf.

Like every Canadian, I recognize the human waste behind the statistics of alcoholism, crime and suicide. I know that the first duty of any government must be to restore a sense of purpose and hope to individual Canadians. I am proud that our Government has signalled in its Throne Speech its intention to rebuild that confidence and to balance major programs. On the one hand, the Government will give Canadians the freedom to invest and to build. On the other hand, the disadvantaged will be protected through our social programs.

[*Translation*]

Mr. Speaker, the themes of the Throne Speech are as welcome as birds in spring, especially when we hear the words reconciliation, consensus, economic renewal and social justice. These are themes that were forgotten by an entire generation of Canadians, and will now provide the key to a new era of government.

[*English*]

The Fathers of Confederation knew very well what they were doing when they designed our country. They built a state which functions only when Canadians work together. When they fight each other, as they have for the past decade, it

hardly works at all. Nowhere is there a need for co-operation more apparent than in our massive resource industries, the pillars of our economy.

I have the honour to serve as the first Cabinet Minister solely responsible for forestry since 1968. I take on this role with enthusiasm. Forestry in Canada involves not just planting and managing trees, but also logging, sawmilling, pulp and paper and other manufacturing operations which use the forest as their primary resource. As Canadians add value to their exports, it will come to represent a growing secondary manufacturing and processing sector as well.

There can be no more promising, no more challenging, no more exciting job in Ottawa today than to try to build a partnership between the two levels of government and industry to rescue this vital sector. Nor can any task be more difficult than trying to rescue this sector when the federal government's Treasury has been emptied by the previous administration. We face the problem of building an organization where there has been none for a decade, establishing new centres of talent and authority.

We must work toward increasing investment in a business community which is forced into survival strategies after four years of dismal markets. Throughout all the struggles, the greatest priority will be the re-creation of a genuine spirit of co-operation between the federal and the provincial governments.

Having served for 12 years in the provincial Government of New Brunswick, I know the frustration of trying to deal with the federal Government, which has forgotten any sense of partnership of co-operation. I can speak for my Party when I say that we are committed to a new spirit of team-work.

• (1230)

I have been a federal Minister for only two months but have already met with almost all of my provincial counterparts. I have met with labour and industry groups all over this country. In some cases, I have taken up negotiations on agreements which were begun before the change in Government, and I can tell the House that I was amazed at the petty, trivial points which had blocked agreements in the past. When I met with the Hon. Alan Pope of Ontario, we settled within half an hour the outstanding points which had blocked an agreement for well over a year.

As a maritimer, I am very conscious of the relationship between the regions of Canada and central Canada. This is a relationship which has been a key to Canada's economic development. For the first century of this nation's life, the regions supported the development of the industrial heartland, providing central Canada with the cheap raw materials and food supplies which made its growth a possibility. Today the balance has shifted. One of the chief activities of the central Government is the redistribution of wealth back to the regions in equalization and other payments. That is not to say that in our part of the country and, I suspect, in all parts of the country, we will not work hard to develop a thriving, prosperous secondary manufacturing sector.

I see the federal Government's decision to rescue the forestry sector as being a very far-sighted and progressive one. It will mean the continued economic independence and self-sufficiency of hundreds of communities in every region of this great country. By rescuing the main industrial activity of our regions, we will save billions of dollars in future support which would otherwise have to be spent to prop up these regions as they sink into economic idleness.

This is more than just pragmatic management. As Progressive Conservatives, we know that if the regions do not have indigenous employment, then Canada fails as a nation. The central concept of the confederation of provinces will be destroyed.

The forestry sector is the biggest industry in British Columbia and in my home Province of New Brunswick. It is an essential part of the economies of Newfoundland, Nova Scotia, Quebec, northern Ontario and the northern prairie provinces. To nurse it back to health is to offer these areas a chance to continue as viable places to live. To fail is to condemn them to ever-increasing dependence on charitable support.

The forestry sector, the largest employer in the nation, is also our biggest foreign exchange earner and one of the largest purchasers of manufactured goods in Canada. In other words, while it may take place out of the sight of cities, its impact reaches into every Canadian home.

Lately we have heard with increasing frequency that forestry is a sunset industry. This is a popular viewpoint among the elite groups in Canada. They see the traditional industries as being embarrassing, perhaps even old fashioned and doomed to extinction because of modern technology. Our Party rejects that attitude outright. We know that the resource industries are facing massive change and perhaps great hardship. However, if we abandon the fight and treat the renewable resources as sunset industries, we announce our intentions to consume the heritage that belongs to all Canadians living and as yet unborn. We will be telling our children that they will have to find something else to do with their lives and with their nation because we have used up the forests and the fish. That attitude is unpalatable to me, Mr. Speaker, and certainly it is unpalatable to the Canadian people as a whole.

Every day in Ottawa we make decisions which will determine the world our children will inherit from us. This is especially true of the Throne Speech. By making forestry a major priority, we keep a promise to the next generation that is similar to our national commitment to environmental protection, to education or to health care.

The Government has renounced that previous attitude. In the resource sectors, we have committed ourselves to rebuilding and preserving the natural gifts that we possess.

The Throne Speech made reference to encouraging domestic and foreign investment. When we make the effort to bring our forests back to the mills, we show the investment community that it can rely on Canada in the decades to come. The raw materials for growth will be there.

[*Translation*]

There again, industries based on Canadian forestry products and also our efforts in forest management will provide jobs for thousands of young people during our mandate. Few job creation programs are as valuable or as cost-efficient as those which hire young people to plant and manage our forests.

[*English*]

Few job-creation programs are as valuable or as cost-efficient as those which hire young people to plant and manage our forests. A sector experiencing such profound change is the ideal place for creative entrepreneurs to capture a niche in the new marketplace.

The Throne Speech also made extensive reference to social justice. The opportunity for economic prosperity is a key aspect of social justice. We see the sustained utilization of the natural resources of Indian lands as an opportunity for native Canadians to develop a self-sufficient industry and employment on federal reserve land.

Many experts have calculated that Canada's forest reserves could be sustained and expanded for a relatively small investment. If only a quarter of the tax revenues produced annually by the forest sector were returned to the resource in planting, management and protection, we would be equipped to take advantage of the expanding market opportunities predicted by Canadian and international agencies. However, to get that investment, Canadians must understand its importance. They must place it in the context of transportation, education and health care as being a major ingredient of the Canadian standard of living.

The Liberal Government threw up its hands at the primary industries and particularly at the forestry sector. It said that it was a provincial matter. It is not a provincial matter, Mr. Speaker. It is a shared problem legally, morally and economically. The excuse for idleness was that old refrain: "The provinces will not allow us to move in this field". That is nonsense. As someone who was there on the other side of the table just a few months ago, I can tell you, Mr. Speaker, that the provinces are not against federal activity in forestry; they welcome it. They never have been against it. What they are against and have every right to oppose is the old pattern of federal involvement in which Ottawa would make all the decisions and take all the credit.

One entire section of the Throne Speech deals with Canada's success on the international stage. As Minister of State for Forestry, no question could be of greater interest to me and, I am sure, to the people of British Columbia, New Brunswick and other areas which do a great deal of exporting of forestry products.

Canada is an exporting nation. Her biggest export is forest products which earn more in foreign exchange earnings than oil, minerals, fish and agricultural exports combined. Protecting our access to these markets, opening up new market opportunities and adapting to changing customer demands are the great challenges for the Canadian economy. The federal Government will have a role in facing these challenges.

The Throne Speech is not a laundry list of specific promises; it is a statement of general intentions and philosophical commitments to action. As the mandate proceeds, we will introduce legislation and programs to live up to the promises our Party made during the recent election campaign as far as the depleted resources of the federal Government will allow. Even more important, we will ensure that the themes of this Throne Speech, social justice, co-operation and internationalism, are a constant characteristic of Canadian life.

As a Minister of this Government, I look forward to the next few years with excitement. As the Minister responsible for the forestry sector, I envision a period of challenge but also one of rewards and satisfaction. As a representative of Saint John, I see the Throne Speech as being the first step taken by a government which will serve my city, my Province and my country very well.

Mr. Fulton: Mr. Speaker, I would like to congratulate the Minister on his appointment to the Ministry of State for Forestry. There are a few questions I would like to put to him in light of what he said and in light of what went on during the election campaign. On page 49 of the PC campaign handbook it reads:

• (1240)

We will establish a new Department of Forestry at the federal level.

That has not yet been done. There were also some interesting comments in the PC campaign handbook which indicated that the Liberal Government presided over a "decade of neglect", bringing us "within sight of a national disaster".

During the campaign I found it interesting that the Tories campaigned throughout my province on the promise of a $1.2 billion five-year rescue program. I would like to find out whether that was factual and whether it is supported by the new Minister. The Tories also promised that they would provide $300 million a year in federal funds for British Columbia. That is somewhat in line with what the University of British Columbia Department of Forestry concluded is required to deal with the Not Satisfactorily Restocked lands in British Columbia, which now comprise several million hectares. UBC estimated that it would cost $660 million a year over the next five years to deal with the NSR lands in British Columbia.

As the Minister knows, the Premier of British Columbia has offered only $60 million a year for the Canada-BC Reforestation Agreement. That agreement would not, in any way, deal with the NSR lands. It would marginally deal with insect infestation, fire suppression and other programs which are automatically required every year. I would like the Minister to comment on what has happened in B.C.

Last year an agreement could not be reached at $130 million a year, and B.C. received an $11 million agreement. As the Minister knows, that is less than what was spent on Section 38 jobs in my constituency. It was a real tragedy that a better agreement could not have been reached. I would like to know what level of agreement the Minister sees as acceptable for

British Columbia. Is it $660 million a year, jointly split between Ottawa and Victoria, as proposed by UBC? Or is it something less than that? If it is less than that, I would like to know what the Tory promise was about during the election campaign—the promise of a $1.2 billion five-year rescue program which would provide $300 million in federal funds per year over five years. I intend to speak to my constituents about those Tory campaign promises, and compare them with what the Minister says in the House.

Outside of that, I am pleased to see that the government side has taken the need for a Ministry of Forestry more seriously than did the Liberals. It is the largest industry in Canada. One Canadian in ten is involved in that industry. However, over the last two decades we have seen less than five cents out of every federal dollar, brought in in terms of federal forestry-industry related taxation, going back to the industry, either for nurseries or for any kind of silvaculture-related activity. Under the Tory Government of 1979 that level of expenditure dropped. I would like the Minister to comment on that. It raised alarm among many professional foresters in the country because they did not know in which direction the Tories intended to go during that particular year. More money was spent by the Government of the Right Hon. Member for Yellowhead (Mr. Clark) on forestry projects outside Canada than was spent inside Canada. I would like to know if the Minister intends to continue that kind of approach.

The final point which I would like the Minister to respond to is this. If the Prime Minister (Mr. Mulroney) is going to create a department of forestry—which I certainly support and I know the Minister supports—why would he take it from the Department of the Environment and put it under the Department of Agriculture? I know it sent a signal to the forest companies that the Tories would take a softer posture in terms of pesticide and herbicide applications. One of the key reasons for permitting forestry to move from the Department of the Environment to the Department of Agriculture is to get rid of environmentalists who are too interested in safety and health and who are opposed to spraying the forests. I would like the Minister to explain why forestry will move from the Department of the Environment to the Department of Agriculture. Why will it not simply remain under the Department of the Environment until such time as a Bill can be introduced to create the Ministry? That was only done once under the Government of the Right Hon. John Diefenbaker in 1960. For a very brief period of time Canada had a Ministry of Forestry. However, since 1966 the Department has been downgraded in the number of its staff, its budget and its over-all access to Cabinet funds.

Could the Minister tell us what are the specifics and what he feels is a reasonable and realizable five-year rescue program? We know what was in the Tory campaign handbook, but we do not know what is in his mind. Could he tell us what there is for British Columbia? We were promised during the election campaign that $300 million a year would be made available. Is that true or is that false? What level of expenditure does the Minister feel is realistic? It is five cents out of a dollar now. Does he feel it should be raised to 20 cents, 30 cents or 50 cents? I think Canadians would like to know what the signal is. How soon does the Minister anticipate a full ministry and a separate department? Most Canadians who know anything about the industry will support that.

Mr. Merrithew: Mr. Speaker, I very much appreciate the fact that the Hon. Member spoke of his concerns, as have other Members from British Columbia as well as members of all Parties. The platform on which a Party campaigns is not for a one-year period, or a two-month period, but one which covers a five-year mandate. Things can be done and will be done by a government that is concerned about forestry. The Government will spend those dollars as dollars become available. The very fact that the Prime Minister (Mr. Mulroney) and the Party saw fit to establish the Ministry of State for Forestry is a very good indication, because it provided for the industry a clear signal that the Government is interested in Canada's largest industry. If nothing else, it will provide to the industry the assurance that someone in Cabinet will be speaking for the industry.

With regard to the mandate which has been given to me as Minister and to the Ministry of State for Forestry, the Prime Minister did what he could under the legislative authority which was before him. At this time there is no legislation in place to establish a full department. Over the intervening years I am sure that the Government will be dealing with such issues as what the Government should be doing for the industry, the kind of organization it should have, and how it can best effect what it wants to do for the industry. That will come in due course. In fact, it is under review at the present time.

The five-year rescue program is one in which I totally believe. I served for two years as the Minister of Forestry and the Minister of Natural Resources in the Province of New Brunswick, as well as serving for six years as the Minister of Commerce and Development. During that time I worked very closely with the forest industry. For once, I think the industry, the Government, labour and all provincial governments realize that perhaps in the past what needed to be done to ensure that there would be a forest industry for our children and our grandchildren was neglected.

The kind of dedication which was expressed in the election campaign and the intentions which we have expressed as to what needs to be done is a realistic goal. The extent to which we will be able to achieve that goal is another matter. Through no fault of our own, we have inherited a fiscal and financial situation that is deplorable, to say the least. However, we will take steps, in conjunction with the provinces, to put into place the programs which are needed.

In the two months I have been Minister I have met with the majority of my provincial counterparts to discuss the kind of programs they desire. I have signed an agreement with the Province of Alberta. As well, last week I signed a $150 million agreement with the Province of Ontario. In that agreement we attempted to deal with the aims and the needs of the industry in Ontario. The aims and needs of the industry vary from province to province, and we respect the right of the provinces

to express their individual views. I have met with Mr. Waterland and his staff on several occasions regarding the B.C. agreement. I agree that there is a very definite need for a new program. That Province did not take advantage of a modernization program, which many other provinces undertook, in terms of pulp and paper modernization. British Columbia chose to go the route of forestry regeneration, new silvaculture activities, research and development and so on. It is my intention to sign an agreement with that province as soon as possible. I cannot at this point in time give the exact date for that. However, we are dealing with it at the present time in the Regional Development Committee. I can only state that I will fight on behalf of the people, and certainly on behalf of the industries, in British Columbia for a fair and equitable portion of the funds which are available.

• (1250)

The Hon. Member did mention the move of forestry from the Department of the Environment to the Department of Agriculture. I can tell the Hon. Member that I was not privy to the kind of discussion and thought which went into the decision made by the Prime Minister. I can, however, assure the Hon. Member that it was not done because the federal Government thought the industry would find it a lot easier to work within the Department of Agriculture because of its registration function and review of pesticides and herbicides. That is not the indication at all. I believe it does fit in the way in which we are trying to portray the industry, not as people who attend the land, but people who farm the land—

Mr. Deputy Speaker: Order. I would ask the Hon. Minister to please conclude his remarks.

Mr. Merrithew: I certainly will, Mr. Speaker. In the next few months and few years, Mr. Speaker, I intend to deal with the issue of forestry, to be a strong voice for that sector of the economy around the Cabinet table. I very much regret what happened over the 1970s to the Canadian Forestry Service, at which time its staff, and, therefore, its activities were cut almost in half. That was regrettable, it was very wrong, and I certainly hope it will not happen now.

Mr. Deputy Speaker: We shall now proceed with debate. The Hon. Member for Nickel Belt (Mr. Rodriguez).

Mr. Rodriguez: Mr. Speaker, I see that it is close to one o'clock. May I call it one o'clock?

Mr. Deputy Speaker: Is there unanimous consent of the House to call it one o'clock?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: There being unanimous consent, I will call it one o'clock. It being one o'clock, the House shall stand adjourned until two o'clock.

At 12.52 p.m. the House took recess.

S.O. 21

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

HOUSING

RESIDENTIAL REHABILITATION ASSISTANCE PROGRAM

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, Canadian consumers with dreams of conserving energy and improving their homes emerged as the big losers after the economic statement of the Minister of Finance (Mr. Wilson) took the axe to many programs. Of particular concern to me and my constituents is the reduction in funds for the Residential Rehabilitation Assistance Program. This very worth-while program was instituted for home owners and land owners who wanted to improve their properties.

This cut of approximately 50 per cent in RRAP funding affects not only home owners in my constituency but will have an equally devastating effect on small contractors, 50 per cent to 60 per cent of whom will go out of business. The building supply dealers will be no less affected. If there are no repairs to be done, there is no need for building supplies. These cut-backs are continued evidence of the uncaring attitude of the Government toward the poorer regions of the country. This action must be stopped.

* * *

FORESTRY

IMPORTANCE TO ECONOMY

Mr. Jim Fulton (Skeena): Mr. Speaker, in the recent election campaign the Conservative Party promised: "We will establish a new Department of Forestry at the federal level". This will be found at page 49 of the PC Handbook. This promise has been broken. In fact all that has occurred is the appointment of a Minister of State in the Department of Agriculture.

One Canadian in 10 is directly or indirectly employed in forestry, Canada's largest industry. According to Richard Herring, the Assistant Deputy Minister in charge of forestry, funding for the new Ministry would have to double to at least $300 million to live up to some Conservative promises made during the election. Not one thin dime has been added to forestry expenditures by the new Tory Government.

Under Prime Minister Joe Clark and Prime Minister Pierre Trudeau, of every dollar raised by the federal Government in forestry-related taxation, less than 5 cents was returned to the sector for replanting, silviculture, marketing, and R and D.

During the election the Prime Minister (Mr. Mulroney) promised that a PC Government would initiate a five-year

forest rescue program, a "massive co-operative effort to save this vital element of our national heritage and national economy". According to the PC campaign manual the Liberals, and Joe Clark, presided over a "decade of neglect", bringing us "within sight of a national disaster".

Right across Canada, Mr. Speaker, voters are awakening to the fact that the forests and the environment are at the bottom of the list when it comes to support by right-wing politicians. In British Columbia, Bill Bennett proposes to spend $60 million on forestry when the UBC Department of Forestry calculates the need at $660 million per year.

Canadians have been tragically misled and misinformed by the—

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

* * *

ABORTION

PROTECTION OF UNBORN ADVOCATED

Mr. John Reimer (Kitchener): Mr. Speaker, many people in my riding are very disturbed about the acquittal of Dr. Henry Morgentaler. By telephone and letter, over 800 individuals have contacted both myself and a provincial Member whose riding overlaps mine. On the basis of much scientific, medical, and ethical information, I believe that human life begins with conception and must be protected by the law.

The jury selection process in the trial was very disturbing to many Canadians. If we applied that procedure to this House, then many Members would be disqualified from hearing some issues. To some, the acquittal was a victory for lawlessness since Dr. Morgentaler never denied that he broke the law. The role of a jury is to determine innocence or guilt based on the law and the evidence provided during the trial. Surely it is for this House, not a jury, to decide what our laws will be.

I respectfully urge the Minister to address the issue of abortion during the term of this, the Thirty-third Parliament. If the study finds that a foetus is a human being, which I am confident it will, then we must protect that defenceless life with all the power and full weight of the law.

* * *

INCOME TAX

REGISTERED PENSION PLAN CONTRIBUTION LIMITS

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, I wish to express my concern and that of many Canadians about the limit for income tax purposes on contributions to registered pension plans.

Individuals are limited to a maximum of $3,500 in contributions as far as income tax deductibility is concerned. This limit has remained unchanged since 1976, through a period when significant increases in the Consumer Price Index have eroded the real dollar value of contributions and of the limit itself. Further, it has remained unchanged when other tax deductions were indexed to the Consumer Price Index. Therefore I call upon the Government to take an equitable position on this serious problem and soon bring forth the necessary legislation to correct this injustice.

* * *

ENVIRONMENTAL AFFAIRS

PROPOSED WEATHER SERVICE FEES

Mr. George Baker (Gander-Twillingate): Mr. Speaker, the Minister of the Environment, in her fanatical desire to satisfy the Minister of Finance (Mr. Wilson), is instituting some illogical measures. She says that those people receiving weather information other than through the media, will be charged for this service. This will stop people from calling the weather office, Mr. Speaker, people like fishermen who need frequent updates on ever changing weather patterns.

She also says that she will work with the telephone company. Well, everyone knows that the telephone company is not permitted to act as a collection agency, even for the Minister of the Environment. This will not increase revenue to the Department, but it will stop people from calling the weather forecast office.

The Minister also said that guided tours will be replaced by self-guided and volunteer-guided tours in national parks. What is a self-guided tour? Is the Minister going to erect a sign saying "Seek and ye shall find", or "Enter at your own risk"? Or is this an excuse to beef up search and rescue? The Minister is clearly fishing beyond her quota, Mr. Speaker.

* * *

UNEMPLOYMENT INSURANCE

COST OF EMPLOYING EXTRA OFFICIALS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, the Government has come up with a novel way to create employment. Rather than create jobs to put Canadians back to work, the Government is hiring 700 enforcement officers to police the Unemployment Insurance Act. During the election campaign the position of the Conservative Party was crystal clear—no quotas in Revenue Canada, and fair dealing with the public. Now that it is safely in power the Government has somersaulted and will demonstrate its toughness by punishing the unemployed and by bringing in the goon squad. Believe it or not, the cost of this harrassment is $30 million per year, Mr. Speaker. Is this increase in the power of the state the kind of creative job creation Canadians can expect from this Government?

The Government's approach to economic problems is to punish the victims of unemployment, rather than come up with solutions. If there is unemployment, blame the unemployed. If we need more tax revenue, tax the poor and give loopholes to

the wealthy. I suggest that the Government transfer the $30 million to the Canada Works Program and get the Government off the backs of the people.

* * *

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

OPPOSITION TO CN/CP APPLICATION FOR TELEPHONE SERVICE DEREGULATION

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, it is as a firm believer in fair competition that I stand today to speak against the CN/CP Telecommunications application now under consideration by the CRTC. If it is approved, CNCP will hook into existing BC Tel and Bell Canada equipment in order to provide competitively priced long distance telephone service between major urban areas in Ontario, Quebec, and B.C. That would reduce revenue to the Telecom system, revenue shared by the Manitoba Telephone System and used to subsidize local service rates. If CNCP were willing to meet the less lucrative service and investment commitments which companies such as MTS must meet, then that would be a quite different story. But such is not the case, and that is why the application does not constitute fair competition.

In addition, a recent study supports the view that telephone deregulation could adversely affect the cost and level of local service in outlying areas. In recent weeks well over 600 people in my constituency have expressed to me in writing their opposition to the CNCP application. Many are seniors on fixed incomes who cannot afford to pay substantially more for basic telephone service.

While I recognize that the CRTC is presently considering the application, as the elected representative for Brandon-Souris I must express my personal opposition to this proposal.

* * *

• (1410)

EXTERNAL AID

AFRICA—REQUIREMENT FOR TECHNOLOGICAL SKILLS AND KNOWLEDGE

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, a quarter century ago Africa was self sufficient in food supplies. Today, Ethiopia and 21 other countries in Africa are in danger of being overridden by the apocalyptic horseman of famine.

Their immediate hope lies in the kind of massive aid which, under the lead of the Government, Canada is sending Ethiopia. But their long term hope requires another kind of aid; leadership in advancing scientific agriculture, developing technology, and building infrastructures.

If the need of the West is to humanize our technology, the need of Africa is to technologize its humanity.

Here is a service opportunity for Canadians with knowledge and skills to offer. Through such programs as CUSO and

CESO, Canadians have already made an impressive contribution to the world's needs. We can now make an even greater contribution by creating a partnership of Government and voluntary agencies, a partnership to recruit and maintain an army dedicated to peace.

Canada can be proud of its Armed Forces and what they have done for peace. Can we now think of unarmed forces that Canada can send abroad to offer life to people facing death?

Canadians have made an inspiring response to the Government's appeal for money and goods in the past two weeks. They will respond just as readily if their country calls them to offer their skills and knowledge.

* * *

[*Translation*]

THE ECONOMY

BUDGETARY CUT BACKS

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, the present Government claims it is creating a climate of confidence for businessmen so that they will invest in the Canadian economy. How can the Government create a climate of confidence when the first thing it did upon coming to power was to increase the very sales tax it had criticized so severely under the previous Government? It then immediately proceeded to raise the price of gas and unemployment insurance premiums. All these tax increases have raised the direct production costs of Canadian businesses, thus reducing their ability to compete on international markets and automatically involving the loss of thousands of jobs. During the election campaign, the Prime Minister promised to create thousands of jobs as soon as his Cabinet was sworn in. Mr. Speaker, to this day we have seen only employment cutbacks, involving at least 50,000 jobs. Mr. Speaker, has the Prime Minister misled the Canadian people?

* * *

[*English*]

FINANCE

INDEXATION OF TAXATION

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I wish to draw to the attention of Members of Parliament the provision for indexing set out in the supplementary information tabled by the Minister of Finance (Mr. Wilson) on November 8 last. The index for next year's increases in tax is 4.6 per cent and, as a consequence, there is a reduction in federal tax revenues of over $1 billion, and in provincial revenues of over $375 million.

This might not be much of a benefit if the true rate of inflation were in fact 4.6 per cent, but Members will know that the inflation rate is now only 3.4 per cent year over year, and is much less than 2 per cent in the last months. Indeed, there

would be no inflation at all if it were not for increases in taxes and charges by Crown corporations.

The effect, then, of the 4.6 per cent index is to assist Canadians substantially. As you know, Mr. Speaker, it is a policy of the Conservative Party to leave people with their own money because that will stimulate employment better than anything else.

Members should report this significant reduction in tax to their constituents as an indication of the first benefit they are receiving from the Progressive Conservative Government.

* * *

RESEARCH

ANNOUNCED CLOSURE OF FACILITIES AT CHURCHILL, MAN.

Mr. Rod Murphy (Churchill): Mr. Speaker, it is with grave concern for the future of Canada's potential involvement in space research, and for the subsequent and immediate effect on Churchill, Gimli, and Winnipeg, that I rise today.

In its economic statement the Government announced the closure of the research program in Churchill and Gimli. It has certainly killed the future of ionospheric research in that area, which will create a real danger to future employment in this field. Those scientists who wish to pursue their involvement in this field, now and in the future, will be forced to leave our country.

A further loss of revenue will occur when NASA scientists are forced to withdraw their current and potential use of the Churchill research range.

The cost to dismantle and remove the facility is an additional $10 million to the Government of Canada. These are the immediate costs and revenue losses to the people of Canada. The cost to our future and our young people is completely unknown, and the Government should reverse its decision.

ORAL QUESTION PERIOD

[*English*]

ACCESS TO INFORMATION

GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. It appears that the Government has developed an extraordinary obsession for secrecy. In fact it is elevating the phrase "no comment" to an art form. Just listen to the headlines about this keyhole administration. "It is secrecy time". "Paranoia starks Parliament Hill".

[*Translation*]

For diplomats, mum will definitely be the word.

[*English*]

"Tories keep us in the dark"; "The Great Stone Wall"; "Finance Minister refuses to release information on social program cuts".

Why is there this frosty silence? Why has he thrown a cloak of secrecy over his administration?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I regret that my right hon. friend interprets it that way because—

Mr. Gauthier: It is the press.

Mr. Mulroney: —I would like to give him and the House, in response to his entirely legitimate concern, the assurance that that was certainly not my intention nor that of the Government.

I want to indicate that we, as a new Government, came in with much to try to accomplish in a brief period of time. This required some degree of co-ordination.

It was brought to my attention by Mr. John Ferguson, at a press conference that I held last week, that guidelines did exist in the past and the question was whether they applied. I indicated that I would be happy to review them, which I am in the process of doing. Hopefully at a press conference this coming Friday I can impart to the press guidelines that will be reasonable and proper, and which ensure access to the press and availability of information for the Opposition and us all.

There was no intent at any time to curtail the legitimate flow of information. It was an attempt by me to bring a modest degree of order to a new situation. We hope that when I am able to deliver the guidelines that Mr. Ferguson was properly seeking, they will clarify and improve the situation, to the satisfaction of my right hon. friend.

Mr. Turner (Vancouver Quadra): That is a very seductive answer.

PRIME MINISTER'S STATEMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in helping the Prime Minister to come to a final decision, I want to remind him of his words in Kingston on August 12 when he said:

> If the Canadian people see fit to give us their trust, we will always give them ours. That means an end to the obsession with secrecy. Secrecy in government . . . is an addiction; the more the Government can have of it, the more it wants of it.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): There may be another addiction at play, the addiction of power. However, I ask the Prime Minister to contrast the actions of his Government to date with those very eloquent words, and will he issue a fiat to his Ministers, including the Deputy Prime Minister, to fulfil that promise which was made in Kingston? Will he lift this

veil of secrecy, and turn on the lights in the corridors of power?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, notwithstanding the understandable wishes of my right hon. friend, I could not issue a fiat to the Deputy Prime Minister privately because, as he knows, it would be leaked to the papers immediately. It is the garrulous dimension of his personality that I find most attractive.

Some Hon. Members: Oh, oh!

Mr. Mulroney: I am delighted that my right hon. friend referred to my Kingston speech, because I thought it was one of my better speeches.

Some Hon. Members: Hear, hear!

Mr. Mulroney: The thoughts raised in that speech were indeed serious. They speak to some of the most important concerns that we all have. Even though I suppose I am somewhat like the Right Hon. Leader of the Opposition and do not always agree with what is written in the papers, there can be no doubt of the right of the press to know, and that the press constitutes an indispensable cornerstone of our parliamentary democracy. We want to enhance that.

● (1420)

[*Translation*]

PRIME MINISTER'S POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, this is a matter of great concern to us. Not just the press but especially the Canadian people have a right to know this Government's response and reaction.

May I perhaps ask a final question, futile though it may be?

What is the Prime Minister trying to hide?

[*English*]

What is the Prime Minister trying to hide?

[*Translation*]

Right Hon. Brian Mulroney (Prime Minister): Nothing.

[*English*]

Nothing, Mr. Speaker.

[*Translation*]

REQUEST THAT DIRECTIVE ISSUED TO EXTERNAL AFFAIRS OFFICIALS BE RESCINDED

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, since the Right Hon. Prime Minister seems to be feeling very mellow this afternoon in the House, could he perhaps do something positive today and order his Secretary of State for External Affairs who has put a humiliating gag on his department's officials, to remove this gag immediately, until such time as new guidelines have been set by the new Prime Minister?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think perhaps I should comment on this guideline in the near future. I can inform the Hon. Member that I expect to be able to do so at the next press conference I intend to call this Friday at the latest. The Hon. Member has raised an important question which deserves a complete answer, and I expect to be able to give him all the details very shortly.

[*English*]

THE PRESS GALLERY

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I would like to have an assurance from the Prime Minister concerning this gag order which is making officials in External Affairs a joke around the world today. The impression has been created that they cannot talk to anyone, even over cocktails.

Does the Right Hon. Prime Minister subscribe to the view of his Secretary of State for External Affairs that anyone who criticizes the Government, reporters such as Geoff Simpson, Doug Fisher, and others, are members of the establishment? I hope he will say to Doug Fisher: "Doug, baby, you have come a long way from Thunder Bay to be part of the establishment today".

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I cannot see why anyone would want to criticize this Government.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Mulroney: With reference to the names raised, and indeed to all members of the Press Gallery, I view with respect their necessary, indeed indispensable, occupation of legitimate criticism of the Government and the Opposition—

Mr. Hnatyshyn: No; the Opposition do that themselves.

Some Hon. Members: Oh, oh!

Mr. Mulroney: —and I commend them. This Government will conduct itself in such a manner as to facilitate and not inhibit their work in any way.

Mr. Chrétien: Lift the gag.

JUDICIAL REVIEW OF CABINET DOCUMENTS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I suspect the Liberals are putting gag orders on one another.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Robinson: My question is for the Prime Minister. When in opposition the Prime Minister's Party, through the late Walter Baker, promised that a top priority, a fundamental government priority, was amendments to access to information legislation, permitting full judicial review of all disputed documents, including cabinet documents. Indeed, such a provision was included in previous Conservative legislation on access to information. Why is it that the Prime Minister's Government is now breaking this fundamental commitment that was made by his Party through Walter Baker?

Why, in turn, has the Prime Minister adopted the Liberal policy of secrecy and of refusing to trust the courts with cabinet documents?

Mr. Nystrom: Leader.

Mr. Hnatyshyn: Government House Leader, Mr. Speaker.

Mr. Chrétien: Do you have to consult Erik before opening your mouth?

Some Hon. Members: Oh, oh!

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, with respect to the question posed by the Hon. Member for Burnaby, who has long been involved and interested in this whole area of access to information, and who served on the committee, he will know that we have just now referred the question of the operation of the access to information legislation to the Standing Committee on Justice and Legal Affairs. This committee will have a wide-ranging ability to look into the operation of the legislation and to make recommendations with respect to that legislation. I invite the Hon. Member to make his representations, as I do all Members, to that committee, and I am sure they will receive the attention they deserve.

POSITION OF MINISTER OF JUSTICE

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my supplementary question is for the Minister of Justice. Would he explain to this House his statement that the cabinet system of government would crumble if judges were allowed to examine cabinet documents? Why is it that he and his Government have turned their backs on the fundamental commitment that was made by Walter Baker to allow full judicial review of all cabinet documents? How is this going to result in the crumbling of cabinet government in this country?

Hon. John C. Crosbie (Minister of Justice): Mr. Speaker, the whole system, and the hon. gentleman, might crumble if we opened up Privy Council confidences.

Mr. Deans: That was pretty kookie.

Some Hon. Members: Oh, oh!

Mr. Crosbie: Am I to be allowed to answer the question, Mr. Speaker? We are not even allowed to answer questions in the House, and you ask about access to information!

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Deans: It is not our fault. Speak to your Leader.

Mr. Crosbie: Yesterday, Mr. Speaker, I was asked by the press about the case of the Auditor General versus Petrofina Petro-Canada and the Government of Canada. I said the issue there was that we could not agree to give the Auditor General access to confidences of the Privy Council in that particular instance; one, because there is a commitment that we will not go into the documents and cabinet confidences of previous administrations, including that of the Leader of the Opposition and of the administration of Mr. Trudeau, which was a little longer than that of the last Leader of the Liberal Party; two, because it would be wrong for the Auditor General to have access to those confidences. They are not necessary, in our view, for him to carry out his auditing functions properly.

That is not to say, and I never said, that judges should be prevented from having access to certain documents. That is another issue. As a matter of fact, in a great blow for liberty, I just instructed the Department of Justice not to go forward with an appeal in the Ternette case. The hon. gentleman should be congratulating me for a great step forward.

Some Hon. Members: Hear, hear!

AUDITOR GENERAL'S REQUEST FOR DOCUMENTS

Mr. Svend J. Robinson (Burnaby): My final supplementary question, Mr. Speaker, is for the Prime Minister. Perhaps the Prime Minister might care to recall the speech he made in Kingston and explain why it is that behaviour which was totally unacceptable, then, according to the Prime Minister, that is, the refusal to disclose the documents requested by the Auditor General, is suddenly acceptable now? Why is his Government refusing, and continuing to stonewall the Auditor General in his pursuit of information concerning the expenditure of millions of taxpayers' dollars? Why is there continued stonewalling and secrecy? Why the breach of another sacred trust by this Government?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, as the Minister of Justice has just indicated, I think the information being sought can properly be segregated into categories. One apparently is with respect to an attempt by the Auditor General, prior to our coming to office, to seek out information that is contained only in classified cabinet documents or memoranda. I undertook, on behalf of this administration, not to ferret about in the documents of previous administrations, as has been done before me. But for information that is requested there is a proper channel for me to secure it through the Clerk of the Privy Council. I think that is proper, that Cabinet be able to function under the British parliamentary system in that way.

With regard to the second part of the information being sought, which is basically the same kind of information, we are

trying to help the Auditor General secure all of the information possible. The Minister of Energy, Mines and Resources, the Minister of Justice and myself are very much committed to ensuring that all information available to the Government of Canada, excluding that which has been for good reason covered by the reference I have just explained, will be made available to allow the Auditor General to put a spotlight on the transaction. Apparently we had a little difficulty in finding the proper formula, because it was an unusual kind of request. I hope we will be able to satisfy all requests by the Auditor General so that this information can be made available to Canadians and to the Parliament of Canada.

* * *

● (1430)

TRADE

SECTORAL FREE TRADE PROPOSAL

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is directed to the Prime Minister. As he knows, yesterday the Chairman of the Royal Commission on Economic Union and Development Prospects introduced a very important discussion on the issue of free trade. Yet, at the same time, a member of the Prime Minister's staff, Mr. MacMillan, dismissed the option of free trade in a speech even though various Cabinet Ministers, including the Minister of Regional Industrial Expansion last night on television, and the Secretary of State for External Affairs, endorsed the notion of sectoral free trade.

Could the Prime Minister indicate whether the Government, as a policy, has abandoned negotiations with the United States on matters of sectoral free trade in a number of very critical sectors, like urban transportation and agricultural equipment? Could he indicate who in his Government is speaking on the very vital question of trade—which of the three or four Ministers who have spoken on it, or will it be his personal policy adviser?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, as the paper submitted by the Minister of Finance clearly indicated, it is a vital sector for public consideration and debate. It is presently being reviewed not only by Cabinet and caucus. I had the pleasure of listening to the Hon. Member last night on television express his views on the issue. I learned a great deal from them. They are at substantial variance with those of his Party, but I thought it was a great contribution to the debate.

In this important areas we are presently evolving a policy which will be announced pursuant to thorough consideration by Cabinet. As the Hon. Member knows, Cabinet speaks for the Government in these important areas.

Mr. Axworthy: As the Prime Minister knows, in our Party we are always encouraging free and open discussion. That is the hallmark of liberalism.

Some Hon. Members: Oh, oh!

Mr. Axworthy: I am afraid the Prime Minister did not answer the question.

REQUEST THAT PRIME MINISTER'S POLICY ADVISER NOT MAKE STATEMENTS

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, we have a statement from a very important member of the Prime Minister's Office dismissing the idea of sectoral free trade at a time when we are in negotiations. We also have a circumstance where the United States has already undertaken open hearings on how Canadian protective barriers would inhibit any free trade area.

First, will the Prime Minister's policy adviser no longer make statements on this vital issue so that we do not confuse the issue? Second, will we have an opportunity to debate the free trade issue in Parliament? Third, will we also have an opportunity very soon to begin examining the way in which the United States has protective barriers to Canadian trade in that country?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, this is a remarkable spectacle. The Member is suggesting that I throw a veil of secrecy over my policy adviser.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Mulroney: I would have thought that consistency would require openness and people speaking out. Mr. MacMillan, with all his remarkable talents, is not the spokesman for the Government. He was delivering himself of a personal and informed view which will be put into the mix with the opinion of others in the House and elsewhere. I hope we will come out at an early moment with an appropriate response to the query raised by my hon. friend that will be beneficial to Canada in terms of job creation and our longer term trading future.

REQUEST THAT COMMISSION BE DISBANDED

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I want to pursue the same question. It is apparent that there is an irreconcilable difference of opinion between, on the one hand, the chairman of the royal commission who says that we must make a leap of faith into the area of free trade, and a senior policy adviser to the Prime Minister on the other. In this matter there can only be one decision—either we go ahead with the discussions or not. Given that it is costing millions of dollars to pay for this royal commission, is the Prime Minister in a position to tell the royal commission to report its findings to date, disband it, and save public money?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am at a loss to understand the Hon. Member's outrage.

Mr. Deans: You are?

Mr. Mulroney: What we have is a former Minister of Finance, who is chairman of a royal commission, delivering himself of what I understood was a personal view at a conference in New York. I read it along with the Hon. Member. I did not conclude that Mr. Macdonald was trying to pre-empt or anticipate the definitive conclusions of his colleagues. It was clearly stipulated to be a personal view on the one hand. On the other hand, Mr. MacMillan, the Hon. Member for Winnipeg-Fort Garry, and many others, have different views on this vital matter, which will form the object of a discussion paper. We hope there will be debate in the House to obtain the benefit of the views, experience and knowledge of Hon. Members on all sides of the House of Commons so that we can design and implement a trade policy which will create new jobs and new wealth for Canadians. That is what we would like.

COSTS OF COMMISSION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, is the Prime Minister aware that his House Leader at the time the royal commission was established indicated that the money which was to be spent would have been better spent assisting those on UIC to extend their benefit period, or perhaps assisting those in need of family allowance, with some kind of indexing? Does he not now feel that all that money may well have been wasted, given that the decision which will be taken by the royal commission was pre-empted by a senior policy adviser who claims that the Government is not likely to proceed with sectoral free trade?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I would not necessarily disagree with the view held by the House Leader if it was expressed many months ago. The royal commission has been under way for a considerable period of time. Indeed it has been a costly royal commission. It may very well be that, upon reflection, even my hon. friends, were they still in government, would have decided to do something different.

However, we were confronted with a situation where the royal commission was just about to report. It will, very soon. We felt that it was prudent and proper in the circumstances that we receive the benefit of whatever extensive work has been done, and not chop it off eleven-twelfths of the way. Hopefully we will receive some value for the very substantial amount of money expended in this area.

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[*Translation*]

TRANSPORT

CHAMPLAIN BRIDGE TOLLS—GOVERNMENT POLICY

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, my question is directed to the Minister of State for Transport.

Whereas the Government of Quebec has decided to abolish tolls on the Province's expressways and a start has already been made with dismantling toll booths, and since the Champlain Bridge, which is federal property, is the only federal toll bridge in Canada—I am referring to the bridge between Montreal Island and the South Shore—could the Minister inform this House as soon as possible of his policy on the Champlain Bridge toll?

Hon. Benoît Bouchard (Minister of State (Transport)): Mr. Speaker, it is true that the Quebec Government has decided to abolish tolls on Quebec highways. That is the Quebec Government's decision and it is not for us to comment. On the other hand, it is also true that considering the present state of our finances, we cannot afford to spend $6 million in addition to the $3 million we are spending already on the Champlain Bridge. However, we are prepared to consider other options should the financial situation improve.

* * *

[*English*]

IMMIGRATION

NUMBER OF IMMIGRANTS TO BE ADMITTED IN 1985

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Yesterday the Minister announced plans to admit between 85,000 and 90,000 immigrants to Canada for 1985. This is a reduction of 5,000 to 10,000, including a reduction in the family category to 45,000. Considering the Minister and her Leader forecast improvements in the economy and increases in jobs in 1985, would she explain why she targeted for immigration reductions, particularly reductions in the family class category?

• (1440)

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, in the past two years immigration has been below the projections that were announced annually by the Liberal Government. In the consultations that took place with the provinces and with a number of groups over a period of months during this year as to what the level should be for 1985, it was felt that the announced level was far more realistic.

I also said yesterday that I am very concerned about the immigration trends in this country, that we are not satisfied with what is happening. It is for that reason we have announced a full review of immigration policy. We will, therefore, be looking at immigration levels in the light of what the country really needs.

Mr. Allmand: I should remind the Minister that there were reviews, by W. G. Robinson in 1983, and a complete review and overhaul in 1976.

SCHEDULE OF APPLICATION FEES

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I have a supplementary question. In the financial statement made by the Minister of Finance on November 8, the Minister announced plans to raise $4.4 million by charging fees for immigration applications and social insurance numbers. Can the Minister tell us the exact fee she has in mind for immigration applicants? Will the fee be the same for all categories, including refugees?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, there will be no fee for refugees. I would like to advise the Hon. Member and all other Hon. Members that the fee schedule is still being worked out. As soon as it is, he will be advised of that fact.

* * *

THE ECONOMY

CONFIDENCE OF INVESTORS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is for the Minister of Finance who, in his economic statement, projected that the economy would move in a particular direction over the next two years. By the day, starting off with the Conference Board, Informetrica, and the World Bank's trendicator, more and more projection houses are suggesting that the exact opposite is going to occur. Instead of moving in the direction as projected, we will be moving in another direction. The Minister refers to the necessity of building investor confidence. He knows that confidence will depend on stability and consistency, and on how people view the next number of months and the next number of years. Will the Minister explain to the people of Canada, through this House, how confidence is going to be built, when the Government marches to one drummer and the rest of Canada marches to another?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I think the Hon. Member will be quite aware that there are a number of points of view on the direction of the economy. The point of view that I expressed in my financial statement the other day was very close to the consensus view of something like 25 different economists in the country. There are always others like the Conference Board who will be out of step with that consensus. They have, however, been coming back closer to the consensus of the 25 other forecasters.

Mr. Riis: The Minister refers to the 25 out of 80,000 economists who agree with the direction. Perhaps we should be paying some attention to the others.

INTEREST RATE POLICY

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I have a supplementary question. The assumption in the economic statement is based on the fact of a decrease in the deficit of the United States and a consequent reduction in interest rates. In the last couple of days, we hear from the projection houses in the United States—

Mr. Speaker: Order. This is a little bit unfair to the Member. Others today have been pushing supplementaries with preambles. We have started that practice again. I am sorry to rise when the Hon. Member is speaking but today we have got longer and longer and longer. I would, therefore, ask the Member please go to a question.

Mr. Riis: Thank you, Mr. Speaker. If things go wrong in the United States, will the Minister indicate to the House whether a "made-in-Canada" interest rate policy is part of the contingency plan that he has?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member has been asking, both in this Parliament and in previous Parliaments, for a "made-in-Canada" interest rate policy. I should say to him that I believe, as do many other expert observers of the financial scene, that the "made-in-Canada" interest rate policy that his Party would propose is totally impractical and totally unworkable. We have felt that we can get more independence in our interest rate policy if we strengthen the economy. That is the basic direction of the agenda paper and the economic statement that I put out a week and one-half ago.

* * *

ENERGY

COSTS OF ELECTRICITY IN PRINCE EDWARD ISLAND

Mr. George Henderson (Egmont): Mr. Speaker, my question is directed to the Prime Minister. It has to do with an election promise that the Prime Minister made in May, 1984, to the people of Prince Edward Island when at that time he pledged that he would, if elected, reduce energy costs to Prince Edward islanders. That was reiterated by his Party's candidates in the election campaign in Hillsborough, Malpeque, Cardigan, and Egmont. Three months have gone by since this campaign pledge was made. We still do not see any reduction in energy rates. When can Prince Edward islanders expect a decrease in electricity cost?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, Prince Edward islanders waited 20 years under the Liberals and got no satisfaction. After two months, they are starting to get some satisfaction under us.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I had a meeting with Premier Lee on this matter. I met with the Premier to review matters in which we might be helpful. The Minister of Energy held conversations in this regard with her counterpart *vis-à-vis* Prince Edward Island. I hope that we will be able to advise the Hon. Member and the House pursuant to these consultations.

Oral Questions

POSSIBLE TRANSMISSION OF ELECTRICITY FROM PROVINCE OF QUEBEC

Mr. George Henderson (Egmont): Mr. Speaker, will the Prime Minister initiate a meeting with the Premier of New Brunswick, the Premier of Prince Edward Island, and the newborn Canadian Premier of Quebec? The problem is trying to get electricity from Quebec to Prince Edward Island, transmitted through New Brunswick. Will he initiate a meeting immediately so that the problem can be solved of getting cheap electrical energy from Quebec to Prince Edward Island, transmitting it through New Brunswick at cost?

Mr. Speaker: I appreciate the Hon. Member putting a question, but normally it is not necessary to put it twice.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I say to my hon. friend that it is a very important matter for Prince Edward Island where power rates are so high that they preclude the possibility of attracting industry. The energy component almost obviates the attractiveness of the Island to these investors. I thank the Hon. Member for raising this matter. It is very important. I understand there have been discussions among Premiers in this area. I have, both in writing and verbally, raised this with Premier Lee. I hope to be able to do so with the other Premiers affected, at an early moment. I share the concern raised by the Hon. Member. There is a strong element of unfairness when the energy component costs are so high that they prevent the building of industry.

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NUCLEAR ENERGY

REQUEST FOR PARLIAMENTARY INQUIRY INTO INDUSTRY

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. It concerns the nuclear industry in Canada. Given the Progressive Conservative commitment to open government, to accountability of Crown corporations, to reviewing areas of significant government spending, and to respecting public opinion, can the Minister tell us whether the new Government intends to initiate a full parliamentary inquiry into all aspects of the nuclear industry in Canada, as the Progressive Conservative Government in 1979 intended to do?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I am aware of the commitment made in 1979 to have a task force or parliamentary committee look into the nuclear industry. When I meet with the officials of AECL, which I will be doing in the next two weeks or so, I will discuss that option with them to see if it is still a valid arena in which to discuss the problems which our nuclear industry faces.

Mr. Blaikie: I would hope that the Minister would not be taking her orders from AECL in this respect.

INDUSTRY'S ACCOUNTABILITY

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I would ask the Minister again whether she will consider initiating a full parliamentary inquiry into the nuclear industry so that we can have some accountability from that industry with respect to the nuclear energy future that was imposed upon Canadians by the former Liberal administration. I would urge her to do that.

● (1450)

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I have already indicated that I was giving consideration to reviving that concept. However, I wish to point out that there are a great many players in the nuclear game. One of the things I would do before taking it to our House Leader is find out whether or not the industry, in New Brunswick, Ontario or wherever, would find it a useful arena in which to have discussions.

Mr. Blaikie: It is not just the industry you should consult.

Miss Carney: Yes, there is a need to find out if that is a useful role to play. Otherwise, the problems may perhaps lie more in the marketing area.

* * *

[*Translation*]

TRANSPORT

COMPLETION OF AUTOROUTE 50

Mrs. Lise Bourgault (Argenteuil-Papineau): Mr. Speaker, my question is directed to the Minister of State (Transport). First of all, I would like to congratulate the Minister on his decision to meet with groups from the Laurentian area and especially those with concerns about transportation issues. There was a sizeable delegation from Argenteuil-Papineau which made representations to the Minister on two important priorities for the region. My question is: Now that he has had a meeting with the Quebec Minister of Transport on final construction of Highway 50, could the Minister inform the House what transpired at the meeting he had with the Quebec Transport Minister?

Hon. Benoît Bouchard (Minister of State (Transport)): Mr. Speaker, we discussed the highway issue with Mr. Léonard—that is correct. However, the federal-provincial agreement on highways in Quebec expired in March 1984 and has yet to be renewed. If and when the agreement is renewed, we can then discuss with the Province, which after all is responsible for highways, what to do about the highway to which the Hon. Member for Argenteuil-Papineau is referring.

[*English*]

AGRICULTURE

EFFECT OF BANK INTEREST RATES ON FARMERS

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Agriculture. There is an emergency situation facing many agricultural producers today, in western Canada and other parts of the country, because of high bank interest rates on loans. Such is the situation being faced by a producer in Kisbey, Saskatchewan, and one in Choiceland, Saskatchewan, who contacted my office today. As well, during the election campaign, the Government made a commitment to provide additional funding in order to write down existing bank loans to current-day interest rates. In view of those facts, is the Government prepared to move immediately on the commitment made in the election campaign to reduce interest rates on existing bank loans?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I welcome the question of the Hon. Member. I am very much aware of the very serious problem that exists in the agricultural community. On the other hand, I think we do not wish to over-emphasize the problem.

I have indicated in the House before that we are working with our provincial counterparts. I have met with them all. I am in the process of holding discussions with people from traditional lending agencies.

At the moment, we have under suspension the farm bankruptcies and foreclosures of the FCC. Indeed, that is the only area in which we have legislative authority to do so. I met with my provincial counterparts a couple of weeks ago and we are looking at three or four options. One of the options mentioned by the Hon. Member is an option that is being studied at the moment.

GOVERNMENT ACTION

Mr. Maurice Foster (Algoma): Mr. Speaker, how can the Minister justify this lack of action when the recent report of the Farm Credit Corporation indicated that 1,700 agricultural producers are facing total financial collapse this coming winter and when the Government, in its own campaign literature, indicated that it would be prepared to write down these farm loans to current-day interest rates? It does not seem to me that that depends upon the provincial Premiers. It depends upon the Government, the Minister of Finance and the Minister of Agriculture acting now.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I cannot understand why the Hon. Member should take that position. Indeed, we have not been waiting. We must recognize that write-downs require legislative changes to the Farm Credit Corporation Act.

We have put the bankruptcies into suspension. We have provided some $60 million to western Canada for the drought. We have provided the $123 million final payment from the Western Grain Stabilization Fund. The Minister of Finance gave a break to the food producers of the country to the extent of at least $100 million.

I do not think that we have waited. I do not think that we have ignored the problem. I think that we have acted appropriately, and have acted within our legislative authority.

Some Hon. Members: Hear, hear!

POTATO MARKETING IN EASTERN CANADA—DISCONTINUANCE OF COMMISSION

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, my question is directed to the Minister of Agriculture. After 12 years of reorganizational studies and discussions of marketing proposals for the eastern Canadian potato industry, a commission of inquiry under Judge Carter was established to investigate the many charges and allegations of wrongdoing and exploitation in that industry. Since the Minister has apparently felt that the inquiry's very existence and its ability to subpoena witnesses is a threat to the existing establishment in the potato industry, can he tell the House how he has aided the potato farmer by stopping this inquiry?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, no one is more anxious to improve the marketing conditions in eastern Canada than I. I am certainly very well aware of the problems which exist there.

If the Hon. Member really knows about the problems in the industry, I think he will recognize that that industry has been studied to death. I can tell the Hon. Member that I have had conversations with all of my provincial counterparts in eastern Canada and they have given me their advice with reference to the advantages and disadvantages of continuing the Carter Commission. It was obvious that the bottom line was that the Carter Commission was probably going nowhere. What is the use of using public funds to study that industry again if the political will is not there?

What will happen is that the submissions that have been made to the Carter Commission will be turned over to the National Farm Products Marketing Council. The Council will update its 1981-82 study. We will get that information—

Some Hon. Members: Order!

FUTURE PLAN

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, since the Minister has turned the information over to the National Farm Products Marketing Council, can he tell us what alternative plan will be put before the producers of eastern Canada? Will there be a marketing proposal put forward for those producers in both eastern and western Canada so that a plan may be decided upon in the near future?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, it seems to me that the logical approach would be to let the National Farm Products Marketing Council have an opportu-

nity to update its submission. I would then want to have an opportunity to talk to my provincial counterparts and then provide an opportunity for my hon. colleague to make his own views known.

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UNEMPLOYMENT INSURANCE

EMPLOYMENT OF EXTRA OFFICIALS

Mr. George Baker (Gander-Twillingate): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. The Minister has announced that $200 million will be saved through intensified interviews with unemployment insurance recipients. Since the average UIC payment in Canada is $155.88 per week, and since the average period for drawing unemployment insurance benefits is 26 weeks, then in order to save $200 million the Minister would have to knock 50,000 people off the UIC rolls. How many extra staff members will the Minister's Department hire to persecute, prosecute, or prevent these 50,000 people from drawing unemployment insurance?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, contrary to what the Hon. Member thinks, the objective of claimant interviews is to ensure that we are doing everything that we possibly can to help people find jobs.

Some Hon. Members: Hear, hear!

Miss MacDonald: I would like to give an example of this to the Hon. Member. Just the other day the President of the Canadian Federation of Independent Business said that there were 170,000 jobs that were going unfilled. We want to find out where those jobs are, and we want to match them to those people who are unemployed so that they will be put back to work again. That will reduce the amount of money that is being paid out of the unemployment insurance fund.

Mr. Baker: Mr. Speaker, the Minister did not answer my question. I wanted to know the number of people who would make up "Flora's heroes".

CONSULTATION QUERY

Mr. George Baker (Gander-Twillingate): Mr. Speaker, has the Minister, in the spirit of co-operative federalism, consulted with the provincial Ministers of Welfare to find out if they are willing to accept this extra burden on the welfare rolls of the provinces?

● (1500)

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, where the Hon. Member and I differ is that we do not agree that there will be an additional burden on the welfare rolls. I want to reassure him that we are aware of the regional difficulties with respect to employment in this country, and where there are no jobs available, obviously people will continue to receive unemployment insurance benefits. It was for that reason that we entered into a direct job-creation program at the beginning of our term, worth some $430 million, which will provide jobs for 70,000 Canadians.

Some Hon. Members: Hear, hear!

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Mr. Speaker: Members may want to examine today's Question Period. They will discover that the lengths of questions and answers today were the longest since the beginning of the session. I say this because I am in some difficulty. I suggest to Members who are asking questions that they should recognize the difficulty of the Speaker in policing the length of an answer if a question is long. I have the sense that the House wants the Question Period to work well and to work quickly, but I require the assistance of the House for that purpose.

Some Hon. Members: Hear, hear!

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PETITION

PEACE CAMP ON PARLIAMENT HILL—MR. SPEAKER'S RULING

Mr. Speaker: Yesterday, I informed the House that the petition presented by the Hon. Member for Ottawa Centre (Mr. Cassidy) on Friday, November 16, 1984, met the requirements of the Standing Orders as to form. I also informed the House that there was some doubt in my mind as to the acceptability of this petition since it contained signatures from non-Canadian citizens not resident in Canada, and I referred to Citation 668(1) of Beauchesne's Fifth Edition.

On reviewing the Canadian and British precedents, I found no clear answer to the admissability or non-admissability of a petition which is signed by Canadian citizens and, at the same time, by non-Canadian citizens not resident in Canada. In October, 1983, Madam Speaker Sauvé ruled that a petition signed by American citizens was not receivable. That petition was signed exclusively by American citizens. Our precedents on petitions relating to Private Bills indicate that petitions from foreigners have been accepted, from time to time, when the subject matter related to legislation or an area of jurisdiction of the Canadian Parliament.

Accordingly, since I could find no clear direction in our practice and procedure, and so that those Canadian citizens who signed the said petition not be denied their ancient right to petition the House of Commons, and since this is the first time this issue has arisen in this Parliament, I ask the House that the petition presented by the Hon. Member for Ottawa Centre be received by unanimous consent. I also suggest that the Standing Committee on Procedure and Organization give early consideration to the presentation of petitions, since this is not the first time that the Chair has raised issues related to this procedure.

May I seek the unanimous consent of the House for this proposal?

Some Hon. Members: Agreed.

Mr. Speaker: As there is consent, the petition is so received.

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BUSINESS OF THE HOUSE

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order with respect to the business of the House for the last two days of this week. I have had the benefit of consultations with House Leaders of the Opposition Parties and I would like to advise the House that it is my intention to call the following business for Thursday and Friday.

On Thursday, November 22, the first item of business will be the consideration of the six Ways and Means motions relating to the economic statement of the Minister of Finance. The second order of business will be Bill C-4, an Act to amend the Farm Products Marketing Agencies Act. The third item to be dealt with on Thursday will be a motion to establish the task force on the reform of the House of Commons. It is anticipated that this motion, which is outlined in the Speech from the Throne, will be called immediately following Routine Proceedings. If time remains following the debate on the motion to establish the task force, the House will then conclude consideration of Bill C-4. If Bill C-4 has been passed at all stages, the House will proceed to the consideration of Bill C-6, an Act to amend the Saltfish Act.

With respect to the business of the House on Friday, November 23, I would like to announce that I am designating this day as the second allotted day of the current supply period. I think it is also fair for me to indicate, with respect to Bill C-4 and Bill C-6, that notwithstanding the fact that the second reading motion involves reference to the standing committees of this House, there will be a disposition on the part of all Parties to have those Bills dealt with at all stages on the floor of the House.

ROUTINE PROCEEDINGS

[*English*]

EMPLOYMENT

TABLING OF REPORT OF ROYAL COMMISSION

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, pursuant to the provisions of Standing Order 46(2), I am tabling in both official languages two copies of a report entitled "Equality in Employment: A Royal Commission Report".

Introduction of Bills

ACCESS TO INFORMATION AND PRIVACY

TABLING OF REPORT

Mr. Gordon Towers (Parliamentary Secretary to Solicitor General of Canada): Mr. Speaker, on behalf of the Solicitor General I am pleased to table the access to information and privacy report for the Ministry of the Solicitor General, pursuant to Standing Order 46(2), in both official languages. This report should be referred, pursuant to Standing Order 46(4), to the Standing Committee on Justice and Legal Affairs.

Mr. Speaker: The Hon. Member, I am sure, knows that we can apply the rules of the House.

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PETITIONS

NUCLEAR ARMS POLICY

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I have the honour to present a petition on behalf of 44 constituents in the riding of Simcoe North and other places in Ontario calling for changes in regard to Canada's policy on nuclear arms.

NUCLEAR-WEAPONS-FREE ZONE

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I am privileged to present a petition to this House on behalf of the undersigned residents of Canada, many from the constituency of Prince Albert, who are deeply concerned about Canada's role in the nuclear arms race. The petitioners call upon Parliament to refuse the testing of the Cruise missile in Canada, to declare Canada a nuclear-weapons-free zone and that wasteful spending on the arms race be diverted to fund human needs and to ensure prosperity through peace.

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[*Translation*]

CONSTITUTION ACT, 1867

AMENDMENT TO INCLUDE HULL IN NATIONAL CAPITAL REGION

Mr. Gaston Isabelle (Hull-Aylmer) moved for leave to introduce Bill C-207, an Act to amend the Constitution Act, 1867 (national capital of Canada).

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Isabelle: Mr. Speaker, the purpose of this Bill is to change the boundaries of the national capital of Canada so as to include the city of Hull and any other area that the Canadian Parliament could designate in the future. A capital

is not only the seat of government, it is also the symbol of the strength and unity of a country as well as the image of the nation throughout the world.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

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

Mr. Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

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AIRPORTS

AMENDMENT TO CHANGE NAME OF OTTAWA INTERNATIONAL AIRPORT

Mr. Gaston Isabelle (Hull-Aylmer) moved for leave to introduce Bill C-208, an Act respecting the international airport at Ottawa.

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Isabelle: Mr. Speaker, the purpose of this Bill is to rename the International Airport at Ottawa the International Airport of Ottawa-Hull as it serves the region of the Canadian capital located in the provinces of Ontario and Quebec.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

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

Mr. Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

• (1510)

[*English*]

EXECUTION OF MASS MURDERERS ACT

MEASURE TO ENACT

Mr. Gordon Taylor (Bow River) moved for leave to introduce Bill C-209, an Act respecting the execution of mass murderers.

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Taylor: Mr. Speaker, I have great pleasure in moving the first reading of a Bill which, when passed, will bring about the execution of mass murderer, Clifford Robert Olson. Unless he is executed, Clifford Olson will be paroled some day and will then be a threat to every child who lives near him. We have no right to subject our boys and girls to such a threat.

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

* * *

SPEECH FROM THE THRONE

RESUMPTION OF DEBATE ON ADDRESS IN REPLY

The House resumed consideration of the motion of Mr. Ken James for an Address to Her Excellency the Governor General in reply to her Speech at the opening of the session.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, first of all, I would like to congratulate you on your election to the office of Speaker of this House. Since this is my return to the House of Commons after four years of toiling in the field of Nickel Belt, I feel I should thank all the workers on this Hill, such as the messengers, the bus drivers and all of those who responded to my return with a very warm welcome. I would also like to thank Hon. Members on both sides of the House who have so warmly welcomed me as a representative of the people of Nickel Belt. I must not forget the people of Nickel Belt who saw fit to return me to the House of Commons as their Member of Parliament. I say to them that I will do as I pledged on election night. I will work as hard as I possibly can to represent them in a fair, just and open manner.

In the four years I spent in the field in Nickel Belt, I had the opportunity to be associated with young people in my profession of teaching. It was very important to me because I had the opportunity to really see from the grass roots how young people view politics and politicians and how they view the House of Commons. I felt moved to speak in this debate because it is seldom we have an election, followed by a Throne Speech, followed by a mini-budget. When one event is superimposed on another, one gets a picture. Something which struck me about this whole process over the last three weeks is that the election campaign, the Throne Speech and what

followed had to do with credibility, and today young people are rather incredulous about politics and politicians. In the election campaign, these young people hear one thing, then the Government outlines what it intends to do over the next four years in what is called the Throne Speech, and then, of course, we have the economic statement, which is the reality. The young people see there is much to be desired. There seems to be a "slip between the cup and the lip" in that loose lips prevailed during the election campaign, and once the Tories received the majority they wanted, lo and behold, it did not matter any more. Now they have the prize. They are sitting over there, they are sitting over here, they are sitting to the right and they are sitting to the left.

What was the big issue of the election campaign? It was, "Jobs, jobs, jobs". But we have the reality of the Tories now that they have their 211 seats. Quite frankly, Mr. Speaker, I must say that I was secretly delighted that finally the Liberals were turned out of office. I had hoped that a new dawning was taking place and that finally we were going to go into a period where what a government said in the election and what was done in fact would restore confidence in and the credibility of practising politicians and politics in general. But lo and behold, what was "jobs, jobs, jobs" during the election campaign, is not "jobs, jobs, jobs" any longer. It has become "cuts, cuts, cuts".

The Prime Minister (Mr. Mulroney) very clearly outlined that the priority was jobs. However, what was said about jobs in the Thone Speech? I quote:

> My Government views unemployment as Canada's most debilitating problem and most critical national challenge.

That is one sentence, Mr. Speaker. What happened in the time between spring and fall? Obviously there were whisperings in the ears of those who now have power, and those whisperings were Roland Frazee of the Royal Bank, and the John Bullochs of Bay Street who have the ears, and I would say some other part of the anatomy of the Minister of Finance (Mr. Wilson). Those are the louder voices, Mr. Speaker. Those are the voices which count. I do not know of any working class people in this country with whom the Minister of Finance consulted before he brought down his financial statement. I do not know with which working class group the Prime Minister consulted before he brought down the Throne Speech. Those people were not consulted.

Young people are looking for credibility, Mr. Speaker, and they do not see it in this Government. This Government has a new fixation, and that is the deficit. This Government is transfixed like a cobra by a flute player. It is transfixed with the idea of a deficit. However, that is not what was being said during the election campaign. The deficit was not the big concern at that time. The Prime Minister said on July 10 in Ottawa, when he was seeking to be elected, "All of our policies are designed to create jobs. There is a cost in everything and I indicated there is a short-term cost to get the economy moving again". In Vancouver on August 24 he said, "Clearly there can be no drastic reduction in the deficit until interest rates are lowered and the country gets back to work. Massive cuts now would guarantee a recession".

What happened, Mr. Speaker? Why is there this great fixation with the deficit? I feel that fixation comes from the boys on Bay Street. It is obvious that the Prime Minister is more concerned with what his friends on Bay Street have to say about the deficit and it is to those voices he listens. During the election campaign he agreed on television with the Leader of our Party that there ought to be a minimum tax. But was there anything about a minimum tax on the wealthy in the Throne Speech? You bet your bottom dollar there was not! The Prime Minister is going to fight this deficit on the backs of the working people and on the backs of the unemployed. Yet the banks of this country are the wealthiest in the world. At a time when we have an inflation rate of 3 per cent, they are lending money at 14 per cent, 15 per cent and 18 per cent. They are raking the money in. Are they contributing to the reduction of the deficit of this country?

• (1520)

What about the conglomerates in this country, the concentration of power? John Bullock should be more concerned about the concentration of corporate power in this country than about trying to give people jobs at less than the minimum wage, and then suggesting that the Government should prop it up to the provincial minimum wage. At the same time, the Government hires 700 members of a goon squad to come in and harass people on unemployment insurance. The victims are being blamed for problems they have not caused but of which they are the victims.

The cynicism of Canadians about politics and politicians is brought on by that kind of doubletalk, Mr. Speaker. During the campaign you say one thing, and when you are in power you say and do something else. There has to be some sort of consistency in politics and politicians. The people of Canada turfed out someone who did a lot to tear down the credibility of politicians. We had the spectacle of Pierre Trudeau running against wage controls in 1974 which had been proposed by Robert Stanfield. Once he was elected with a majority in 1974, he brought in wage controls. Another example is the 18 cent a gallon excise tax. Sure, we introduced the subamendment which brought the Clark Government down. Of course we did. They had a responsibility to govern and they flubbed it. But then the Liberals ran a whole campaign against an 18 cent a gallon excise tax, and once they were in power, the tax far exceeded 18 cents. Try 54 cents.

We hoped that we had put all that behind us when Pierre Trudeau and the Liberals were tossed out of office, but what we have here is the building anew of a dynasty of incredibility. That is not healthy for Canada and for young Canadians.

Then, Mr. Speaker, we have the example of British Columbia. Now there is another gang, the Social Credit Government. They went after the deficit. It is amazing that the phrases and the words in their Budget of 1983 are very similar to what we have heard here. I just want to quote some of the phrases, and you tell me if you have heard them before.

For example: "Unless expenditure restraint is embraced in a major way, recovery could be very sluggish. In fact, it could falter or even collapse". Another statement: "The strategy for British Columbia is clear. Only by focusing on restraint and productivity can the public and private sectors return to the basic reality that prosperity must be earned." Or: "It is essential to recognize that this is not restraint for the sake of restraint, it is restraint for recovery, for a return to earned prosperity." Or: "The Budget provides what is needed to contain the size and burden of government so the private sector will have the climate needed to ensure our fragile recovery gains momentum." That is what they were saying when they attacked the budget. Those were their phrases and sentences. It is very reminiscent of what we have heard here in the last three weeks or so.

Mr. Riis: Did it work?

Mr. Rodriguez: Well, has it worked? Here is the economic analysis of British Columbia, the 1985 outlook. It says that real output will decline by about .5 per cent this year. Retail sales fell for the third consecutive year in 1983, and they are expected to decline another .3 per cent in 1984. Although the volume of production in these industries has grown to exceed pre-recession levels, employment and profits have not. It goes on and on. We do not have to look south of the border or to Margaret Thatcher's Government. We do not have to go outside Canada; we can look right here at a home-grown Conservative-Socred Government in British Columbia. There is a hybrid right out there. As a matter of fact, this Government cannot wipe its hands clean of that Socred Government because it was members of the Ontario big blue machine that went out there to help Bill Bennett get elected in British Columbia. Pat Kinsella is one of the big blue machine cogs over here.

Mr. McDermid: You should be so lucky to have them.

Mr. Manly: Then they help these guys.

Mr. Rodriguez: Then they help the Tories across the way. Very good point.

Well, Mr. Speaker, we have seen an example of how the deficit is being attacked. We have seen it in Canada, in British Columbia. We have seen the dismal results. Why do we keep repeating the mistakes? Why do we keep doing the same things over and over which will only exacerbate unemployment in this country?

Another area of credibility deals with social programs. During the campaign, the Prime Minister said that universality of social programs was a sacred trust. He said it would not be violated. Now all of a sudden everything is under review. He is going to review the social programs of this country. And who does he hire to help the Cabinet Ministers decide on recommendations for social programs? Why, that darling of the Chatham Chamber of Commerce, Darcy McKeough.

Mr. McDermid: Great Canadian.

Mr. Rodriguez: Darcy McKeough is absolutely opposed to the universality of social programs. So we have this kind of incestuous Tory relationship. We do now know who is doing what to whom in that group. I do not know what Darcy McKeough is being paid. I am sure it is very restrained wage. But here is the hachet man from the Ontario Tories who is going to help this Government decide on the universality of social programs.

Another area covered by the Speech from the Throne and the budget statement was justice. Justice for the unemployed. To listen to these Tories across the way talk about unemployment you would think that the unemployed are just sort of numbers. They do not really care about the unemployed.

Mr. McDermid: No, no. That is the way you treat them.

Mr. Rodriguez: They do not really care, not when they bring in something so chintzy, cheap and chiselling as the financial statement which attacks programs designed to relieve unemployment in this country. As I sat in my office yesterday, I read a letter from a constituent. She writes that her letter concerns her husband. He is a hard-working man who will try any kind of work available, as we can see by the attached resumé. He is a proud man who wants to support his wife and six-month-old son. He has been trying to get a job since December, 1983 with no success. He worked for eight weeks in our community, but when the Government workers supervising the project noticed that he was 27 years old, they laid him off. He was too old for the project. He is too old for all the youth projects and too young for the middle-aged programs. What can he do? He will work at anything, anywhere, as long as the pay and benefits are reasonable. He will even go out of town or out of province for work. He has an opportunity for employment, but it will not come through until April of 1985. What should he do until then? He and his wife could manage if he could receive unemployment insurance, but he only has eight weeks of employment so he cannot even apply for that. They do not want welfare, he wants to work. His wife is working at the moment, but she will be laid off very shortly. They asked me to see what I could do to help them.

I know, Mr. Speaker, that Ministers get removed from the realities of unemployment. They do not get to see the realities of unemployment. I know they are good people at heart and if they saw this reality they would understand. However, they are mistaken. Their idea of putting people to work is by tightening the unemployment screws and whipping them so that they will manage to find jobs which do not exist.

• (1530)

If the Government is sincerely interested in creating employment I suggest that there are three sectors in Canada which have potential for creating much employment. First, there is the forestry industry. Second, there is the fishing industry. The third is the transportation industry. These are sectors in which the Government should be running up another deficit—I suggest a $30 billion deficit—to put people back to work. If there was a war tomorrow the Government would find another $30

billion to $50 billion. During the Second World War the Government of Canada ran a deficit of some $80 billion in 1984 dollars.

In fact, if the vast majority of Canadians could be put back to work the Government could save $76 billion. The Government could make a substantial saving by putting people back to work through stimulating the economy in those areas which provide the best opportunity for work.

The constituency I represent is a regionally disparaged area. We have been suffering this circumstance under successive Liberal and Conservative governments since Confederation. We want a better deal. We want an industrial strategy that speaks directly to the question of eliminating regional disparity. We want a government that is more concerned with devising means to bring down unemployment with goals for creating employment rather than setting targets to cut deficits. If this were done I believe that those of us in areas of the country which need an industrial strategy and employment would be much better off, by working and maintaining our dignity in our community.

Mr. St. Germain: Mr. Speaker, it surprises me that the Hon. Member would criticize the Liberal Government for its programs when, in 1980, his Party voted with them, as he stated in his remarks today.

Mr. Fulton: It was 1979.

Mr. St. Germain: It was 1979 but you continued in 1980. You have been bed partners with them for so long that there is no difference.

Mr. Althouse: You voted with them more than anybody else.

Mr. St. Germain: I do not know the Hon. Member's background but he advocates not only leaving the deficit alone but adding $30 billion to it.

I can tell the House where the jobs have gone. Small businesses have been destroyed by high interest rates that have been brought on by the deficit. The Hon. Member opposite is advocating more of this.

The major concern of every economist and anyone who knows anything about business is high interest rates. The Hon. Member stands in his place and advocates escalating the deficit. I would like him to explain that.

Furthermore, he said that he advocates throwing more money into job-creation programs that are merely band-aid programs. Their bed partners, the Liberals, have been doing this for four years. What has this accomplished? We have one of the highest levels of unemployment in the western world.

The Hon. Member talked about the unemployment which the people of his area are suffering. He should visit Mission-Port Moody to see what unemployment is like as a result of the devastating deficit and irresponsible government.

Mr. Rodriguez: Mr. Speaker, I thank the Hon. Member for giving me the opportunity to enlighten him. If he were to examine the records—I recognize he has only been here a short time—he will notice that the Conservative Party voted with the Liberals more often during that minority period, 1979 to 1980.

Second, while I am not endorsing what Ronald Reagan has done in the United States, the fact is that he increased the deficit in the United States. While our Party would never agree to increasing the deficit in defence spending, and does not applaud President Reagan for doing so, it is an example of a conservative president—the arch conservative of conservatives—in the most powerful nation in the world being unconcerned about the deficit. He went on a spending spree in defence spending. The United States has an unemployment rate of 7 per cent that we would be quite happy with here.

Mr. McDermid: That is on defence spending. Do you support that?

Mr. Rodriguez: We have not suggested throwing money at make-work projects. It has long been our belief that the central bank in this country, which is controlled by the Government, ought to set the interest rates. Interest rates should be related to the inflation rate, but we have an inflation rate of 3 per cent and an unemployment rate of 11.2 per cent. That is shameful but the Hon. Member supports that. It is no wonder that the Canadian banks are the richest in the world. We should establish an industrial strategy which deals with interest rates.

I am sure that the Hon. Member's constituency is comparable with mine. We have problems in attracting secondary industry to our area. The deterrents include transportation costs, the availability of power and the accessibility of capital. There should be an industrial strategy developed with the federal and provincial governments—the Ontario government in my case—to ensure that we have the means to attract industries to those areas which only have one industry at this time. As well, there should be deterrents to keep industries away from highly developed areas such as the Golden Horseshoe, where the environment will not be able to sustain the millions of people estimated to be living there by the year 2000. There should be a two-pronged industrial strategy.

We agree that it is necessary to lower interest rates, but it should not be left to some magical downward flow from heaven. We believe the Government has the responsibility to lower interest rates and should exercise that responsibility.

Mr. Deputy Speaker: The Hon. Member for Gander-Twillingate (Mr. Baker) on a short question.

Mr. Baker: Mr. Speaker, I wish to welcome the Hon. Member back to the House after a long absence. I do not know if that will be completely advisable in the long run. The Hon. Member was also interested in summer employment for students. What are the prospects for next summer?

Mr. Rodriguez: Mr. Speaker, I am pleased that the Hon. Member asked that question. Nickel Belt has one major employer, International Nickel, and a minor employer, Falcon-

bridge. In the past, the children of the employees of those companies looked for jobs within the company. Since those companies have been facing some difficulty, those jobs have not been available for the students. Those students need some employment in order to go to post-secondary institutions.

I was hurt and indeed angry that the Minister of Employment and Immigration (Miss MacDonald) has eliminated Summer Canada. It was a direct job-creation program for the summer so that students could use their creativity and energy at jobs in areas where there is only one industry. That was very important for the students, because without that employment they either have to leave the area and get the jobs which Mr. Bulloch might have, paying less than minimum wage or close to it, and they will not be able to save for their education costs, or they end up borrowing from OSAP. They have to borrow with the government being the surety on those loans. Of course, when they graduate there is no chance of a job, and then the government sends out its collectors to start collecting the money the students owe.

● (1540)

I find that the elimination of Summer Canada was really a low blow, not maybe to Toronto, Vancouver, Montreal, Winnipeg, Brampton—where Brampton Billy lives—but to areas that are single industry areas, for instance, to northern Ontario, eastern Canada, Newfoundland, northern parts of British Columbia and to the Prairie provinces. This Government has been cheap, chintzy, and chiselling.

Mr. Deputy Speaker: There is one minute left. The Hon. Member for Brampton-Georgetown (Mr. McDermid).

Mr. McDermid: I will make my question and comment short, Mr. Speaker. I thought I would never say I wanted to see the former member for Nickel Belt back in this House, but after the speech the Hon. Member for Nickel Belt made today I wish she were back.

Mr. Benjamin: Would you like to know where we wish you were?

Mr. McDermid: The Hon. Member has been very critical of the committee that has been established by this Government. It has labour representation, and has been supported by the Canadian Federation of Labour. The committee chose its own chairman. I was surprised the Hon. Member did not mention in his speech when he criticized the committee that one of the members was from the Canadian Federation of Labour and does support it.

Mr. Rodriguez: Mr. Speaker, I suppose it is always good for this Government to have its tokenism. The trade union movement in this country represents some 38 per cent of the workers.

Mr. McDermid: Fifty-five per cent voted for the Tories.

Mr. Rodriguez: As I said 38 per cent of the workers in this country is unionized. How much of that committee is made up of trade unionists—how many? Two out of how many? It is two out of 20, Mr. Speaker. Who is the Hon. Member kidding? We will have a made-in-Chatham proposal.

Mr. McDermid: Nonsense.

Mr. Rodriguez: Yes, nonsense—the Hon. Member—

[*Translation*]

Mr. Deputy Speaker: Order, please. The time allocated for questions and comments has expired and we shall continue the debate with the Hon. Member for Cape Breton-The Sydneys (Mr. MacLellan).

[*English*]

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, I am very pleased to have this opportunity to speak during the Throne Speech debate. I would like to thank my constituents for re-electing me to this House. I can assure them I will do everything I possibly can to act in their best interests.

I would not like to speak so much about the document itself, because the Speech from the Throne is very vague on any kind of specifics. It seems the Throne Speech gave a more or less two-part scenario. First, we had the speech itself on Monday afternoon, November 5, which appeared to be a preamble for the second document, the economic and fiscal statement which was brought down November 8. It seems in the latter document we are getting a very good idea of what the Government is thinking and what its attitude is toward the Canadian people.

The Government is certainly saying at the present time that reducing the deficit is first and foremost in the Government's thinking. I do not disagree that reducing the deficit is extremely important. But, while we have to look at the economic health of the country, we cannot completely forget about the social fibre and the fibre of the Canadian people. I think in that regard we must look at what this means to low income and unemployed Canadians.

The Government has reduced the industrial and regional development plan by $175 million, and other industrial incentive programs by $25 million. This is an extremely important indication of exactly what the Government is doing. The Government seems to be an elitist government, Mr. Speaker.

As I have mentioned, reducing the deficit is important, but there are many Canadians who cannot continue in the way we expect Canadians to be able to live if this Government's policies are followed to the letter. The Government says it wants to increase employment through private sector and public job opportunities. In areas such as mine, there is no private sector, and the public sector has reduced its employment level by over 5,000 jobs in the last 10 years. What are we going to do, are we going to talk about engines for growth or what our objectives are for five years hence? What is going to happen to those people who do not have jobs now, this year, next year, let alone in five years time? There has to be concern for the individual. That is extremely important.

In my constituency the Government has cancelled a $2.1 million program which was the decentralization of the income security office, a move from Halifax to Sydney. This was an office with a potential of 75 to 85 jobs. These jobs were coming from an area in Nova Scotia which certainly needs jobs—everybody needs jobs—an area with one of the lower unemployment rates in the country, and the jobs were going to an area in my constituency which has, by Manpower's own admission, an unemployment rate of over 30 per cent. This decentralization was planned, the leasehold accommodation was renovated at a cost of $400,000, and over $1 million has already been spent on this decentralization from Halifax to Sydney. People were trained. People were taken from other jobs. People gave up other jobs. They stopped looking. They turned down other job opportunities to be part of the work force of Incomes Security that was going to be operating in the City of Sydney.

What kind of treatment is that for people? What kind of way is that to treat Canadians? Not only are these people unemployed, not only can they not get back the jobs they had, not only will they not have the other job opportunities they turned down, but, because there is the possibility lurking that decentralization will go ahead when the government changes again in four years time, the people who worked for Incomes Security in Halifax who now have other jobs will not go back to the Income Security office when it re-opens in Halifax. This means more retraining. You have to take other people and retrain them for the office when it re-opens in Halifax. What sense does that make?

There is also an unemployment factor that results. The people who would have had the jobs in Sydney, a higher unemployment area, are unemployed. Without the economic stimulus in this area which this office could provide the natural economic spin-offs are no longer present.

What is the reason for this cancellation Mr. Speaker? The reason is political, of course. There is a political ideology at the back of this particular decision. It is important to look at what is being done. This Government is denying areas, such as mine, job opportunities and the chance to develop themselves.

If there is to be growth in the private sector or in the public sector, you either have people who will voluntarily choose to locate in these sectors, or the Government has to provide directives in the placing of companies in these regions. Which will it be? If the Government is asking for jobs to be created through the public and private sectors then it has to create an economic environment which will be conducive to this happening in areas of regional disparity.

● (1550)

What is happening? Nothing. What has been planned in these areas is now being cancelled. Initiative for regional development is being removed by the Government. The services have to be there. Subsidies to VIA Rail are being cut back. CN Marine is a vital link in Atlantic Canada between various provinces. It has been cut back substantially. The Minister of Transport (Mr. Mazankowski) is now saying that there will be a reduction of 300 jobs in the next five years. This will be in addition to the 1,000 jobs lost in my area alone. When the Government is asked where these 300 jobs will come from it cannot tell us. It is really promoting a name in the hat economic policy. It says that 300 jobs will be cut back but it cannot tell us from where. It is not saying that the subsidy of $6 million provided to a private sector shipper, Atlantic Container Express, to operate direct water service between Montreal and Newfoundland will not be renewed when it expires at the end of March. We have the possibility of a subsidy to a private shipper to ship between Montreal and Newfoundland at the same time as a complaint about the subsidy to CN Marine, which is higher because of the subsidy being paid to the private sector. In both cases there is a higher subsidy through this name-in-the-hat economic policy of the Department of Transport. Also the Government indicated that the capital investment program for dredging will be cancelled.

In addition to cutting back jobs and destroying potential for economic growth, which is time consuming enough, it is now saying that the people in these areas who are undergoing severe economic hardship will now be faced with a social housing budget reduced by $9.6 million and a Residential Rehabilitation Assistance Program reduced by 25 per cent. These people have to maintain their homes. They are on low incomes, are unemployed, and some are senior citizens. Not only will there be reduced employment in low-income areas, but these people will be told that they will be unable to maintain their homes during the period of time when the Government says it is vehemently searching for job opportunities. Not only will there be an erosion of economic possibilities, there will also be an erosion of infrastructure and social and residential aspects in these particular areas.

What about students? The Minister of Employment and Immigration (Miss MacDonald) realizes that students need summer work, yet she cancelled the $85 million Summer Canada program. She said that would be replaced but she does not say how; she did not say by how much or when. Even now students are looking for summer jobs. The Government says that jobs have to be created through the private and public sectors. Now it is telling students in Atlantic Canada and elsewhere in the country that if their parents are not wealthy, and they cannot obtain jobs through the private and public sector, then they cannot return to college. What kind of way is that to treat university students? What kind of investment in the future of our country is that? To make it worse, the Canada Student Loans Program has been reduced by $5 million. A program must be put forward for students who are now faced with the next academic year without the prospects of the employment they enjoyed for this academic year.

The Government indicated in the economic statement that it will commit an extra $1 billion to job opportunities through the private and public sectors. At the same time it reduced the employment assistance entitlement by $200 million. It is also reducing the mobility program of CECI by $2.8 million. The Government is not only saying that Canadians cannot work, but they cannot fix their homes or maintain the infrastructures

in their communities. Even if they find jobs in other parts of Canada they probably cannot go to them.

Where will people be able to turn? Where is the engine for growth about which the Minister of Energy, Mines and Resources (Miss Carney) has been talking? The engine for growth will be rusted to the tracks if something is not done soon for people in the country who need assistance and cannot find it through the programs of the Government. Where do they turn? From where will these job opportunities come? Will they come from manufacturing? As has been previously stated, the manufacturing sector has been hard hit by the recent recession. A tremendous amount of pressure is being put on it by banks which want their loans repaid. The manufacturing sector feels that in order to compete it must modernize and bring its business more in line with the competitive practices which are prevalent internationally at the present time.

We must turn to the resource and service sectors of the country. Again this leads to the engine for growth advocated by the Minister of Energy, Mines and Resources. The Minister said that she would not make major energy decisions until she felt the world price had stabilized. What does she consider to be stability in the world price? When will we have these important decisions? Atlantic Canada is waiting daily for some news of what position she will take on offshore oil and gas. Frontier exploration is at a standstill. Up to 30 per cent of the wells involved in frontier oil and gas exploration agreements may never be drilled. The pace of exploration on Crown-owned frontier land is slowing down. Unless Ottawa sets new ground rules soon, drilling on the East Coast and in the Arctic could dry up after 1986 when the present agreement terminates. Every day we lose now means another day we will have to wait in 1987 and beyond.

The planning stage should be now. If the Minister is serious about creating employment in the oil sands, why is she not developing a policy? She can never be absolutely sure as to what the world price will be. If she is sure today, she may not be sure tomorrow. This does not mean that we have to sit back and wait until we have a perfect frozen world price. That will never come about. Something has to be done at the present time.

What about the fishery? The economic statement levies wharf fees and cuts back on other expenditures. It is already a severely hit industry on both the East Coast and West Coast. These important questions must be answered. People have to live in the meantime. People cannot wait on the basis of engines for growth and policies for the future. Of course it takes time to put projects forward, but people need jobs. They need some kind of income at the present time. Employment is not only jobs; employment is people's lives. We as a government and we as Canadians should be able to provide a hope of fulfilment through employment. That is very important.

What about young people who are unemployed today? If the position is better in five years they will be met with increased competition because new people will have come on the job market. There will be people in government who will say that they are lazy because they have not worked. The Minister of Finance (Mr. Wilson) was quoted on November 9 as saying that the unemployed in this country are not looking hard enough for jobs. Does he mean that all of these people in Canada are not looking hard enough for jobs? That is ridiculous, it is callous. Something has to be done about this very serious unemployment, not only economically but from a human standpoint.

• (1600)

The youth of this country deserve more help than is being given to them at the present time. What I am saying does not constitute, as was mentioned by one Member to another, a voice of gloom. These are avenues which I hope the Government will explore. These are considerations I am hoping the Government will take. It is in the interest of all Canadians and all Members of Parliament, regardless of their political stripe.

Mr. Deputy Speaker: Questions and comments?

Mr. Dingwall: Mr. Speaker, I rise more on a comment as opposed to a question. I congratulate my colleague from Cape Breton-The Sydneys (Mr. MacLellan) and to say how I agree with what he has said here in the Chamber. He made mention of the cancellation of the decentralization program which was earmarked for his constituency, but which served a greater population than that of the City of Sydney. It serviced all of industrial Cape Breton. Those individuals who were hopeful of meaningful employment with the Health and Welfare office in Sydney were amazed at the callousness and the unfairness that the Prime Minister (Mr. Mulroney) and the Minister of Finance (Mr. Wilson) gave to them on the occasion of the economic statement by the Minister of Finance.

Members opposite have a philosophy that they are against decentralization as a tool for economic development. That is more important when you look at the poorer regions of this country. In the poorer regions, decentralization of Government services, or, indeed, services of the private sector are paramount when you are talking about economic development. This cold and callous move by the Prime Minister and the Minister of Finance has to be read in the light of the operative word which was contained in the Speech from the Throne. That operative word was "consultations". Then we had $4.2 billion in cuts.

In that specific cancelling of decentralization there was no consultation with the employees involved. There was no consultation with the municipal authorities in the City of Sydney. There was no consultation with the Member of Parliament who represents that area. There was no consultation with the Premier of the province or, as we say in my riding, those seven Tory silent backbenchers. There was no consultation; just a ruthless cut by the Prime Minister who has the gall to travel around this country and try to echo the sentiments of compassion and concern for the less fortunate areas of this country.

We will remember the cold, hard, ruthless way of the Prime Minister, but I would hope that Members of the Tory caucus, who are the silent ones over there, will rise to their feet and try

to support a decentralization move, and to put pressure, as will my colleague and I, on the Minister of National Health and Welfare to change that position. There are Senators who are of the same political stripe as colleagues across the way who are deploring this type of action. They are really upset, as I am, and as my colleague is.

In conclusion, we will continue to raise these concerns to the Minister in the hope that he will change this regressive step. The record ought to clearly show that the Tory Party nationally, confirmed by the Premier of the province, agrees with such callous measures.

I have a question for the Hon. Member for Cape Breton-The Sydneys. I would like to ask him what other avenues he is going to explore to try to have this measure changed and corrected so that those jobs that were promised in a hard economic area of this country will be restored to those people.

Mr. MacLellan: Mr. Speaker, I thank my colleague, the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall), who feels as I do about this particular project having been cancelled, and the insensitivity and utter disregard for people in an area, who need jobs, being left completely out of the thinking of the Government when it made its decision. Before I answer the Hon. Member's question, I want to quote from the economic and fiscal statement. The Minister of Finance (Mr. Wilson) said:

> I want to underline this Government's commitment not to act prematurely or with insensitivity on these issues.

Try to rationalize that quote with the action of the Government in that regard. I have spoken to the Prime Minister about my feelings toward the cancellation of this project. I have spoken with the Minister of Employment and Immigration. I have written a letter to the Prime Minister with a copy to the Deputy Prime Minister (Mr. Nielsen). I am hoping that this decision will be reversed, not in my interests or in the interests of the Hon. Member for Cape Breton-East Richmond, but in the interests of the people of Cape Breton who need the jobs so badly. They know, as we their representatives know, that the jobs will take a long time to come about. They require a great deal of planning. The 85 jobs that were there will take a long time to replace, certainly with the programs this Government has brought forward and with the attitude of this Government in its economic and fiscal statement.

Mr. St. Germain: Mr. Speaker, I have a question for the Hon. Member. They speak of insensitivity and they cite the Minister of Employment and Immigration (Miss MacDonald): I would say $430 million to maintain programs that had not even been previously initiated is a definite indication that there is sensitivity on the part of this Government. That sensitivity towards the working and the unemployed will continue.

I would like the Hon. Member to explain something to this House. For the last four years his Party tried in vain to improve the plight of Canadians. The deficit has increased, unemployment has increased, and interest has risen to rates that we have never seen before in this country. The Canadian people have spoken. On September 4 they gave this House, this country, that Party and that Party a clear message. I understand that they are now in Opposition. We are going to keep them there for a long time. They have a job to do in Opposition. Why do they not give this new administration a chance? Why do they not show leadership to Canadians and to the country, showing that everybody is behind this change for which Canadians asked on September 4? They should put their shoulder behind the wheel and let's all work together. I would like a reply as to why they will not give this new administration a chance and then carry out their job in Opposition when the time is ready.

Mr. Deputy Speaker: The Hon. Member for Cape Breton-The Sydneys on a one minute answer.

Mr. MacLellan: Mr. Speaker, I am certainly prepared to give this Government a chance. There are people who are unemployed; they need jobs. They face a winter without any income. I refer to those situations where neither the husband nor wife is working and where there is no unemployment insurance, no welfare, no income of any sort. How long can we expect them to sit back and gaze gaily at their television screens while the Government cavalierly jokes about the plight of low-income and unemployed Canadians, as was done here today?

• (1610)

The Hon. Member mentioned a $430 million Canada Works Program, a follow-up to the program the Liberal Government has had in place for years. That program was brought in every year. It is great that this Government has brought the program in again, because it is important. Do you know what that program does, Mr. Speaker? It gives people an income. It allows people to work and have an income for themselves and their children. It also allows projects to take place in areas that are experiencing difficult economic times, it allows organizations and businesses to spend money in order to redevelop their operations and buildings which would otherwise fall apart and decay. This allows communities to stay together.

I feel sorry that the Hon. Member does not have the compassion or feeling toward ordinary Canadians that would allow him to understand the plight of these people. I would like to mention one more thing, Mr. Speaker.

Mr. Deputy Speaker: Very quickly, please.

Mr. MacLellan: I would like to quote from the economic statement of the Minister of Finance (Mr. Wilson). As reported on page 102 of *Hansard*, the Minister of Finance said:

> We are considering the introduction of a tax designed to ensure that the effective tax rate for high income individuals does not fall below some minimum level.

He goes on to say:

> We must also take care not to complicate the tax system unduly—

The Minister will wait and wait to tax wealthy Canadians to the extent they should pay, yet people with low incomes, fixed

incomes and those who are unemployed have to suffer as this Government has dictated they must.

[*Translation*]

Mr. Deputy Speaker: We shall now continue the debate. The Hon. Member for Chicoutimi.

Mr. André Harvey (Chicoutimi): Mr. Speaker, I take great pride in having been given this opportunity to speak in the House for the first time as the Member for the riding of Chicoutimi, which includes the entire Saguenay-Lac-Saint-Jean area, probably one of the worst examples of the disastrous and bankrupt administration of the former Liberal Government.

Mr. Speaker, I realize that individual Members alone cannot change the way this country is administered, but as a Member of the Progressive Conservative Party, I am convinced that this Government has the will to make very decisive changes in the way the affairs of this country are administered.

A few days ago, the Government announced to all Canadians its main political and economic objectives. On the whole, reactions have been very positive. This is because for the first time in twenty-two years a government, and in this case our new Government, has put the cards on the table so that all Canadians can understand the gravity of this country's financial situation. Our Government looks to the future, Mr. Speaker, but we cannot shake off the legacy of the past. The Right Hon. Prime Minister (Mr. Mulroney) and the Minister of Finance (Mr. Wilson) have highlighted the main problems facing this country. If we compare the country's finances to other budgets, be they family, municipal or provincial, the gravity of the mistakes that have been made suddenly looms very large.

Anyone who, over a period of fifteen years, manages to go from a deficit of zero to $35 billion is bound to be in serious trouble. Increasing the deficit certainly does not create jobs. Our Liberal friends opposite are claiming that budgetary cutbacks will bring about the loss of between 50,000 and 100,000 jobs. If increasing the deficit is supposed to create jobs, I wonder why the Liberals, who increased the deficit by more than 20 billion over the last four years, did not create 500,000 jobs instead of 1,500,000 unemployed? This means that the actual situation, if we look at the figures, is far more serious and should be taken far more seriously than our friends opposite have been doing during the past few weeks.

Most families or municipalities or provinces would be in a very bad way if over the last ten or twelve years, they had multiplied their debt load by ten. Most people who owed $18,000 twelve years ago and were living on a very strict budget, would be in serious trouble if twelve years later they owed $180,000. That is exactly what we are up against in this country today.

Mr. Speaker, all this illustrates the relevance of some comments by Mr. Jérôme Choquette, who for a long time was not opposed to Liberal views. Mr. Choquette said, on the basis of his considerable experience in municipal affairs, that many provincial and federal administrators would do well to get some experience in managing a municipal budget, with the obligation to explain to the community why their taxes are being raised.

One of the main reasons why the public reaction has been positive is that the government is open. The second explanation for the satisfaction expressed by the people about the reasons given by the government to justify the significant change of course we are about to make is that over the past three months, our government has heeded the overwhelming desire for change voiced on September 4. The people did not put us in office to steer the same course but to change it altogether. Mr. Speaker, it is difficult for a Member to agree to get down to politics with restricted prospects. We are not being asked to tour plants and visit social organizations handing out grants for electoral purposes, no, we are being urged to act as a responsible administration and implement short-, medium- and long-term policies.

That is a challenge for a politician, but I suggest that it is the only way to come to grips with the very serious problems facing our society and Quebec, particularly the riding of Chicoutimi and the Lac-Saint-Jean area. These are not empty words: the unemployment rate in my region is not 5, 10 or 15 per cent, it is 25 per cent, nothing less. I happen to represent villages where the rate of unemployment under the Liberals in office for 22 years has soared to 50 per cent. Given such hard facts, Mr. Speaker, I simply have to make a summary analysis of the political orientations advocated in the Speech from the Throne and their impact on my riding. I intend to devote a few minutes of my speech to that aspect.

• (1620)

The first of the four major orientations contained in the Speech from the Throne has to do with national reconciliation. If there is one theme which matters to Quebecers, if there is one theme which is significant in a region like Saguenay-Lac-Saint-Jean where most people voted yes in the referendum, that theme has to be the national reconciliation. To put it in another way, everything must be done to end the polarization of the ideological debate between Quebec and Ottawa, not to mention the municipalities. We had to live through—in any case that was my personal experience as municipal administrator—conflicts sparked by endless arguments between Ottawa and Quebec, and we had a rough time because costs keep soaring when both sides cannot agree on anything. Major projects slated for my region have not been implemented for five, ten or fifteen years as a result of the ideological debate between Ottawa and Quebec. There are quite a few. How can I refrain from mentioning the case of the Saguenay National Park? We do not have eight parks in our province, only one

and it is dear to us. The area I represent is confronted with enormous problems and I am convinced that all Quebecers are aware of the Saguenay National Park issue.

The Liberals ran many campaigns on this issue. They ran not one, not two, but up to five campaigns on it. Therefore, we promised during the last election campaign that we would not follow their example. Beside we were able to find grounds for agreement on everything except the Saguenay National Park issue, Mr. Speaker. For instance, there is the Alma-La Baie Highway. Highways are important in Canada, but nowhere in this country is the road network as bad as in our area. We have the shortest highway in the world: it is only five kilometers long. The problem has existed for 10 years and the federal Liberals made use of the intermunicipal disagreements to withdraw their support. In my opinion, this is not the way to promote regional progress.

Therefore we strongly believe in the theme of national reconciliation because this has cost our region a lot economically and socially, Mr. Speaker.

Another important issue related to national reconciliation is the priority that our Government will give to the Economic Summit, and I may say that economic summits are something which people in the Saguenay-Lac-Saint-Jean region understand quite well. In a few minutes, Mr. Speaker, I shall be tabling the recommendations of the Saguenay-Lac-Saint-Jean Economic Summit at which 2,000 people worked for two years formulating recommendations and setting development priorities for our region. How could I not point out that this summit, where major areas of consensus were found, took place in the absence of the Liberal MP's from the region?

As for the second theme reflected in the Throne Speech, Mr. Speaker, namely the importance of economic renewal, it is impossible not to believe that a major change in the economic management of this country is absolutely essential.

How can anyone possibly fail to realize that we simply must make a sharp turn in the economic management of this country? Obviously, Mr. Speaker, that cannot be done in three months. We keep talking about research and development because it is important. During 22 years, the Liberals invested about 1.2 per cent of the GNP in research, as compared with 2, 3 and 4 per cent in countries like Japan, Germany and many others which were convinced that research was the only way out, aware as they were that productivity and job creation are directly proportional to investments in research. The forestry industry is the most striking example of that. In the next four years, we as a government intend to make huge investments in research. Tens of thousands of jobs are related to that industry in my riding.

According to all the reports available, the forest industry will not survive unless it earmarks at least 20 per cent—not 10 per cent—of its profits for research. We are talking in terms of $200 million, not $100 million, if we do not want our competitors to widen the gap even more rapidly.

Mr. Speaker, we have a regional university back home which has the utmost difficulty in obtaining federal and provincial government grants. That is why we intend . . . I am convinced that the course set by this government will open the doors of many departments so that we will be able to assume our regional responsibilities with respect to research and job creation.

Mr. Speaker, we have heard a lot of things about the Foreign Investment Review Agency, FIRA for short. Not so long ago, I read a report on enquiries made of foreign companies which had to deal with FIRA. Seventy-five to 80 per cent of those 67 companies, including 50 with 250 employees or more, had serious misgivings about FIRA operations. Needless to say, that is hardly conducive to Canada's economic growth.

Mr. Speaker, much has been said about the universality of social benefits allocated to poor Canadians. Judging from the over-all orientation of this government concerning pension reforms, family allowances and old age security pensions, I am sure that the government, with such a strong mandate from the people to change course, will not carry out those reforms on the back of poor Canadians. The government intends to do the opposite, Mr. Speaker. We will be in a position to recoup some of the taxpayers' money, Mr. Speaker, and I have in mind the Crown corporations which grew from 38 to 400 in 12 years. The Progressive Conservative Party is not the one claiming that the previous government did not have the political will to avoid wasteful expenditures.

Last December 12, the Auditor General of Canada, Mr. Dye, said this: The government has not shown enough political will to reduce wasteful spending. That statement was made by Canada's Auditor General, not by the Progressive Conservative Party. Indeed, the Leader of the Opposition (Mr. Turner) himself said that there was a lot of waste, that much financial recuperation had to be done. We agree with them, Mr. Speaker. We have begun to do just that and we will continue to do just that.

• (1630)

Mr. Speaker, with regard to reopening the universality issue of our social programs, it seems that some editorialists are a lot quicker to understand the situation than some Hon. Members. I would like to quote Mr. Wagnière of *La Presse*. Universality is a problem which must not be glossed over; it must be debated until we can find a solution acceptable to everyone, Mr. Speaker. The philosophy of universality is attractive because of its simplicity and fairness. However in practical terms, it is often neither simple nor fair. There are probably better ways to help children and low-income families than to distribute indiscriminately the riches of the state, only to take a portion of them back through personal income tax.

Mr. Speaker, one of the last themes discussed in the throne speech concerns world peace. It might seem contradictory to support our full participation in NATO while advocating peace. In my view it is like being on a team. When you do not do your own part, no one listens to you. This is true in military matters, in social affairs as well as in politics. I therefore believe that the commitment of the Progressive Conservative party to honour its obligations to NATO is a guarantee for the future allowing us to be a responsible and worthy partner.

I am convinced, Mr. Speaker, that in spite of the fact that all the Liberals can talk about these days is jobs, jobs, jobs, the best way to give jobs to the unemployed, and they are not simply 175,000 as in 1968, but 1.5 million because of the Liberal policies, is to seriously and strictly manage our public affairs and to explain our policies to the Canadian people. In so doing, I am convinced that there will be significant changes in the area of job creation in a short while.

In closing, Mr. Speaker, I would like to assure the residents of the Chicoutimi riding and the entire region, as well as all Quebecers of my commitment to job creation and to all the endeavours of this Government.

Mr. Deputy Speaker: Are there questions or comments about the speech made by the Hon. Member? The Hon. Member for Burnaby (Mr. Robinson) for a question or a comment.

Mr. Robinson: Yes, Mr. Speaker. I first want to congratulate the Hon. Member on his maiden speech in this House. He mentioned the high rate of unemployment in his constituency, which I think is over 25 per cent. How then can the Hon. Member support the decision of the Government to cut back the funds allocated to the program designed to provide summer employment for students? The Government has decided to cancel this major program entirely with the result that many more students will be unemployed. Does the Hon. Member agree with this decision?

Mr. Harvey: Mr. Speaker, as concerns the job creation programs, Hon. Members too often omit, intentionally or not, to speak about the billion dollars which will be injected into employment programs. The programs which we shall implement will certainly be innovative. To reply to the question asked by the Hon. Member, I can assure him that the student program will be replaced by another job creation program which will meet the needs of students even better than the old one.

Mr. Deputy Speaker: The Hon. Member for Burnaby (Mr. Robinson) for a supplementary.

Mr. Robinson: Yes, Mr. Speaker. Is the Hon. Member in a position to assure the House and the students in his constituency that there will be that much money to replace all of last summer's jobs? That in other terms, although this important program has been terminated, it will be replaced with enough money to create the same number of jobs as last summer?

Mr. Harvey: Mr. Speaker, I can assure the Right Hon. Member—and this indeed would be a very good question for the Minister of Employment and Immigration (Miss MacDonald), and we should learn to respect each other's jurisdiction—but anyway I can assure the Hon. Member that, on the basis of the discussions held to this day and the orientation of the Minister of Employment and Immigration and all the emphasis she is putting on job creation, both for students and indeed for the heads of families who should not be ignored, I am convinced we will have an imaginative and interesting program which will generate jobs for everybody by next spring.

Mr. Deputy Speaker: The Hon. Member for Bourassa for a question or comment.

Mr. Rossi: Mr. Speaker, I would like to ask the Hon. Member for Chicoutimi (Mr. Harvey) what are his grounds for suggesting that there will be a student program, Summer Canada Project, which we in the Liberal Party had implemented, now that the Minister of Employment and Immigration herself has stated that this program was completely abolished? On what basis can he suggest that the program will be implemented?

Mr. Harvey: Mr. Speaker, clearly this Government is not anxious to create permanent jobs, and I will come back in a moment to the student aspect as referred to by the Hon. Member. When one represents a constituency with a 25 to 30 per cent unemployment rate, and even 50 to 55 per cent in certain rural communities, one realizes all the seriousness and reflection that must be applied to job creation programs. People in our area are fed up with band-aid projects. They are simply complementary programs, but we want to direct all our funds to permanent job creation. Indeed, Mr. Speaker, this would be a very pertinent question for the Minister of Employment and Immigration during tomorrow's question period, because this Government as a responsible Government and I feel certain of their as a responsible Member will not terminate the student employment programs for next spring and summer. As far as the details of the program are concerned, I would ask the Hon. Member to direct his question tomorrow to the Minister of Employment and Immigration.

Mr. Deputy Speaker: Supplementary question. The Hon. Member for Bourassa.

Mr. Rossi: Mr. Speaker, I would like to point out to the Hon. Member that I did put the question to the Minister of Employment and Immigration. That is why I wonder how he can state that there will be a summer youth employment program. Also how can one talk about band-aid programs when it comes to the Summer Youth Employment Program?

We all know that students are on holidays for two or three months and that they cannot work for more than three months. I do not think that jobs for students are a band-aid program. For students, a summer job is a steady job, Mr. Speaker.

Mr. Harvey: I think that we will take this opportunity to show that most job creation programs under the Liberal government are an excellent example of the basic theme of the Throne Speech about national reconciliation. Quebec had its job-creation programs, the federal government had its own and it is always painful, Mr. Speaker, to agree about very significant programs.

For example, on what do I base my suggestion that our government will offer an interesting direction for students? I can make this kind of statement because we are a responsible government, Mr. Speaker, and I am convinced that the program which will be announced in a few months will deal not only with a single aspect of job creation but will also most certainly call for the co-operation of other levels of government. An example I have in mind is the program for the integration in the private sector. It is essential that it is carefully considered. As for details of the programs to be set up, it is obvious that I rely on the Minister of Employment and Immigration who will disclose in due time her over-all policy.

Mr. Deputy Speaker: The Hon. Member for Winnipeg-North has a question.

• (1640)

[*English*]

Mr. Orlikow: Mr. Speaker, I would like to address a question to the Hon. Member who has just spoken. Naturally I and every Member of Parliament would agree with him, that permanent jobs are much better than the kind of short-term job created by programs such as Summer Canada. However, I would ask the Hon. Member if he has seen the report of the Conference Board, which was reported in the *Globe and Mail* today, in which it estimates that while growth in Canada reached 3.9 per cent in 1984, next year Canada's Gross National Product will increase by only eight-tenths of 1 per cent. In his province, which has so much unemployment, growth next year will be just six-tenths of 1 per cent. Unemployment will still be at 12.5 per cent. How is this going to change when the Government has announced cut-backs in expenditure of well over $2 billion? Those cut-backs will mean unemployment for thousands of Canadians who have worked for various departments and agencies on very necessary jobs created by the federal Government.

[*Translation*]

Mr. Harvey: Mr. Speaker, I should like to suggest to my hon. friend that the parameters which are used as the basis for some economic forecasts may change considerably following a major political realignment.

Mr. Speaker, the cutbacks which have been made, I am sure . . . As a matter of fact, concerning the loss of jobs resulting from the budgetary restraint measures, I shall show in a moment that an administration should not try to create employment by simply increasing the deficit. Liberal governments over the past 20 years, but more specifically over the past five have clearly demonstrated that truism. They have multiplied the number of the unemployed by seven over the past 12 years, while the number of people on the labour market has certainly not increased sevenfold. The new government must therefore do things differently. It is going to create new full time jobs with the co-operation of the private sector, especially on the basis of research and development. That is the area where it should make its major investment effort over the next four years in its search for new orientations. I am sure that the temporary programs will remain, but I feel that we should not put the major emphasis on make-work programs. We should have an economic and political orientation directed toward permanent job creation. We must find openings for our young people in industry. It is clear that small ditch clearing jobs are all right for a while, but there is more challenging work to be done, and that is what our young people want, Mr. Speaker.

Mr. Deputy Speaker: As the time allocated for questions and comments has now expired, we shall resume debate. The Chair recognizes the Hon. Minister of Public Works (Mr. La Salle).

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, first of all I wish to congratulate you on your appointment and inform Hon. Members that I was very pleased to see our present Speaker elected in the riding of Verchères. I also would like to offer my congratulations to all new Members of this House and to all those who were re-elected. I believe we all share at least one objective, that of making Canada a better place to live for all Canadians and doing our best to the best of our ability.

Mr. Speaker, I would also like to congratulate the Member for Chicoutimi (Mr. Harvey) who in an excellent speech showed his concern for his constituents and his grasp of the situation in his riding. Quite a few Quebec Members have come to see me, and my hon. friends opposite will understand I am very pleased to have some company in this great Party of ours which has now formed the Government of Canada. And of course, as so many newly elected Members have done, I would like to thank the people of my riding who have re-elected me for the seventh time, I imagine that occasionally they may have found the odds discouraging, but in any case, today I would like to take this opportunity to thank them for the support they have shown since 1968.

Mr. Speaker, today I would like to make a few comments on the Government's economic statement and on the Speech from the Throne. I would like to do so as objectively and as

impartially as possible, because I believe that in today's context, we should not indulge in the kind of petty politics that has so often proved costly to this country.

First of all, I wish to announce before the House my unconditional support for the economic statement made by my colleague, the Minister of Finance (Mr. Wilson) and for the measures proposed therein. It is the aim of this Government to reduce government spending and to promote economic growth, it being understood that the latter will depend on channelling the energies of all social partners and on their co-operation. I also want to urge Hon. Members opposite to realize the need for unprecedented co-operation and objectivity if we are to truly serve the interests of a country that has placed its trust in us as its elected representatives, whatever our political allegiance.

The measures outlined by my colleague, the Minister of Finance, contain figures and statistics, but I am thinking of the human beings behind the statistics and of all Canadian citizens affected by the deficit problems Canada is facing today. We have been living too long on credit. It is time to wake up out of our pipe dreams and face reality. Mr. Speaker, there are more than a million and a half people out of work in this country. These are people who are able to work, who want to work and who do not have jobs. More than a million and a half that is the entire population of Montreal Island, half the population of Toronto Metro. There are hundreds and thousands of men and women and young people out there who have the right to work, who are entitled to share in the wealth of this vast and beautiful country of ours and for whom today there are no opportunities at all.

It always hurts to share what we have and to pay taxes when we realize how hard we have to work for the money we earn. It is quite human to want to keep our hard-earned money to ourselves. However, it is also a fact that Canadians know how to be generous when they see other people suffer. Need I recall the recent trip to Ethiopia made by our colleague, the Right Hon. Secretary of State for External Affairs (Mr. Clark) and the film sequences that showed thousands of elderly people, women and children literally starving to death in the most desperate circumstances you can imagine? All over Canada, thousands of Canadians reacted quickly to help the people of Ethiopia. Of course, the situation is different in Canada. But I want to appeal to that same spirit of generosity and sharing and co-operation, and I hope that at least we Canadians who have jobs will realize we must help our brothers, sisters, parents and friends who live in this country as well and have no jobs and no opportunity to make something of their lives, and whose incomes are below the poverty level.

● (1650)

Mr. Speaker, if we do not change our spending habits, if we do not get rid of the credit card attitude, there may well come a day when we will no longer be able to pay unemployment insurance to the unemployed, which would be unthinkable. It would be the greatest tragedy that could befall our country if our young people were to inherit a national debt they could never repay, with not a cent left in the Treasury.

The problems facing this country today will require a joint effort and constant co-operation on the part of business, corporations, labour, all levels of government and Members of all three political parties.

During the last twenty years, Mr. Speaker, the number of young people in Canada has increased significantly. This country has invested large sums of money in education at all levels to help our youth enter the labour market with the best and most advanced technical and professional training available to meet the challenges of the 20th and 21st centuries. Today, all we have to offer these young people is a very uncertain future. We must act now, if we want our young people to ever see the light at the end of the tunnel.

Mr. Speaker, it would be irresponsible to consider maintaining the financial commitments made by the previous Government. It would be irresponsible to allow 25 per cent of the total budget to be used to service the national debt. It would be irresponsible to think we should maintain a debt load of $190 billion, created within the last ten years, as the previous Government has done.

I think the Canadian people have decided who they want to govern them, and because of this, we must make an unprecedented effort to put Canada back on the road to prosperity. This will of course involve a number of sacrifices. And that is exactly what this government intends to do, Mr. Speaker. The responsibility of the private sector is to find employment for young people trained in our educational institutions. The responsibility of the labour force is to do its share to boost productivity. The responsibility of each one of us is to share with others, show initiative and creativity so that together we can find ways to spur the Canadian economy, create jobs and reduce the national debt. But we cannot have one without the other, Mr. Speaker. I am calling upon the spirit of co-operation which has sparked Canadians over the past century, as much in the field of housing as in the field of investment, as much as in the field of forestry as in the field of agriculture.

Mr. Speaker, I know that Canadians can undertake even more joint endeavours in agriculture, reforestation, housing construction and creation of small and medium-sized businesses. I know that the various levels of government can work closer together to initiate consistent measures and coordinate their efforts without needless duplication.

Should each of us regain confidence in our capabilities and our future and, as individuals, join in the common effort of our society, Mr. Speaker, I am convinced that the economic and intellectual potential in this country would enable us to have an overwhelming economic revival and a significant reduction in the number of people out of work. Naturally, I repeat that it

calls for co-operation and uninterrupted dialogue based on confidence and mutual respect. In that context, I am quite pleased and I have every confidence that positive results will be achieved in the forthcoming discussions the government intends to launch with business circles, labour and the various levels of government.

I have personally, and I must say with a great deal of pleasure, initiated and re-established a dialogue with the people of Mirabel and the Quebec Government for the purpose of giving back to the farmers of this area the good farmland which was taken away by a Government whose grand designs are responsible for the present economic crisis. I am pleased to see that, in spite of the terrible conditions now facing Canada, and for which we cannot be held responsible, we can still come up with a solution which will allow us, once certain adjustments are made to provide for a fairer redistribution of the financial potential of this country.

I also appreciate the fact that we can allow full indexation of taxes for 1985. However, I know as you do too, Mr. Speaker, that the private sector, business and high finance will have to agree to participate in this collective effort and to accept our invitation to work together at putting the Canadian economy back on its feet, by creating a favourable climate for investment, and by providing jobs and a brighter future for our youth.

Mr. Speaker, names like Terry Fox, Gaétan Boucher, Sylvie Bernier, Steve Fonyo and Marc Garneau arouse a lot of admiration and national pride in Canadians. There are now ten of thousands of young people between the ages of 15 and 25 who also want to develop their full potential to meet challenges and reap the fruit of excellence. Hundreds of thousands of young people need our assistance, our support, our confidence, because they are waiting for a job. This is why, Mr. Speaker, in closing, I make an appeal to the Canadian people and I urge all sectors of the economy to pool their resources and their know-how to provide better job opportunities for everyone, and particularly to make it possible for our young people to succeed.

In this context, Mr. Speaker, and I shall close with this comment, I know the House of Commons and I know the kinds of attacks to which on occasion I have been subjected in the past, but I also know that we are here essentially to discharge our duty and that, if vicious partisanship pervaded our proceedings in this House, we would severely be judged and rightly so by the public. There are no magical solutions, but those opposite are already asking us to put right within 24 hours conditions which were created over a period of 20 years.

The Hon. Member for Chicoutimi (Mr. Harvey) said earlier that a new direction has already been given to the economy involving the private sector. This does not please a certain political party I know, but with incentives and even benefits related to job creation, the private sector will achieve our purpose, and I am confident that the budget to be brought down early in 1985 will clearly indicate the type of programs that will be provided for the private sector, as it needs to know the long-term direction and economic policy of this Government. I believe that, in this way, if we take our job seriously, which we do, we can give back this country a minimum of confidence and give investors a new reason to invest and speculate; in this way we shall succeed not only in providing our senior citizens with the security they desperately need but also in giving new hope to our young people who have some at the present time. That is our commitment, Mr. Speaker.

Mr. Deputy Speaker: Are there any questions or comments?

[*English*]

If not, we shall resume debate with the Hon. Member for Hamilton Mountain (Mr. Deans).

• (1700)

Mr. Ian Deans (Hamilton Mountain): I am pleased to enter this debate Mr. Speaker. I had wondered for some time as I watched the election campaign unfold what the outcome would be. I want to congratulate all the Members who have either been elected for the first time or returned to the House of Commons. I might say something more about that in a moment. I want to congratulate you, Sir, not only on your appointment, but also for the fine way in which you have conducted yourself in the Chair—

Some Hon. Members: Hear, hear!

Mr. Deans: —and to say through you to the Speaker how pleased I am at the way he has taken on the role and established the presence he has in the House of Commons. I had no doubt, of course, that he would do that. I thought upon hearing of his appointment that there could have been no finer choice. I am happy therefore that all the feelings I had were an accurate reflection of his performance.

Like all Members I want to thank my constituents. I am not sure they knew exactly what they were doing—

Some Hon. Members: Oh, oh!

Mr. Deans: —but I want to thank them nevertheless for the overwhelming vote of confidence they gave me. I must say I was taken aback by the magnitude of the victory. I had thought perhaps it would be somewhat closer, given the tides of the time and given that the Conservatives were moving with considerable force toward government.

Mr. Blaikie: They wanted you here to keep them honest.

Mr. Deans: My colleague says they wanted me here to keep them honest. I would like to think that that was true. I am not absolutely sure they gave that a great deal of thought however.

I want to congratulate both the mover and the seconder. I have listened over a number of years in politics to speeches moving and seconding various and different debates. The Hon. Member for Sarnia-Lambton (Mr. James) and the Hon. Member for Montreal-Mercier (Ms. Jacques) performed admirably in the functions that were assigned to them.

I should congratulate other Members too for the interesting way in which they have presented their views today and on

other days, and on how they were able to interweave the affairs of their own constituencies with the affairs of the nation, and use as examples of their support or opposition to the Government's those measures matters which directly relate to their own constituencies.

Let me take just one brief moment to say to new Members that the role we have all taken on is of vital importance. There are times when the people of Canada wonder, I am sure, whether or not what we do makes much sense. There are times, I am positive, when they watch us on television, as my mother no doubt is doing now, and they wonder whether or not we know what we are trying to achieve or have any idea of where we are trying to get to.

I urge Members not to be disillusioned by the comments they will receive over the course of their time here. The work that we do is of vital importance on both sides of the House. The work done by the Government and by government supporters is important in the sense that it provides for the country an idea, a view, a vision, of the way in which this country should grow and develop. The work of the Opposition I venture to say is of equal importance inasmuch as we provide alternatives, alternatives to that which the Government is attempting to achieve, hopefully having in mind the sense that there has to be some co-operation and understanding.

I approach, as does my colleague, the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) and my colleague from Windsor-Walkerville (Mr. McCurdy) a new session with a sense of anticipation. I listened to the then government throughout the election campaign and watched as it floundered, worried as I am sure its members did, about the imminent loss of power. But I want to say to them that the loss of power is not necessarily a bad thing. Not withstanding my partisan views, the fact that there has been a change in government will do some credit to the system itself. It is a vital part of the political system that there be a change in government from time to time, and while I may not subscribe to the change that took place in a personal way I nevertheless subscribe to the fact that a change was inevitable, that change is necessary, and I look forward to the day when yet another change will take place, as inevitably it will. I hope in some way to be part of that change; whether in a major or a minor sense only the electors will tell.

I watched also with interest the then Leader of the Opposition as he went about the country setting out what it was he hoped to achieve. I must say, and perhaps the first partisan comment I will make, that while I listened with great care to him and understood, I think, what it was he was trying to impart by way of a vision of Canada, I am frankly disappointed in the way in which he has chosen to implement it.

My colleague, from Chicoutimi I believe, who spoke some time ago said that the Government was to be judged on the merits of its proposals. I had some questions in my mind as I listened to what he was saying, as I had on the day when the Throne Speech was read, and then on the subsequent Thursday when the budgetary statement was brought down. The first question I had was, is the Government being frank? I have come to the conclusion over the course of the last two or three weeks that although the Government speaks with a sense of openness and frankness, that the Government is attempting to impart a sense of understanding and a newness about Government involvement in the community at large, there is something sorely lacking.

This is a Government which when in Opposition was adamantly and vociferously opposed to secrecy. I must say that in the short time the Government has been in office it has embarked on a path of secrecy that I have not yet seen in my political lifetime. I worry about that. This Government is a government that asks people to have faith and says there will be need for co-operation, that there will be a need in the country for confidence. Yet this is the Government that is apparently afraid to give to the people of Canada all of the information necessary in order that they can make judgments about whether or not they want to place their confidence in this Government's measures. I warn the Government now that it cannot get away with that indefinitely. A government cannot do that indefinitely.

The people of Canada have a right to know not only what it is the Government hopes to do for them, not only what it is the Government hopes to achieve with them, but also what the cost will be. The people ultimately must decide. It is not enough to say to them, "Well, you can decide at election time". People have the right to make decisions day by day and to influence if they can the direction that the Government is taking, based on the knowledge they have been given by the Government.

If, for example, we were to tell the people of Canada what the cost would be in terms of jobs as a result of the economic policy now being pursued by the Government, setting aside the claim by the Prime Minister (Mr. Mulroney) and others that somehow or other some great confidence will envelop the country and everything will turn out well, and if we were to look statistically at what the Government has proposed, analyse it carefully and then present it to the public of Canada on the one hand as what we want to do, and on the other hand what it will cost, then the public will be able to discuss with their individual Members of Parliament in Government and in the Opposition benches whether or not they believe that is the course they are prepared to follow, and whether or not they are prepared to have their individual Member of Parliament vote for or support that course of action.

I suggest if there is to be openness in government and if you want people to participate, to begin with the Government must make available to the people all of the relevant information. To this point members of the Government have not done that. On a test of frankness, I think quite bluntly that they have failed that test to this point in time. I ask them to reconsider the direction in which they are going. I also ask them to reconsider the economic direction.

• (1710)

However, more important at the moment, I ask the Hon. Member for Mission-Port Moody (Mr. St. Germain) to con-

sider whether or not it is incumbent upon a government to provide the information necessary for people to make learned and accurate judgments about its policy direction and the impact of it. Perhaps he could take that to caucus tomorrow. Perhaps he could urge upon Cabinet, if Cabinet deigns to show up,—perhaps he could not tell me even if he did since the Deputy Prime Minister (Mr. Nielsen) is not likely to allow him to talk to me anyway—that that would be one of the first things it could consider.

The second point is: Has the Government been honest? We have to wonder about that. I remember not long before election day the Prime Minister saying that he would be able to create tens of thousands of jobs almost immediately after the Conservatives were elected to govern. I must confess that I doubted it, but I did not say it. It was said by the Prime Minister. Whether or not I doubted it, the Prime Minister apparently believed it to be true. Yet when he took office, did he create those jobs? No. What did he do? He set about to eliminate jobs, saying all the time that if things worked out somewhere down the road a piece, maybe things would improve and therefore maybe things would be better.

Mr. St. Germain: They have.

Mr. Deans: I hear the Hon. Member for Mission-Port Moody. If he were to be entirely up to date he would understand that the numbers of jobs available in the country today are fewer than the numbers of jobs available in the country on September 4. Therefore, that indicates to me that the action of the Government in total over that short period of time, if it created any jobs at all—and it has not directly, at least—or if it has had any impact at all, it has been a negative impact. Notwithstanding, the Prime Minister did not say on those days just prior to the election, when he was going around telling everyone everywhere that somehow he would be able to perform minor miracles, if not major miracles, and that individually they would find work somehow somewhere, that one of his first priorities would be to go to Ottawa and eliminate jobs. I am sure Mr. Speaker will remember that when the Prime Minister was confronted with the suggestion that he was likely to eliminate a significant number of jobs in the Public Service he denied it. I think the evidence is now in. Quite clearly his denial was based upon a false premise. In fact, the Government had a hidden agenda. Notwithstanding public pronouncements about its intentions on behalf of the unemployed, it in fact intended to cut out a certain number of jobs in the Public Service and in so doing affect detrimentally the number of support jobs in the private sector. Therefore, when we apply the test of honesty, we have to say that it comes up somewhat short.

Then we get to the question of sacred trusts. They are not like trusts at trust companies. These are sacred trusts, the kind one never breaks. They are just a part of one's soul; nothing would make one change a sacred trust. That does not seem to be the interpretation of members of the Conservative Party. Sacredness to them is an erstwhile thing; if something is sacred today, it may be sacred tomorrow but then again it may not. "After all, these things are open to interpretation", says the Prime Minister. He did say it, but then again he did not, he says. What he really meant was something else, he thinks, and then he smiles. I always thought that a sacred trust was something not to be violated.

When they said that social programs were sacred, I thought that meant that they were there to stay. Apparently for this Government it means something quite different. Taking that into account, along with its actions on the job front, maybe in the test of honesty it dropped a little short over the first two and a half to three months.

Then we have to go to the test of government understanding. Did they show the kind of compassion and understanding about which the Prime Minister so often talked, that civility which the Prime Minister told us was absolutely necessary in the dealings between government and the public?

Mr. King: It is.

Mr. Deans: I want to say again that I do wonder. They have struck fear in the hearts of many people in this land with their inability to recognize the problems which would befall those whose unemployment insurance benefits have been changed as a result of the economic statement of the Government. They have clearly indicated to those facing retirement in the not too distant future that the system will be changed in some way so that whatever planning they have done or whatever they may have anticipated may or not be there. They certainly have not come forward with jobs.

Mr. Speaker, you will recall quite clearly the questions I asked of the last government about people between the ages of 55 and 65 who were unemployed through no fault of their own and no longer qualified for unemployment insurance or welfare benefits. They found themselves at that very delicate period in their lives when they were building up equity for their retirement, faced with the real possibility, if not the probability, that they might never work again or, if they did, chances were that it would be at low-paying jobs. Thus they would not be able to contribute in the same amounts to their pension programs, and they would probably lose their pension programs because there was no portability. I remember the now Minister of Employment and Immigration (Miss MacDonald) with tears as big as crocodile tears running down her face. She almost had to use the hem of her dress to dry herself. It was terrible; how she bled openly for those people. However, when I asked her the other day about the exact same thing; where were the jobs, where was the concern where was the Government's automatic understanding, and where was the compassion and the civility, she sat there supporting this. There will come a day, I tell you, when you will desert them. They will let you down just as they have let down so many others, the people about whom I am speaking. The Minister of Employment and Immigration knows what those people are going through. Does she come forward with a special program? Does she extend the UIC benefits? Does she have some kind of a special development program so that they can get back into the workforce, a special training program aimed

directly at them and taking into account their skills and needs? No.

Mr. Manly: She talks like a Liberal.

Mr. Deans: As the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) says, she talks like a Liberal.

Mr. St. Germain: That is not nice.

Mr. Deans: That is probably true. Probably some day it will become unparliamentary in the House of Commons to say that about somebody. I realize that I have but a minute remaining.

• (1720)

The tests which the Government has to take are clearly not being met. They have not been frank. They have not been honest. They have not been understanding. They have not done those things they said they would do. They have done those things they said they would not do. They have not provided the jobs they said they would provide. They have done away with jobs that were already there. They said they were going to create new research and development, but they do away with the only effective research and development in this country. They are going to hand the country over to the foreign invester without any *quid pro quo*, without any demand.

In closing, this Government has failed the test. It has been a short time, and I recognize that. I cannot really say that they will not recover. I certainly hope on behalf of this country that they do. Up until now it has been a dismal showing.

The Acting Speaker (Mr. Paproski): Questions or comments on the Hon. Member's speech?

Mr. King: Mr. Speaker, I would like to ask the Hon. Member a question. Between 20 and 25 per cent of the budget of the Government of Canada is occupied with paying interest on the national debt. The equivalent figure in the United States, which the Hon. Member chooses to be critical of on many occasions, is 12 per cent. My question to the Hon. Member is what proportion would be acceptable to the Government of Canada, the Opposition and the people of Canada? What proportion of the national budget does he believe should be expended on interest on the national debt?

Mr. Deans: Mr. Speaker, I do not think there is a direct answer to the question. Let me try, however, by saying to the Hon. Member that he will recall that when he sat in the back row over on this side that during the years 1980, 1981 and 1982, when interest rates were rising at a very rapid rate, interest rates which incidentally contributed significantly to the size of the national debt as they contributed to the high levels of unemployment because of a decrease in purchasing power and the inability of corporate and smaller industry to maintain itself, we in this Party were arguing for a measure which would have controlled interest rates. Had he and his Party supported us instead of going off on some other tangent in support of the Liberal administration, had his Finance critic now Finance Minister (Mr. Wilson) been prepared to support us instead of supporting the former Minister of Finance, and the one previously, in trying to press the Liberal administration of the day into bringing interest rates down, the national debt would be nowhere near where it is today.

I want to say to the Hon. Member who asked the question that it is upon his shoulders that the national debt rests. It is on this Member's shoulders, along with his colleagues who were here, that the national debt rests. It was they, together with the Liberals, who refused to deal with the primary problem in Canada, that being interest rates.

Mr. St. Germain: Mr. Speaker, I would like to ask the Hon. Member a question. He referred to the Hon. Member for Okanagan-Similkameen (Mr. King) being in the back row. I cannot see any difference being in the front row or in the back row. We all represent Canadians regardless of where we sit.

The Hon. Member blamed us for causing the deficit to rise. He said we are responsible for the deficit, which is related to high interest. How does he expect to reduce the deficit and control interest when he is advocating the same type of irresponsible spending that his friends to the right of him have been carrying on for the longest time? He is advocating make-work programs. He does not want to recognize the great social benefits we have already brought to the country through improving the widows' allowances and veterans pensions. The Member wants to ignore the improvements and the good things that the Prime Minister (Mr. Mulroney) has done since taking on the leadership of this country.

The Hon. Member is not giving the Government a chance. He is coming totally negative, like he was before. He does not seem to have the smallest bit of positive attitude within him.

The only way we are going to get this country together again is by working together as Canadians, you and I and all Canadians. I would like the Hon. Member to elaborate on this aspect. He blames us for the spending. He blames us for the high interest rates. How would he have done it? I would also like his comment on whether he would have brought in exchange controls.

Mr. Deans: Mr. Speaker, I know now how Ministers feel when they are asked 72 different questions at the same time. With regard to the interest rate problem, the Hon. Member will remember, I am sure, although he was not here for the entire last session of Parliament, that the New Democratic Party on numerous occasions attempted to move amendments to the Bank Act which would have made the banks much more responsive and responsible. We were defeated at every turn by the combined Liberal and Conservative Members on the committee. That is for starters.

I suggest to the Hon. Member that he does not have to be far-sighted. He can look within his own constituency. I defy him to tell me where things are better now than they were before the beginning of September. I defy him to tell me where the jobs are. I listened to him earlier talking about how many people were unemployed in his constituency.

It is not a question of being negative. It is a question of not being given anything to be positive about. I come to this House the most positive person you have ever met. I want to be enthusiastic about this Government. I want to be able to applaud their every measure. I want to be able to stand up and be happy in endorsing the things that the Government does. How can I endorse what the Government does when the Government has not lived up to its promises, when it has done the very opposite to the things it said it would do when it was seeking office? Am I to support the Government when it does what it said it would not do and does not do what it said it would do? I could not do that. It would not be honest of me.

The Acting Speaker (Mr. Paproski): The Hon. Member for Cape Breton-East Richmond (Mr. Dingwall) on a short question and a short answer.

Mr. Dingwall: Mr. Speaker, I have just a brief comment. I hear Members opposite talk about direct job creation programs as not being the answer to solving the unemployment problems in this country. I would not agree. I do not believe that my Party or the NDP have ever advocated that that is the sole measure to cure all of the unemployment in this country. However, I take strong objection to Members opposite who are not in favour of direct job creation programs for the unemployed.

I would ask the Hon. Member if he and his Party are committed to direct job creation programs in substantial dollars for student summer employment as well as for Canada Works. As we know, the Conservative Party both in philosophy and in terms of the fiscal measure are totally against any financial assistance for direct job creation.

Mr. Deans: Mr. Speaker, my answer to the question is quite simply yes, we are. It is obvious to anyone who has to deal with the unemployed that it is better to have a short-term job than to have no job at all.

The Acting Speaker (Mr. Paproski): Another question by the Hon. Member for Cape Breton Highlands-Canso (Mr. O'Neil); a short question with a short reply.

Mr. O'Neil: Mr. Speaker, I just want to make a comment directed towards the New Democratic Party in general and the Hon. Member's speech.

• (1730)

I represent a riding in which the largest employer is a foreign-owned corporation. It is owned by Stora Kopparberg and is the largest industry and major employer in the riding. It continues to irritate me to hear representatives of the New Democratic Party rise and chastise foreign investors. I cannot help but conclude that members of that Party would rather see Canadians out of work. I can assure the Hon. Member that the unemployed in my riding would much prefer to work for a foreign-owned corporation than not to work at all.

Mr. Deans: Mr. Speaker, I would like to say to the Hon. Member that we also would rather that people worked for a foreign corporation than not work at all. However, we would also extract from the foreign corporation commitments that would be in the best interests of the country. Foreign corporations are far too often dominated by the decisions made in their home offices and do little if any research and development in Canada. There is no long-term value for this country if we do not derive long-term benefits. We do not get those benefits from many foreign corporations.

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

[*Translation*]

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, today, on the occasion of my first speech in the House, my thoughts are of course with the people of the riding of Rimouski-Témiscouata. I want to thank them for their support, and I would urge them, as I did throughout the election campaign, to take an active part in the Canadian democratic process. I would ask them and all Canadians to engage in a constant dialogue with me and other Members of the House on the issues that concern us all and the policies they would like to see adopted by this Government. Dialogue is the very essence of our system of government.

Mr. Speaker, as was mentioned in the Speech from the Throne and confirmed by my colleagues the Minister of Finance (Mr. Wilson) and the President of the Treasury Board (Mr. de Cotret), we shall be facing some formidable challenges during this thirty-third Parliament. The decisions we shall be making in the years to come, or the lack of decisions, will have a significant impact on the economic future of this country and the employment opportunities available to our children.

Our economy is in a precarious state, and the Government's economic message has provided a keen and in-depth analysis of the situation. The problems are many and largely due to twenty years of Liberal rule. During those two decades, the standard of living of Canadians dropped from second to thirteenth place in the world. Our net federal debt was multiplied by ten, rising to nearly $200 billion. Our economy suffered because our predecessors saw prosperous industries as a source of revenue, and not as the key to future economic development. They drained the resources of these industries to support weaker sectors of the economy instead of dealing directly with the weaknesses themselves. This had the unfortunate result of undermining all sectors of the economy.

Twenty years of Liberal economic policy have left us with a dollar that is worth only a meager 75 cents in terms of the American dollar.

We have also inherited an unemployment rate of over 10 per cent. This disastrous legacy has been reflected in the large number of farm and business bankruptcies that have occurred during the past few years.

Mr. Speaker, the economic statement of November 8 was adamant on the subject. If we pursue the economic policies of the previous Government, an already massive national debt could very well compromise this country's future. When we realize that nearly half the money borrowed by the Government must be used to service the national debt, we have a clear understanding of the challenge awaiting this Parliament.

Unlike our predecessors and Members of the New Democratic Party, we do not believe that the deficit can be left to grow ad infinitum and that extravagant spending will resolve our economic problems. The status quo must not and cannot be maintained. The mandate we received in September is sufficiently clear on that point.

Mr. Speaker, the Throne Speech and the economic statement have shown that unlike our predecessors, we have listened carefully to Canadians and responded to their concept of what a federal government ought to do. Canadians are fed up with short-term and short-sighted economic policies. They are sick and tired of seeing job creation funds used to renovate picnic tables instead of being invested in a long-term strategy for creating permanent jobs. They have had enough of watching the federal and provincial governments fighting needlessly over their respective jurisdictions. The demagoguery and the "divide-to-conquer" mentality shown by the previous government are no longer acceptable to the Canadian people.

Last September 4, Canadians indicated that they can no longer stand cynical and unilateral initiatives which are taken to score political points while the economic issues remain unsolved. They no longer want their taxes used to finance re-election campaigns. They are tired to see that their opinions are not taken seriously and that the Liberals do not even consult them. They have had their fill of condescending policies.

Mr. Speaker, it stands to reason that we will have to make some decisions in the coming years. We will have to decide where Canada is going and what is the best way to get there. Once the government is committed to take the necessary steps to solve our economic problems, we will have to make sure that the men and women whose subsistence depends to a large extent on the generosity of the federal government are well protected.

That responsibility has been clearly acknowledged in the Speech from the Throne and in the economic statement, urging us to study the conflicts, maintain the dialogue and hold consultations before making major decisions.

[*English*]

I was surprised and saddened when I heard the response of the Leader of the Official Opposition (Mr. Turner) to the Throne Speech. He saw our call for dialogue and consultation as a sign of weakness. Has he not learned? Have members of the Liberal Party not learned? Canadians will no longer tolerate having their views ignored.

Some Hon. Members: Hear, hear!

Mrs. Vézina: When decisions affecting the people are to be made, they want to be present at the discussion table, not out in the corridor. When programs are established which may affect their livelihood, they want to design them. Yet when calling for dialogue, consultation and co-operation, our efforts are denounced. If it is a political sin to have trust and faith in Canadians that they themselves know what is best for the country, we are truly lost.

• (1740)

[*Translation*]

So far, Mr. Speaker, I have been speaking to the House as member of a team which has been closely associated with the initiative taken by my colleagues the Minister of Finance (Mr. Wilson) and the President of the Treasury Board (Mr. de Cotret). I commend them for their courage.

By appointing me as Minister for External Relations last September 17, the Right Hon. the Prime Minister (Mr. Mulroney) was giving me special responsibilities in the field of international development. He was asking me, and my colleague the Minister for International Trade (Mr. Kelleher), to devote all our energies to assist the Secretary of State in the management of the vital relationship linking Canada with the rest of the world. I assume those new responsibilities, anxious to draw inspiration from the professional experience I gained within organizations concerned with regional development.

Mr. Speaker, the generosity of Canadian men and women is such that, despite the current economic difficulties, they are quite sensitive to the predicament of people in less affluent countries. The government shares their concern, as evidenced by our decision to maintain a steady growth in public development assistance over the next ten years so that it will amount to 0.7 per cent of our GNP by 1995. A number of people are blaming the government for the flexibility it is demonstrating in deferring for five years the achievement of this level of assistance by Canada. I am sure that Canadians support the government's decision. As a former French Minister of Cooperation said so aptly, one must avoid introducing too much budgetary rigidity into the financial management of the State, otherwise the sum total of sectorial commitments precludes any national policy.

During the next few months, a special Parliamentary committee will thoroughly examine the major areas of our foreign policy. I would like to share with the House some preliminary comments on international development. The problems with which the so-called Third World nations are faced are extremely serious. I refer here to natural phenomena such as drought and desertification. I refer also to the bloody wars which are being fought in a number of regions and countries. I refer to the serious problem of indebtedness which prevents these nations from buying new equipment at a time when they badly need to increase their food production. I am also thinking about the population explosion, which is a source of major

concern in view of the limited increase of food production in these countries. The complexity of these problems makes us feel very humble. However, we must have every confidence in the potential of these peoples to ensure their development.

Mr. Speaker, in addition to our obligation to provide rapid assistance to nations struck by natural disasters, I cannot overemphasize the fact that our intervention must also have a long term impact. Instead of providing spectacular assistance to these countries, our challenge must be to help them to take charge of their development and to become responsible for it.

As rightly underlined in the throne speech, we need to support the effective and extremely valid humanitarian work of voluntary organizations. This is what we have already done to help the victims of the drought in Ethiopia and of desert encroachment in Africa. The drive of these voluntary organizations and of all Canadian men and women involved is fantastic and provides a guarantee of efficiency for any Government which decides to rely on them.

Mr. Speaker, I invite the Hon. Members to avoid specious issues in any future discussion on development assistance. In some circles, development assistance is too often opposed to international trade. As I was saying at a meeting of the Dakar Club in Montreal recently Canada intends to work on increasing its economic relations with Africa, while fully aware that private investments and trade relations are as significant in terms of development potential as traditional co-operation projects.

In the same context, Canada must not be ashamed to get involved in other countries in the fields it knows best. I am proud to—

[*English*]

The Acting Speaker (Mr. Paproski): Order, please. It being 5.45 o'clock p.m. it is my duty, pursuant to Standing Order 42(5), to interrupt the proceedings and put forthwith the question necessary to dispose of the main motion. Accordingly, the question is the following one. Mr. James, seconded by Ms. Jacques moves:

That the following address be presented to Her Excellency the Governor General of Canada:

To Her Excellency the Right Honourable Jeanne Sauvé, a Member of the Queen's Privy Council for Canada, Chancellor and Principal Companion of the Order of Canada, Chancellor and Commander of the Order of Military Merit, upon whom has been conferred the Canadian Forces' Decoration, Governor General and Commander-in-Chief of Canada.

MAY IT PLEASE YOUR EXCELLENCY:

We, Her Majesty's most loyal and dutiful subjects, the House of Commons of Canada, in Parliament assembled, beg leave to offer our humble thanks to Your Excellency for the gracious Speech which Your Excellency has addressed to both Houses of Parliament.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

The Acting Speaker (Mr. Paproski): I declare the motion carried.

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)) moved:

That the Address be engrossed and presented to Her Excellency the Governor General by Mr. Speaker.

Motion agreed to.

At 5.48 p.m. the House adjourned.

HOUSE OF COMMONS

Wednesday, November 21, 1984

The House met at 2.00 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

DISARMAMENT

UNITED NATIONS RESOLUTION—CANADIAN POSITION

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, yesterday the United Nations Disarmament Committee voted 111 to 12 for a verifiable bilateral nuclear freeze. Canada was one of the 12 that voted against the resolution. Among those countries that voted for the resolution were two NATO countries, while two other NATO countries abstained. Also voting for the resolution for the first time was Australia, which last year voted against it.

I know that last year, under the Liberal Government, Canada also voted against a similar resolution. I was personally opposed to that position at that time. The vote yesterday was unfortunate, but now is the time for all of us to rethink that position.

The Committee's decision will go to the General Assembly in about two weeks for final disposition. The Government has said that it will re-examine foreign policy. I urge it to put this matter high on its agenda and to reverse its position before the General Assembly vote.

At the present time there are 50,000 nuclear weapons in the world which have a destructive force one million times the Hiroshima bomb. Last year those weapons cost approximately $1 billion. These weapons could destroy over 800,000 people in less than one day. Now is the time to stop this race to destruction.

* * *

[*Translation*]

TRANSPORT

REQUEST FOR ABOLITION OF CHAMPLAIN BRIDGE TOLLS

Mr. Carlo Rossi (Bourassa): Mr. Speaker, during the last election campaign, the newly elected Member for La Prairie (Mr. Jourdenais) promised in his campaign brochures and advertisements to abolish tolls on the Champlain Bridge, and he made this a big issue. On "Face à face" on CKVL, the Hon. Member also mentioned that this promise had the blessing of his party and his leader. But now, Mr. Speaker, it is a different story. It must have been a shock to the newly elected Member for La Prairie on Tuesday, when the Minister of State (Transport) (Mr. Bouchard) answered that he had no intention of doing away with the tolls in the near future. I suppose from now on the Hon. Member will perhaps refrain from asking questions in the House without first knowing the answer. Meanwhile, the people in Brossard, La Prairie and on the South Shore are still paying to cross the Champlain Bridge, despite all the promises made by the Member for La Prairie and his party.

I therefore want to ask that tolls on the Champlain Bridge be immediately removed as promised by the Conservative Member for La Prairie and otherwise, that the new Member for La Prairie resign, Mr. Speaker.

* * *

[*English*]

CAPITAL PUNISHMENT

CALL FOR EARLY DEBATE

Mr. Aurèle Gervais (Timmins-Chapleau): Mr. Speaker, as a new Member of Parliament I rise for the first time today.

Some Hon. Members: Hear, hear!

Mr. Gervais: I had not planned to make a statement today. As a matter of fact it is not a happy occasion for me, due to the nature of the topic. I refer to the nationally tragic incident which happened in my riding last Friday, more particularly in my home town. Of course I refer to the senseless shooting of OPP Officer Vern Miller of the Matheson detachment.

During the weekend I was inundated with calls from constituents in my riding expressing their view that capital punishment should be reintroduced in the House as soon as possible. They mentioned that, through polls and surveys, an overwhelming majority of Canadians wish the capital punishment issue to be brought before the House. On their behalf, and on behalf of all Canadians, the majority of Canadians who wish capital punishment to be reintroduced, I urge the Government to place it on its agenda as soon as possible for debate and a free vote.

S.O. 21

THE CENSUS

CALL FOR REINSTITUTION OF 1986 ENUMERATION

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, the Romans recognized even in ancient times the indispensable requirement for a census in the determination of public policy. Of course the census counts people, but it appears that to this Government people do not count, at least not until 1991, in view of the announced cancellation of the 1986 census. This action has escaped critical notice until now.

Now we have the Royal Commission Report on Equality in Employment. Its recommendations for legislated employment equity indicate a critical requirement not only for census data but for an expanded data base respecting numbers and employment patterns for women, the disabled, native people, and visible minorities.

Indeed the report is complex and will require time for implementation. However, the Government has an easy way of quickly signalling its commitment to the achievement of employment equity—it must reconsider its cancellation of the 1986 census and implement it with an expanded data base, in light of the additional statistical information necessary for the effective implementation of the Abella report.

This is a step that must be taken. Otherwise, it will again reinforce the impression of the Government that social justice or sacred trusts should not stand in the way of prosperity for the privileged few.

* * *

TOURISM

IMPACT OF GOVERNMENT ACTIONS ON INDUSTRY IN PRINCE EDWARD ISLAND

Mr. George Henderson (Egmont): Mr. Speaker, the recent government financial statement contains several changes which are of great concern to the tourism industry on Prince Edward Island, from increases to ferry rates, to increases to the cost of entering and using facilities in our national park, to increases in gasoline prices. The entire industry will in some way be affected.

Applications from the tourism industry for assistance under IRDP will no longer be accepted by DRIE. Instead, the Minister of Regional Industrial Expansion (Mr. Stevens) has indicated that tourism projects will be dealt with through instruments such as federal-provincial agreements. I trust the Minister has taken steps to ensure that the tourism industry will be fully represented in the months ahead while the transition from IRDP to the new and as of yet unnamed program is introduced.

It is my sincere hope that the Minister of State for Tourism (Mr. McMillan), as an islander with a great interest in the future of the industry, has brought to the attention of the Prime Minister (Mr. Mulroney), the Minister of Transport (Mr. Mazankowski), the Minister of Regional Industrial Expansion, and the Minister of the Environment (Mrs. Blais-Grenier), the dire implications that these changes will have on the Prince Edward Island tourism industry, not to mention on islanders themselves.

* * *

NUCLEAR ENERGY

DEMAND FOR PARLIAMENTARY INQUIRY

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, yesterday I asked the Minister of Energy, Mines and Resources (Miss Carney) if she intended to initiate a parliamentary inquiry into all aspects of the nuclear industry as the Progressive Conservative Government of 1979 intended to undertake. In her response the Minister conveyed two impressions which should be cause for concern on the part of the clear majority of Canadians who are concerned about any further investment in nuclear energy, whether their concern arises from the increasing cost of this energy option, the environmental hazard it poses, or the connection between nuclear power and the nuclear arms race.

The Minister said that she would have to consult with AECL to see if it thought an inquiry would be useful. This is like asking the Mafia if it thinks an investigation into organized crime would be useful. Then she made sense of this incredible answer by commenting that an inquiry might not be in order because, after all, it might only be a problem of marketing. She appears unable to ask the question whether the product should in fact be for sale either here or abroad. In this she has revealed just how uncritical an approach the Conservatives may be taking toward this issue—reminiscent of the Liberals.

• (1410)

I call on the Government to initiate an inquiry into the nuclear industry in consultation with groups like the Canadian Coalition for Nuclear Responsibility, and to reverse the cuts in environmental services, conservation, and alternative energy. Let us have some evidence that we are on the eve of 1985 and not at the beginning of some terrible flashback to 1955.

* * *

INDUSTRY

PETROCHEMICAL INDUSTRY—REACTION TO ECONOMIC STATEMENT

Mr. Ken James (Sarnia-Lambton): Mr. Speaker, the Canadian petrochemical industry was to some extent pleased with the financial statement made in the House by the Minister of Finance (Mr. Wilson) on November 8. The announcement that the petroleum compensation charge, PCC, would not be increased on crude oil used as a feedstock for the production of petrochemicals, was one the industry had been waiting to hear from the new Government. It has demonstrated the intent of this Government to aid, without resorting to financial bail-outs, an industry that has suffered under an

unfair tax burden for years. The PCC will, however, be increased on this industry's crude oil consumption for energy requirements.

The recent announcement by the Government of the Province of Alberta to the effect that ethylene producers there would receive bridge financing amounting to 25 per cent of their tax burden to relieve the fiscal problems of our gas based Canadian petrochemical industry, is an indication that Alberta felt it must take the initiative while waiting for federal government energy policy action. I submit this action by Alberta has swung the pendulum over to the gas-based petrochemical side of the arc and something must be done to equalize the situation.

The Ontario oil-based companies, which are now paying more for their crude oil used for energy requirements, can ill afford any increase in their tax loads. I must serve the Government with notice that the situation is, for some, fast becoming intolerable. I submit the job is not nearly finished.

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

* * *

HOUSE OF COMMONS

POSTPONEMENT OF MEMBERSHIP INCREASE URGED

Mr. Ted Schellenberg (Nanaimo-Alberni): Mr. Speaker, I rise to request that our new Government curtail the cost of government. In his speech to the House on November 8 the Hon. Minister of Finance (Mr. Wilson) set Canada on a new course of restraint and review, urging Members to find ways not only to reduce the federal deficit but, in his words, "to reduce the burden of unnecessary government". Surely my colleagues in this House will agree that Members of Parliament are effective legislators and problem solvers and that they perform a valuable service to our nation, but how many members are enough? Two hundred and eleven? Two hundred and eighty-two?

The Canadian Electoral Boundaries Commission, under the authority of the Electoral Boundaries Readjustment Act, will soon recommend that our number grow to 310, five new members in British Columbia alone.

Members of Parliament perform a valuable service, Mr. Speaker, but we are expensive. Now that my Government has shown the lead by reducing the salaries of senior Ministers, I repectfully ask that my Government postpone the readjustment of electoral boundaries until the economy of our nation improves. The savings to the treasury would total in the millions.

Oral Questions

PRAIRIE FARM REHABILITATION ADMINISTRATION

DELAY IN LAND TITLE TRANSFERS

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, a number of Canadians have expressed concern at delays they have encountered in securing expeditious transfer of title to land from the Crown, particularly in their dealings with the PFRA. The PFRA during the 1930s and 1940s constructed a number of water storage reservoirs and irrigation projects which it continues to operate. Some years ago the sale of land by Canada within the irrigation projects commenced at the individual lessee's request. Agreements for sale were made, and now, when the purchaser wants to acquire actual title to the land, considerable problems arise.

The purchaser requests letters patent and makes final payment for the land. From that point forward the request follows a complex series of procedures involving surveys, searches, translation, ministerial approval, Privy Council approval, preparation of documents by the Department of Justice, reviews by the Department of Consumer and Corporate Affairs, and land titles office processing.

Transfer of title requires up to 20 months following the existing procedures. These excessive time delays cause considerable hardship to those individuals involved. They ask the Ministers to review this currently untenable situation with a view to streamlining the process.

• (1415)

ORAL QUESTION PERIOD

[*Translation*]

EMPLOYMENT

ABELLA REPORT—GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Report on Equality and Employment prepared by the Commission headed by Judge Rosalie Abella says clearly that equal pay for work of equal value is an essential part of employment equity and contract compliance. My question is directed to the Right Hon. Prime Minister. During the Party Leaders' debate in the course of the election campaign, the Prime Minister said that not only he supported the principle of equal pay for work of equal value, but he added, and I quote: "I am prepared to go even further." My question is: Has he already given some very clear directives to his ministers, to use his own words, for starting the job classification process, as promised during the election campaign?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, yes, I have initiated the process. Meanwhile, I am reading and analysing Judge Abella's very impressive and timely

report, and I expect to be able to give the Hon. Member further details in the near future.

[*English*]

REQUEST FOR LEGISLATION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, when the Prime Minister has had an opportunity to digest Judge Abella's report, and when he meets his provincial colleagues at the First Ministers' meeting on St. Valentine's Day, will he urge, particularly his Conservative colleagues, to legislate equal pay for work of equal value, and to legislate affirmative action or, as Judge Abella puts it, employment equity for women, visible minorities, the disabled, and native peoples, or will he seek only, in the words of the Throne Speech, to further define the matter?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I urge not only my Conservative colleagues. This is not a partisan issue. Fairness for women is something that concerns us all.

Some Hon. Members: Hear, hear!

Mr. Mulroney: We plan to seek the support and guidance of members of the Conservative Party, the Liberal Party and the New Democratic Party for programs that are designed to do what is long overdue and something which, dismayingly, and I say this with regret was not done in 20 long Liberal years, and that is to bring about a degree of equality for women in this country. That is what we are going to try to do.

Mr. Turner (Vancouver Quadra): Mr. Speaker, I would think that the Liberal record on women's issues stands for itself as an example to us all.

Some Hon. Members: Hear, hear!

COMPOSITION OF BOARDS AND COMMISSIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, on May 25 in Toronto, the Prime Minister promised to double the representation of women on federal boards and commissions. There happen to be no women on the Deputy Prime Minister's cost-cutting advisory board, no women on the CBC chopping block committee, no women on the new VIA Rail advisory committee, and no women among the new CDIC or fisheries projects. I believe the Prime Minister got off to a good start by nominating eight women as cabinet Ministers. Would he talk to the cabinet Ministers and ask them to follow his example when appointing people to boards and commissions?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I know of the Right Hon. Member's very substantial degree of concern and record of accomplishment in this area. I would like to assure him, because it is not a partisan issue, that we shall be giving the highest priority to ensuring, in a way that I hope meets with his agreement, the proper and fair representation of women throughout the Government of Canada. That may, and indeed will, require legislative considerations that we will bring forward. At all times, I know that the principal objective will be fairness and economic equality for women and, as Judge Abella points out, for other groups in our society as well.

ENFORCEMENT MECHANISM SUGGESTION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, last night on the television show *The Journal*, the Hon. Minister of Employment and Immigration announced with fanfare and pride that the commitment to equal pay appeared for the first time in the Throne Speech of 1984. I would like to bring to her attention that equal pay has been part of the Canadian law since 1978. The issue now is how to make that principle work. I am pleased that the Prime Minister calls it a high priority.

• (1420)

The Minister stated on *The Journal* that she would have a lot of trouble with enforcement, and that further studies would have to be undertaken. Does the Minister agree with Judge Abella that the enforcement mechanism is necessary? Does she so agree?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I would like to inform the Hon. Member and the House that no Government heretofore ever had the courage to incorporate the phrase "equal pay for work of equal value" in a Throne Speech. I am glad to inform her of that.

Some Hon. Members: Hear, hear!

Miss MacDonald: Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Miss MacDonald: Mr. Speaker, there are 117 recommendations in the report. It is a very valuable report, and I hope that every Member will take the opportunity to read it. One of the most valuable parts of the report is the introduction of the term "employment equity" into the language, so that we do indeed know about what we are talking about. I would like to tell the Hon. Member that all of the recommendations will be considered by Cabinet. Then we will decide whether legislation will be necessary to bring about the desired end.

STUDY OF REPORT

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I believe I heard the Prime Minister allude to legislation. However, there is a difference between law and rhetoric. Just apply the law.

[*Translation*]

Could the Minister inform the House and women in Canada today which department is analysing the Abella Report and when appropriate legislation will be introduced in this House, covering the areas of affirmative action, contract compliance, training and equality before the law?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, my Department, the Department of Employment and Immigration, is primarily responsible for examining the report's recommendations. The recommendations are later examined by the whole Cabinet, while any decisions are made by the entire Cabinet.

* * *

[*English*]

DISARMAMENT

UNITED NATIONS RESOLUTION—CANADIAN POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. Last night the Political Affairs Committee at the United Nations took a very important vote on the profoundly important question of nuclear disarmament. A motion submitted by Sweden and Mexico called for a mutual, verifiable, balanced nuclear freeze applicable both to the Soviet Union and to the United States. That motion was carried overwhelmingly by a vote of 111 to 12. I want to ask the Prime Minister why the Government of Canada joined the minority of only 12 nations in the world to vote against that important resolution.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the abstention was taken by Canada at the United Nations, as it has been on previous occasions by ambassadors representing Canada, because we believe that if the world is to make progress toward a reduction of nuclear arms—as this Government is dedicated to helping the world do—we must seek effective actions which persuade the superpowers. It is our judgment, reflected by Canada's vote at the United Nations, that a declaration on the freeze would not have advanced the cause of reducing nuclear armament.

Mr. Broadbent: Mr. Speaker, the Secretary of State for External Affairs offered some interesting rhetoric, but he did not give us a single reason which led him to reach that conclusion.

• (1425)

VERIFIABLE NUCLEAR FREEZE PROPOSAL

Hon. Edward Broadbent (Oshawa): Since the Prime Minister, who expressed concern about disarmament during the election campaign, has now decided not to deal with the question, I would like to ask the Secretary of State for External Affairs this. Considering that the House of Representatives in the United States, and countries as different as Australia and Greece, all support a mutual, verifiable nuclear freeze which has to be accepted both by the United States and the Soviet Union before it becomes operative, why, in Heaven's name, could not a Government, which was elected in Canada in part to produce some change in international affairs, support initiatives already taken by people outside of our country who are working seriously—not simply rhetorically—toward nuclear disarmament?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, this is a matter of the gravest importance. I believe that is understood by all Members on both sides of the House. The Leader of the New Democratic Party asks why we did not support initiatives taken in the past by other countries. The simple reality is, sadly, that those other initiatives have not worked. Adding Canada's voice to the motion would have had the effect of causing tensions within the Alliance. The North Atlantic Treaty Organization is the instrument by which we have the greatest opportunity to bring the most influence to bear upon the United States, and an action of that kind would have been counterproductive, in our view.

Mr. Broadbent: The Government will clearly have a lot of influence with President Reagan if it agrees with everything he does. That is not influence, that is supine acquiescence to what the United States wants to do.

REASONS FOR CANADIAN POSITION

Hon. Edward Broadbent (Oshawa): Would the Secretary of State for External Affairs tell us why it is that Walter Mondale, a candidate for the Presidency of the United States—

Some Hon. Members: Oh, oh!

Mr. Broadbent: I hear some of the Minister's back-benchers, 61 of whom called for a nuclear freeze during the election campaign, that is, 61 of the Members over there. Many Canadians, including many of his own back-benchers; Walter Mondale in the United States; members of NATO, such as Greece; members of the regional equivalent of NATO in Southeast Asia, such as Australia, could all stand up on this profoundly important question of nuclear disarmament and show a little initiative, show a little leadership. Would the Minister tell us why Canada could not?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Leader of the New Democratic Party is asking me why other countries voted as they did. That question is better put to them. The question I can answer is why Canada voted as we did. We are seeking every practical means to reduce the danger of nuclear armaments—

Mr. Deans: But what?

Mr. Clark (Yellowhead): —and of nuclear conflict in the world. I am asked to name one. One means is to use the strong

and privileged position which Canada enjoys as an influential and respected member of NATO, and to use that position—

Mr. Broadbent: Thank you, Allan MacEachen. Thank you very much.

Mr. Clark (Yellowhead): —by maintaining the strength of the Alliance, which would not have been maintained and, indeed, might have been weakened had we cast our vote in a different way. We voted at the United Nations in a way in which we solemnly believe will move the world away from the danger of nuclear war.

* * *

[*Translation*]

THE CENSUS

JUSTIFICATION FOR CANCELLATION OF 1986 CENSUS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is for the Minister of Supply and Services.

Since, according to the Abella report it is imperative every five years to collect census data on the participation of target groups to the work force, and since the 1986 census would have provided the new data required for any affirmative action program concerning women, native people and the disabled, how can the Minister now justify the cancellation of the 1986 census?

[*English*]

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, the reasons for the decision the Government took were outlined by my colleague, the Minister of Finance. They have to do with the terrible financial situation of the Government. As to the question of whether Statistics Canada can and will provide the data necessary for government Departments to make the decisions which are so necessary in order to tackle the problems alluded to by the Hon. Member, I can tell him that he can be well assured that Statistics Canada will, in fact, be in a position to gather this data. It has a variety of techniques. It has very able professionals—

Mr. Axworthy: They have no work to do.

Mr. Andre: —who will ensure that we have adequate data to accomplish these goals.

REQUEST THAT CANCELLATION BE RESCINDED

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, how can the Government be serious about affirmative action when it wants to destroy the data base on which such programs are established? Will the Minister stand up in this House and tell those big bullies in front of him, Erik the Dreaded, and Mike the Knife, to go and do their cutting elsewhere and keep their hands out of the census?

• (1430)

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, I would like to assure the Hon. Member that his concern about the data that Statistics Canada produces for Government and others in our society is shared by myself and my colleagues, the Minister of Finance and the Deputy Prime Minister, indeed by everyone in the Government. We will be doing everything necessary to ensure that adequate data are available.

* * *

EMPLOYMENT

ABELLA REPORT—IMPLEMENTATION OF RECOMMENDATIONS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Minister of Employment and Immigration and also relates to the Abella Commission report on employment equity, which report I think makes tremendous sense concerning the direction in which we should be going. The American experience also shows that it makes economic sense in terms of productivity in that country. Therefore, in view of the fact that last night the Minister said she agreed in principle with this report but had some problems concerning the enforcement agency, I wonder, if instead of leaving it to voluntary approaches, as the Liberal Government did in years gone by, will she now make a commitment to this House that she will implement some of the recommendations in the report, and tell us when.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I can tell the Hon. Member that, with 117 different recommendations, it would be difficult at this point to single out those that will be implemented, or when. Having said that, I assure the Hon. Member that, yes, we will be implementing certain of the recommendations just as quickly as we can.

GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the Prime Minister said on August 15, I believe it was, during the debate on women's issues, that it was inconceivable that a Government accept a principle but not implement that principle. In light of that, will the Minister take the Prime Minister's advice and assure this House that she will be implementing the major recommendations in the Abella Commission report within the next three or four months?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the report that Judge Abella handed down is in two major sections. The first half of it makes a very fair and compelling case for employment equity, as she calls it. The second part of the report talks about the various ways in which this might be implemented. She makes a number of recommendations and those are the recommendations we will be studying. She does not say: "This is the way,

and the only way". She makes a number of recommendations. It will take a bit of time for Cabinet to look at these and decide which we think are the best methods of implementation. However, I can assure the Hon. Member that will be done very quickly.

* * *

FINANCE

RELIEF SOUGHT FOR LOW-YIELDING ANNUITY HOLDERS

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, my question is for the Minister of Finance, the same question I have put to various Ministers of Finance for the last seven or eight years, always with negative results. In the past people purchases federal government annuities in good faith, and these annuities are now paying a very low return. Will the Minister take the necessary measures to introduce some relief for these annuity holders either by increasing the rate of return, as recommended by a committee back in 1976, or failing that, take action to redeem these low-yielding annuities, some of which were purchased 25 to 30 years ago and more, redeem them at full face value and thus eliminate this unfortunate problem once and for all?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am very much aware of the Hon. Member's concern about the returns paid on these annuities. I know he is aware that the annuities were originally a contract between the Government and the purchasers, so that is a consideration which has to be taken into account. However, I assure him that I will look into the matter as I know he is very concerned and has expressed these points of view over a number of years, and I will get back to him.

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ENERGY

HIBERNIA OIL FIELD ENVIRONMENTAL IMPACT STUDY

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. There is a great deal of concern in the oil and gas industry about the federal Government's agreement to the Province of Newfoundland's request to postpone release of the environmental impact study on Hibernia production prepared by Mobil Oil. Can the Prime Minister confirm that the Canada oil and gas lands administration has in fact received a copy of this study?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am informed that is the case. Were the Minister here she might be able to provide the Hon. Member with more detailed information. That was the advice I received, but I will check into it and convey a more detailed answer to him.

REQUEST THAT STUDY BE TABLED

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, it is my understanding that they have a copy of the study. If that is so, will the Prime Minister undertake to obtain a copy of this study and table it in the House?

Right Hon. Brian Mulroney (Prime Minister): Yes, I will make that undertaking on behalf of the Minister.

* * *

EMPLOYMENT

ABELLA REPORT—CONTRACT COMPLIANCE

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration on the very important subject of contract compliance. The Liberal Government's voluntary approach to affirmative action in the private sector failed dismally, with only 71 out of 1,400 companies making any progress in this area. Does the Minister intend to carry on the Liberal approach or will she commit herself, as the Prime Minister committed himself, to recommend contract compliance to Cabinet immediately?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am sure the Hon. Member knows, as I do, that the Prime Minister's statement was to the effect that we would insist that companies providing services to the federal Government create and implement programs and timetables for attracting, training, and advancing women. That would be applied to other groups mentioned by the Abella report as well. The recommendations made by Judge Abella will help us to bring about implementation of that statement by the Prime Minister.

MINISTER'S POSITION

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, the Minister really is letting women down who I think want action now.

Some Hon. Members: Oh, oh!

Ms. Mitchell: Will the Minister immediately carry out what she is entitled to do under the Human Rights Act? Will she move now on the whole question of implementing employment equity, as she can under the Human Rights Act?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I want to assure the Hon. Member that I am not letting women down, I do not intend to let women down, and I will never be in a position where I am accused of letting women down.

Some Hon. Members: Hear, hear!

Oral Questions

RECOMMENDATIONS RELATING TO VISIBLE MINORITIES

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Minister of State for Multiculturalism. The Abella Commission identified and declared war on the many economic inequalities facing visible minorities. It was forcefully stated that the war must start with an attack on racism. This and other courageous recommendations were the product of long consultations with numerous visible minority groups across Canada. They deserve and demand government action. My question is very simple. Will the Minister assure this House that he will pursue, without delay, implementation and advocacy of those recommendations in the report relating to visible minorities in Canada?

Hon. Jack Murta (Minister of State (Multiculturalism)): Mr. Speaker, the fundamental thrust of the Abella report coincides in a great many ways with the report *Equality Now!*, an all-party committee report, one with which most Members of this House agree. This Government, as indicated by my colleague, the Minister of Employment and Immmigration, is looking at the recommendations. Multicultural Canada is also looking at the recomendations. We intend to act just as quickly as we can on many of the recommendations which directly affect the visible minority community in our country.

• (1440)

Mr. Marchi: I hope someone starts to act rather than just to look.

DISCRIMINATION IN TAXI INDUSTRY

Mr. Sergio Marchi (York West): Mr. Speaker, my supplementary question is for the Minister of Transport. He is surely aware of the serious racial discrimination practices against blacks, East Indians, and Haitians in the Canadian taxi industry. Since his Department—

Mr. Speaker: No. With great respect, the Member asked his first question with regard to the Abella Report. This is hardly a supplementary to that question. I appreciate the Member's concern, but I must establish does the Member have a supplementary question to his question with regard to the Abella report.

Mr. Marchi: I respect your decision, Mr. Speaker.

The Minister of Multiculturalism is surely aware of the discrimination against East Indians, Asians, and members of the Haitian community, in the taxi industry in this country. Will he petition the Minister of Transport to revoke any taxi licences of companies that are shown to be practising racial discrimination and are operating out of airports across the country? Will he, in fact, bring in new guidelines to ensure that such discrimination employment practices will stop in the future?

Hon. Jack Murta (Minister of State (Multiculturalism)): Mr. Speaker, I can assure the Hon. Member that I am in touch with my colleague and good friend, the Minister of Transport, on literally a daily basis. We will be discussing his concerns.

POSSIBLE GOVERNMENT ACTION

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, my question is for the Minister of Employment and Immigration. It also deals with the Abella report. Yesterday Judge Abella pointed out that among the groups she was dealing with, disabled persons and visible minorities had suffered from systematic discrimination in the past. There are various possibilities for redressing that situation. What possibility does the Minister see for taking early action on this, beyond the matter of contract compliance?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, as I explained, there are some 117 recommendations in the Abella report. We will be studying them as a Cabinet and as individual Ministers to see which ones can be proceeded with most quickly.

LINGUISTIC DIFFICULTIES OF IMMIGRANTS

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, what plans does the Minister have for those members of visible minorities who are recent immigrants to Canada and have difficulty speaking English or French? What plans does she have for expanding instruction in English or French, depending on where the persons are resident, in order to facilitate entry into the workforce by these members of the visible minorities?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I think that this question should more properly be directed to the Secretary of State with whom language requirements really lie.

Nevertheless, there are two areas in which this could be addressed. One is in making changes to the agreements under the National Training Act. Those will be on the agenda for the discussions which will take place in the forthcoming year. The other is with regard to ISAP, the Immigrant Settlement Adaptation Program, in my Department. I am sure that the Hon. Member will have noticed that the budget for that was increased by half a million dollars just the other day.

* * *

HIGHWAYS

YELLOWHEAD HIGHWAY—REQUEST FOR DESIGNATION AS NATIONAL HIGHWAY

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, my question is for the Minister of Transport. The Yellowhead Highway which extends from Winnipeg, Manitoba, to Kamloops, British Columbia, is the busiest highway route through the Province of Saskatchewan. The volume of traffic on that highway is even greater than that on the

Trans-Canada Highway. With increased traffic, there is a critical need for twin-laning of this highway.

Mr. Fulton: It goes to Prince Rupert.

Mr. Gormley: In light of this, is the minsiter planning to designate the Yellowhead Highway as a national highway route? Will there be federal assistance for twin-laning of this particular highway?

An Hon. Member: It goes to Prince Rupert. Tell him where it goes.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, my NDP friends across the way wanted to remind the House that this route goes to Prince Rupert as well.

I share the views of the Hon. Member. The Yellowhead is indeed a very important artery. I also agree that it is a highway which carries a tremendous amount of traffic, and a mixture of traffic.

The Member will probably be aware that in 1979 the Government undertook a cost-sharing arrangement with the provinces whereby the federal Government and the provinces would have shared in the upgrading of the Yellowhead. Unfortunately the Liberal Government chose to cancel that particular agreement. At the present time there is not in existence a provincial-federal highway agreement. The highway agreements which are in place are currently under review. I am sure that I will have an opportunity to explore this issue with the Yellowhead Highway Association.

* * *

[*Translation*]

CULTURAL AFFAIRS

BUDGETARY CUT-BACKS—GOVERNMENT POSITION

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question is directed to the Minister of Communications, but first I would like to congratulate him on his appointment. My question relates to drastic cuts imposed on some of Canada's cultural organizations, and I refer of course to the CBC which will have to manage with $75 million less, but also to other entities such as the National Arts Centre, the CRTC and the Canada Council. Many people who work in that field are concerned and want to know whether those cuts apply only to fiscal year 1985-86, or whether they will be maintained throughout the Progressive Conservative mandate. Would the Minister therefore assure the House that the reduced budgets for fiscal year 1985-86 will not be the basis for the preparation of those cultural organizations' budgets in subsequent years? Can the Minister answer that question?

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, the budgetary cutbacks, which have prompted a review of certain bureaucratic practices so as to enable us to allocate more funds to creation and production, will of course be a permanent feature.

Mr. Speaker: Order, please. I am experiencing some difficulty because the Hon. Member has put two questions at the same time. They ought to be put separately. For the time being, the Hon. Member may put a supplementary. However, Hon. Members should indeed keep in mind the fact that they are not allowed to ask two different questions in the first question and then rise for a supplementary. This time, the Chair will allow a supplementary question.

Mr. Guilbault (Saint-Jacques): I appreciate your tolerance, Mr. Speaker.

[*English*]

CANADIAN BROADCASTING CORPORATION—IMPACT OF CUT-BACKS

Mr. Jacques Guilbault (Saint-Jacques): My supplementary question is for the same Minister. It appears that the CBC cuts would affect mainly the outlying areas. In other words, the hardest hit would be the regions of this country. Is the Minister able to tell us whether he will be ready to intervene to ensure that regional programming and jobs in far away regions of the country will be protected when the axe falls?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, I have been informed by the CBC management that they have issued a denial today concerning press reports alleging that decisions have been made as to how they will cut their budget for the year 1985-86. The CBC President himself has stated that no decision has yet been made and that the results of that exercise will not be known until the Department of Communications and the CBC have had consultations on the impact of budget cuts on the corporation's services.

The management has also indicated that, at head office as well as at the Montreal and Toronto network headquarters and in the regions, various scenarios are being studied to find a way to reduce the CBC budget by $75 million in 1985-86. As announced in the House, the priority in the decision-making process is to eliminate the less productive expenditures first and to maintain program services as much as possible.

* * *

[*English*]

UNEMPLOYMENT INSURANCE

ALLEGED ABUSE BY OLDER WORKERS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is for the Minister of Employment and Immigration. When the Minister was in the Opposition she developed a reputation for being concerned about the aged and the unemployed. Indeed, she became known as a red Tory.

Some Hon. Members: Oh, oh!

• (1450)

Mr. Rodriguez: Mr. Speaker, in light of a recent report issued by the Minister's Department which accuses 55 to 65-year olds of ripping off the UIC system, is the Minister prepared to table in this House the impact studies which show where the so-called 55 to 65 year-old rip-off artists are located? Is she prepared to table the employment profile showing the jobs that are available to older Canadians?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, my understanding is that that report was given to the former Government last June, and it is not a report I have seen. However, I do want to tell the Hon. Member that my concern for older unemployed Canadians still exists. I do want him to know that it is because of that that we have already allocated $1 billion for new job opportunities and human resource development which will apply to older workers as well as to others in our system.

Mr. Deans: Come on, Flora, that is nonsense.

Miss MacDonald: We have as well, I may say, made the announcement concerning spouses—

Mr. Speaker: Order, please. I do regret to interrupt the Minister but I think she has answered the question.

Mr. Rodriguez: It is a sad day that this Minister has changed colour, Mr. Speaker. She is now blue.

Some Hon. Members: Oh, oh!

Mr. Rodriguez: I want to put another question directly to the Minister, Mr. Speaker. I think Sinc has cut off her oxygen.

Some Hon. Members: Oh, oh!

INTRODUCTION OF AMENDMENTS

Mr. John R. Rodriguez (Nickel Belt): To the Minister through you, Mr. Speaker, is it not a fact that indeed this is a well orchestrated campaign based on alleged abuse of the plan, to prepare and condition Canadians for amendments aimed at punishing older Canadians who are unemployed, when in fact the main purpose of these future amendments will be to shift the financial burden for the program from the Government to the employer-employee section of the plan?

Hon. Flora MacDonald (Minister of Employment and Immigration): No, Mr. Speaker. That is not a fact.

* * *

IMMIGRATION

STIPULATED ENTRY LEVELS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, I have a question for the Minister of Employment and Immigration. It was announced this week that between 85,000 and 90,000 immigrants would be admitted to Canada in 1985. This represents a decrease since 1980 of about 40 per cent. In excess of 50,000 people leave Canada each year and, therefore, the net increase in population in 1985 is going to be very modest. Part of the Government's success in achieving an economic renewal in this country will be to increase significantly the number of immigrants at the right point of time in the economic recovery cycle. I would like to emphasize the right point of time.

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

Mr. Attewell: Would the Minister advise this House when she would predict that a reversal of the current downward trend in immigration would occur, so that we would be strategically poised to capitalize on the recovery?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the number of immigrants to Canada in 1983, and again this year 1984, is below the 90,000 level. Indeed, consultations that led up to setting the levels for 1985 were begun last April, long before this Government came to office. In other words, Sir, we will have had three years in a row where the immigration levels are below 90,000. That is a great concern to me, and it is for that reason that I plan to have a review of immigration policy, including the setting of the immigration levels. At that time we will be able to review, as well, the restrictions imposed by the former Government.

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[*Translation*]

VETERANS AFFAIRS

INQUIRY WHY PENSION REVIEW COMMITTEE DISSOLVED

Mr. Gaston Isabelle (Hull-Aylmer): Mr. Speaker, my question is for the Minister of Veterans Affairs.

First of all, I want to congratulate him on his recent appointment, and I hope that he will assume his responsibilities as dutifully as his predecessors.

Last June, a special committee chaired by Judge Marin was established to study the provisions of the Pension Act. This Committee was supposed to report within six months and suggest ways to improve the services guaranteed by the Veterans Act. Everyone will recall that one of the better reports, the Wood Report—

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

Mr. Isabelle: My question is as follows, Mr. Speaker.

Did the Minister consult the Royal Canadian Legion and the National Veterans Council before cancelling the Special Committee and can he also tell us his reasons for doing so?

[*English*]

Hon. George Hees (Minister of Veterans Affairs): Mr. Speaker—

Some Hon. Members: Hear, hear!

Mr. Hees: — I would like to thank my colleagues on all sides of the House for their generous gesture, and to tell them I am so glad the Hon. Member has asked me this question because I was beginning to feel like a singer who went to a party, took his music, and nobody asked him to sing.

Some Hon. Members: Oh, oh!

Mr. Blackburn (Brant): Play it again, George.

Mr. Speaker: Order, please. I am on the verge of becoming a conductor who has his orchestra out of control.

Some Hon. Members: Oh, oh!

Mr. Hees: I would like to thank the Hon. Member for Hull-Aylmer very much indeed for his congratulations on my appointment, and I would like to congratulate him—

Some Hon. Members: Oh, oh!

Mr. Hees: —on being appointed the opposition critic for the most important Department in government.

Some Hon. Members: Hear, hear!

Mr. Hees: In answer to the Hon. Member's question, Mr. Speaker—

Some Hon. Members: Oh, oh!

Mr. Axworthy: What was the question again? Repeat the question.

Some Hon. Members: Oh, oh!

Mr. Axworthy: Don't rush into it.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. Please answer.

Some Hon. Members: Oh, oh!

Mr. Hees: I cancelled this commission, Mr. Speaker, because I calculated, judging by the number of organizations and individuals who had indicated a desire to be heard by the commission, that it would take at least six months for these presentations to be heard all across Canada, and a further three months for the report to be written. I was not willing to wait nine months to receive this very important information, so I wrote a personal letter to the head of each veterans' organization that had indicated a desire to be heard, and to every individual who indicated a desire to be heard by the commission, and asked them to write to me direct exactly what they intended to present to the commission. These presentations have been coming in at a very good rate. They are being studied. They are being assessed, and I can assure the Hon. Member and Members of the House that where action is called for that action will be taken promptly, generously, and courteously.

Some Hon. Members: Hear, hear!

* * *

IMMIGRATION

REQUEST THAT 1985 ENTRY LEVEL BE INCREASED

Hon. Bob Kaplan (York Centre): Mr. Speaker, I would like to ask the Minister of Employment and Immigration a question which is supplementary to the answer that she gave a moment ago about the immigration level for 1985. She knows that she has the authority to set that level. In view of the economic recovery which the Government confidently predicts, could not the level be set for the coming year at 100,000, bearing in mind the number of divided families who want to be re-united in Canada, and bearing in mind the important contribution that immigrants make as consumers and as workers in our country? Let us not try to spread the responsibility to the provinces. It is her job to set the levels. Why can they not be at 100,000?

• (1500)

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I want to assure the Hon. Member that family reunification, as he mentioned, remains a number one priority for people coming to this country. As many people as are eligible under that category can come, so that means it can raise the levels above 90,000 to 100,000 during the year. I also want him to acknowledge, if he would, that we took steps when announcing these levels so that the number of refugees to this country will be increased next year as well.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Tuesday, November 20, 1984, meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*Translation*]

MUSEUMS

TABLING OF ANNUAL REPORT—CANADIAN MUSEUM CONSTRUCTION CORP.

Mr. Geoff Scott (Parliamentary Secretary to Minister of Communications): Mr. Speaker, pursuant to Standing Order

46(2), I should like to table in both official languages copies of the annual report of the Canadian Museum Construction Corporation.

* * *

[*English*]

PETITION

Mr. Speaker: Order, please. I cannot see if anyone is rising to present a petition because of the number of Members who are standing away from their chairs. Is the Hon. Member for Spadina (Mr. Heap) seeking to present a petition through the crowd? Would Hon. Members please take their seats or leave the Chamber?

CORPORATE TAX BREAKS—JOB CREATION

Mr. Dan Heap (Spadina): Mr. Speaker, it is my honour to present a petition from a number of citizens of Toronto requesting Parliament to change the appropriate laws in 1984 so that in 1985 large corporations will receive tax breaks only in proportion to the number of net new jobs created and that the number of jobs created and the tax breaks be reported quarterly to Parliament.

* * *

[*Translation*]

QUESTION ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, the following question will be answered today: 24.

[*Text*]

DEPARTMENT OF JUSTICE LAWYERS

Question No. 24—**Mr. Howie:**

How many lawyers are employed by the Department of Justice?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): 655 lawyers are employed by the Department of Justice. This number includes 198 lawyers assigned to Government departments, agencies, boards, commissions and Crown Corporations.

[*Translation*]

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

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

Some Hon. Members: Agreed.

[*English*]

MOTIONS FOR PAPERS

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, I would ask that the Notice of Motion for the Production of Papers be allowed to stand.

Mr. Speaker: Shall the Notice of Motion for the Production of Papers stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

Hon. Herb Gray (Windsor West): Mr. Speaker, I rise on a point of order. I want to draw to your attention that the motion before the House stands in the name of the Hon. Member for Papineau (Mr. Ouellet) who is ill and unable to be in the House today. I should like to seek unanimous consent of the House for the motion to be presented instead by the Hon. Member for Shefford (Mr. Lapierre).

Mr. Speaker: I presume there is unanimous consent for the change of mover in the circumstances. Is there unanimous consent?

Some Hon. Members: Agreed.

[*Translation*]

ALLOTTED DAY, S.O. 62—TRANSPORT BUDGETARY CUT-BACKS

Hon. Jean Lapierre (Shefford) (for Mr. Ouellet) moved:

That this House condemn the Government for its failure to carry out its election promises in the field of transportation and, more particularly, for its savage cuts to Government programs in the less advantaged and more isolated regions of Canada.

He said: Mr. Speaker, I am very pleased to take part in a debate whose purpose is to raise, at the beginning of this session, the issue of the problems facing the transport industry in Canada, and especially the discrepancies between what was said by Government Members during the election campaign and what was done subsequently in terms of budgetary cut-backs or decisions that were made and announced to the Canadian public.

For months during the election campaign some incredible commitments were made, especially in Quebec and I shall be focussing more particularly on this aspect. Mr. Speaker, I remember reading that the Progressive Conservative Party and Party candidates, especially Members on the South Shore of

Montreal, were committed to abolishing tolls on the Champlain Bridge. Yesterday in the House, the Minister of State for Transport (Mr. Bouchard) went so far as to contradict his colleague from La Prairie (Mr. Jourdenais). Yet, during the election campaign, the candidate from La Prairie had been saying: This is ridiculous, the Liberals are totally ignorant of what the people on the South Shore need. We are going to close the tolls on the Champlain Bridge. We are going to follow the example set by the Government of Quebec when it removed tolls on the Autoroute des Cantons de l'Est and the Autoroute du Nord. And after making these solemn promises, Mr. Speaker, and saying on television in front of all Canadians that this was not just a personal commitment on the part of the candidate from La Prairie but a commitment by the Progressive Conservative Party yesterday, the Minister of State for Transport rose in the House and said that well, six million dollars is too much to spend on the people of the South Shore. Let them be discriminated against and let them go on paying the toll.

That was not the tune they were singing during the election campaign. Another commitment out the window, another promise broken. Now he says: Well, maybe when the economic situation improves. In other words, don't hold your breath.

Mr. Speaker, this has been going on since this Government was sworn in. During the election campaign, that great Montrealer, who is now the Leader of the Government, said that Montreal must once again become Canada's metropolis. He said that at Place Ville Marie. Two weeks after his swearing in, he had to decide whether to keep an office in Montreal or move it elsewhere, what did he do? Montreal's role as a metropolis and the commitment made at Place Ville-Marie were forgotten and it was decided to move the Canadian Aviation Safety Board to Ottawa.

Mr. Speaker, my colleague from Hull-Aylmer (Mr. Isabelle) would be very pleased with this decision, but the truth of the matter is that this Minister who claims to be in favour of consultation and to practice party solidarity, this same Minister made this decision without consulting the main parties concerned, although he claims he did. However, we have been informed by some important people in Montreal, by groups that are concerned about Montreal's future, that they were not consulted before the decision was made.

Mr. Speaker, in the field of transport, promises are becoming more and more . . . the Minister of State for Transport is here, and I am glad to see that, because not long ago he was in my riding, supposedly to engage in ministerial consultations. Ministerial consultations my eye, Mr. Speaker! The Minister of State for Transport sent invitations only to Progressive Conservative Members. I do hope that expenses were paid by the Progressive Conservative caucus because the Member for Richmond-Wolfe (Mr. Tardif) and the Member for Shefford had something to say to the Minister of State for Transport. We had regional problems to submit to him and we were convinced that, this being a supposedly ministerial consultation, all interested people would be convened regardless of their political affiliation. They claim that their consultations are at the Minister's level, Mr. Speaker, but they were consulting the caucus, period.

An Hon. Member: As the Péquistes used to do.

Mr. Lapierre: But look at what he did. Mr. Speaker, you will realize just how strangely that caucus can behave.

Naturally the Member for Sherbrooke (Mr. Charest) had convinced his caucus to support the VIA Rail service. Never mind everybody, he said the day after: We will form the new government.

• (1510)

Not to worry, VIA Rail will be back in business and people will still see those trains crossing the Eastern Townships.

The budget has been slashed, Mr. Speaker, but that did not prevent the Minister of State for Transport (Mr. Bouchard) from stating, as reported in the *Tribune* of Thursday, October 25:

> VIA Rail services will be restored.

Mr. Speaker, that statement appeared in the paper.

An Hon. Member: He speaks the same language as the Péquistes.

Mr. Lapierre: Since the Minister made that solemn commitment and claimed that he would honour his election promise, everybody in the region has been saying: Finally, they have lived up to their promise. But today, Mr. Speaker, the people realize that they were mistaken, as they were in the case of most other promises, because they were sure that services would be restored. The government is not so sure anymore, and that is why a month later, on November 19, it decided to set up a task force on rail passenger services. Should the task force ever come to the conclusion that services ought not to be restored, neither the Minister nor the government will bear the blame, Mr. Speaker.

An Hon. Member: Blame the others.

Mr. Lapierre: But in spite of all that . . . You know, Mr. Speaker, if this government keeps bending backwards it will break its back. In all cases where they had firm commitments, they are conducting studies and keep saying they are consulting people. In my opinion, the people of Quebec will realize that, generally speaking, the election promises were only a smoke-screen. The people of the South Shore heard this confirmed yesterday by the Minister himself. People in the Eastern Townships also knew it because of the statements which were made subsequently. I note, for instance, that the press release is in the name of the Minister of Transport. In fact, the senior Minister of Transport (Mr. Mazankowski) may want to deny the statement made by the Minister of State

for Transport. At times, one might wonder who speaks for what.

An Hon. Member: They are in consultation with each other.

Mr. Lapierre: They are in consultation with each other, Mr. Speaker, and I hope that the Minister of Transport will take care—

An Hon. Member: He is coaching him.

Mr. Lapierre: —will take care of the commitment made by his Minister of State, that they can discuss it, and most importantly, that they can act upon it Mr. Speaker.

An Hon. Member: Exactly.

Mr. Lapierre: I am convinced of one thing, Mr. Speaker, namely that, when a decision is made, it will not be submitted to the committee.

The Minister of Transport is probably explaining to his Minister of State that he should not have committed himself so quickly because you must first consider the issue, and then delay the process. Mr. Speaker, who promised the moon to the Canadian people, and especially to Quebecers before this Government was elected? Of course, everyone knows this, but it is especially true as concerns transport, and the Members opposite have not delivered yet. They have had opportunities to make firm commitments, but in every case, the matter has been referred to review committees. Will they be considering these issues until the next election so that they can make the same promises a second time, Mr. Speaker? This is the question which we must ask ourselves. If they believe transport to be so essential for the economy of Quebec and of Canada as a whole, why are they still trying to hide behind a multitude of review committees?

I am anxious to hear the Minister of State for Transport in coming weeks and months speak to the House about the Crow rate, and I am anxious to hear the Quebec Members opposite speak about the Crow rate, about the question of whether the payments should be made to the railways or to the farmers, and so on. I am convinced that they will set up another review committee and that they will again consider the matter for quite a while in an effort to reconcile their differences.

Mr. Speaker, I think that, during the last few months, all Canadians, and especially Quebecers, have realized that most of the commitments that were made are now being postponed or shelved. I hope and trust that the Minister of State for Transport intends to solve certain issues, and I am convinced that, if he had the authority to do so and if his colleague, the Minister of Finance, did not put roadblocks in his way by cutting the VIA budget and if the other Minister of Transport stopped piling up review committees, he could make decisions to follow up on the commitments made by his own colleagues. I come back once more to the people of the South Shore because everyone knows how important this issue was during the election campaign. Everybody knows it was promised to the South Shore people. Everybody knows that in the Eastern Townships, VIA Rail was the main issue during the election campaign, and now he comes here and says he is going to do it. But then there will be studies. Well, who is running that department—the task forces, the Minister of Finance (Mr. Wilson), or the Deputy Prime Minister (Mr. Nielsen)?

Those are a few examples which show that, in transportation as in many other areas, after bringing down the hatchet, after reneging on their commitments, the Members of that Government try to hide behind one or any number of committees. Hopefully they will have the courage to go back to the constituencies where they made those commitments. Did you know, Mr. Speaker, that all our Canadian airports should be getting new asphalt runways if we were to believe the promises made by the Progressive Conservative candidates during the election campaign?

In the Eastern Townships, the Sherbrooke airport should be extraordinarily well repaired. The Bromont airport should be extended to 9,000 feet, if I am not mistaken. Honourable Members may know that the Minister of State for Transport (Mr. Bouchard) would prefer 10,000 feet, while we might be satisfied with 9,000 feet. However, that was a commitment. What did the Minister say in the course of his non-partisan consultation? He said: Well, we are going to consider the matter. But when those election promises were made, what he had in mind was not consideration but action. Once more we find he is trying to put off the issue, in order perhaps to work on it before the next election, or better still to promise it all over again. However, the people will not be fooled, Mr. Speaker. I am sure the Minister of State for Transport is ill at ease. I sympathize with him for realizing that he cannot deliver what was promised to the people in La Prairie, Brome Missisquoi, and Sherbrooke.

Mr. Speaker, perhaps they did not have enough pull with the Minister of Finance, and when this Department did not get its full share, they simply said: Let us announce cutbacks and then we shall make the same promises again; there will be no problem. But this is not what had been promised, and we shall be following with keen interest the actions of the Department of Transport during the coming weeks and months. I am now drawing up a list of all the commitments that were made. Should the memory of the Minister of State for Transport fail him, we will send him a copy of this list and he can then advise us of the dates on which the commitments were met. I hope it will be within the next four years, Mr. Speaker! This will certainly run into millions of dollars, but I hope that the Minister will convince his colleague, the Minister of State for Finance (Mrs. McDougall) to grant him all the funds required. The Minister of State for Finance must also be convinced . . . I am certain that also she is ready to let the axe fall.

Mr. Speaker, this is the type of situation that we wanted to draw to the attention of this House and this Government to show that, in our opinion, transport is vitally important, expecially in Quebec, and that we have no intention of letting the Government dodge the issue during the coming weeks and months by establishing all kinds of committees and task forces allowing it not to honour its commitments.

The motion now under consideration allows us to bring this particular issue to the attention of the people and to make sure that pressure will be exerted in the right places. I know that some bankbenchers are as concerned as we are, about the commitments which were made and that they will help us to put pressure on the Minister of State and the Minister of Transport to deliver once and for all.

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

[*English*]

Since there are no questions or comments, I will recognize the next speaker.

● (1520)

Mr. Les Benjamin (Regina West): Mr. Speaker, I was simply hoping to outwait the Minister of Transport (Mr. Mazankowski) or his second in command, the Hon. Member for Roberval (Mr. Bouchard), in the hopes that one of them would rise and respond to the motion put by a Member of the Liberal Party.

Before I go any further, I would like to say that I wish the Liberals would at least have the courtesy to blush when they have the nerve and the gall to move a motion involving transportation this soon after the election. Perhaps if they had waited a year or two until memories had gotten shorter, some things might have been forgotten. However, they have the nerve of a tom-cat. They bring in a motion about the cuts made to government programs and the election promises of the Conservative Government regarding the field of transportation.

I was anxious to hear from the Hon. Member for Winnipeg-Fort Garry, (Mr. Axworthy), the former Minister of Transport, on this motion. In fact, the motion should have been in his name. Since Liberal Members have that much nerve, the Hon. Member for Winnipeg-Fort Garry should have been the one to rise and take the Conservatives to task for doing what he and the Liberals began. In fact, this action began back in 1974 with Otto Lang, of unlamented departure from this place.

Members of the Liberal Opposition should have decided to say nothing at all on this subject for at least a year or two. They should have given Conservative Members a chance to do something different. They chose not to do so. They have presented us with a motion with which we agree.

Let us begin by dealing with all of the talk, promises and speeches of Members of the Conservative Party before and during the federal election campaign. Commitments and promises were made. I will not read all of the Conservative press announcements and the notes from the Leader's speeches and the statements of the present Minister of Transport. However, we did hear about research and development. We heard about how the Government was going to increase its commitment to research and development and transcontinental passenger cars. What did we get? We got a cut of $1.9 million in funding for research and development. That is what the Liberals were doing already.

Mr. Axworthy: We added to it. You are wrong again.

Mr. Benjamin: They added to it every year and then put it off each year. In fact, my good friend, the Minister of Transport, will recall how frustrated we as members of the Transport Committee were when dealing with Supplementary and Main Estimates. Each year the Liberals had all those items in the estimates and each year the items showed up again. Each year these estimates got transferred. They were transferred year after year after year. It did not matter whether the estimates were for VIA Rail, for airports or for anything else. It took 11 successive years to finally begin the airport expansion in Regina. I have been here while six Ministers of Transport have been in this place. I am a little tired of the same kind of activity being undertaken by all six of them, and that includes the present Minister of Transport.

Another small commitment dealt with VIA Rail. In Toronto on August 27, the now Prime Minister (Mr. Mulroney) said not only that there would be no cuts to VIA Rail but that there would be an additional $10 million provided for 1985-86, and another $10 million for 1986-87. What did we get? We got a $93 million cut. I suppose one could add it all together and say that that totals $113 million.

That cut will only make things worse for VIA Rail and for rail passenger transportation in the country. The increases that were once proposed by the now Prime Minister, while inadequate, would at least have further advanced the viability of VIA Rail. However, that is down the drain, not only for 1985-86 but for the year after as well.

There is another minor detail, Mr. Speaker. I would remind the Hon. Minister of Transport that we were to get, on an urgent basis, legislation to remove the grain cap. The Prime Minister said on August 27 that there would be an additional $1 million allotted to that for 1985-86.

Mr. Mazankowski: It would not make any difference.

Mr. Benjamin: And an additional $5 million for 1986-87. Of course, with the drought, all those Russian thistles, too much water in the North Saskatchewan, all of those grasshoppers and too many Tories and what not, the entire thing was meaningless. We exceeded the cap in the 1983-84 crop year. The ink on the legislation was hardly dry and we had already exceeded the cap. The Tories saved us from that. We have had a short crop season and the Hon. Minister of Transport could at least bring in a Bill to remove the cap.

Mr. Mazankowski: Sure.

Mr. Benjamin: The Bill would require only one page; we are still waiting for it. In fact, we will use the Hon. Minister's amendment made in committee last year. I will put the title on the Bill for him if he wants and I will help him move it. I will second it for him.

Mr. Axworthy: I will second it.

Mr. Benjamin: The Hon. Member for Winnipeg-Fort Garry said that he would second it. Who was it that voted down my amendment and the amendment of the Hon. Minister of Transport last September? It was the Hon. Member for Winnipeg-Fort Garry. The Liberals have a lot of nerve bringing up anything to deal with transportation or grain.

Mr. Mazankowski: I will hold you to your word.

Mr. Benjamin: Okay. Removal of the crap—

Mr. Mazankowski: Removal of the what?

Mr. Benjamin: The removal of the crap on the Government side that took place on September 4. I only hope that we do not have to go through that again with the present Government.

I wish the new Minister of Transport a lot of luck. He is going to need a lot of help from this side because I believe that his colleagues on the cabinet committee, on the committee which is headed by the President of the Treasury Board (Mr. de Cotret) and the Cabinet as a whole will not be overly sympathetic to the things I know he would like to get done. In fact, his Department has been one of the hardest hit. As I read it, the cuts to his Department amount to $288 million. But I think there has been a dispute, and it has been suggested that they amount to only $282 million. In any event, $282 million was taken from the Department of Transport. All of that is self-defeating. It means that VIA Rail will barely struggle on even longer under the same kind of policy and with the same criteria it had since 1976. Nothing has changed.

The present Minister of Transport will agree with me about how frustrating it was for us when, for six or seven years in a row, three different Ministers made their reports on estimates. All we heard about was the purchase of new passenger locomotives and the purchase of new transcontinental passenger equipment. We got the same thing every year for six years in a row.

Mr. Axworthy: You got the trains this year.

Mr. Benjamin: They are still not there.

Mr. Axworthy: Open your eyes.

Mr. Benjamin: I would invite the Hon. Member for Winnipeg-Fort Garry to take a train for a change.

Mr. Axworthy: I did.

Mr. Benjamin: I would invite him to take that transcontinental. I have not yet been able to find a new car on it. That kind of cutting back and that kind of delay is now being continued.

• (1530)

We are so far behind in this field it makes the whole country feel embarrassed. We used to lead the world. I have been on trains in the United States, Europe and Australia where they have copied the technology which Canada developed. Those countries have new passenger equipment on service. Even British Rail, which does not have very many long hauls, has an overnight sleeping car train which runs from Inverness to London. It puts our trains to shame.

I would like to refer again to something I spoke about last Thursday in my reply to the Throne Speech. Where a debt is acquired or a deficit is enlarged for productive purposes, that debt is self-liquidating. When new equipment is purchased for VIA Rail that new transcontinental equipment would pay for itself within three years in reduced operating and maintenance costs, and increased use by the travelling public. It is a self-liquidating debt. It is an investment, not an increase in the deficit. It is not used to pay off interest charges and other debts. Most of that investment would go into the private sector. It would keep people in Thunder Bay, Trenton and wherever they make railway equipment working, or it would put those people back to work. Certainly, it would put an end to the waste of the millions of dollars which are spent every year by VIA Rail on the maintenance, repair and refurbishing of old passenger train equipment.

The real tragedy is that VIA Rail started off with the deck stacked against it. It was designed to fail. The first thing which VIA Rail faced was having to go to the taxpayers for $77 million or $80 million to reimburse CN and CP for old passenger equipment. At worst, VIA Rail should have bought that equipment for $1 a car. All of the equipment has been depreciated down to zero and written off. The expenses of that depreciation had been deducted from the income tax of the railway. The taxpayers got stuck a second time around. VIA Rail began with that kind of a handicap and nothing has changed. Nothing has changed since Otto Lang started it; his next two successors continued it.

The present Minister could have announced—and maybe he will do it today—the placing of orders. A year and a half lead time is required. Even if the orders are placed today it will be a year and a half to two years before the equipment will be on track. We have waited long enough.

VIA Rail does not need a $93 million cut, it needs $93 million more in investment. That investment would pay for itself within a very few years. If that means increasing the deficit by $93 million, so be it. That money will go into something which the country needs. It will provide jobs, which will put people back to work, and they will again pay income tax.

I would like to speak about the cuts in the CN Marine ferry services on the East Coast. Those of us who have sat on the Standing Committee on Transport for the last 16 years—which includes the Hon. Member for Vegreville and the Hon.

Member for Annapolis Valley-Hants (Mr. Nowlan)—have had to listen year in and year out to a litany of inadequacy of service, particularly in the ferry services on the East Coast. I remember that we boys from the Prairies were fully in support and in sympathy with our colleagues from Atlantic Canada. What did we get? We got a $16.1 million cut.

Being a nice, good Edmonton boy sitting there with that benign and saintly countenance, Mr. Speaker, I am sure you would agree that those ferry services need not be cut, but need to be improved. Any money expended on those services is an essential part of the fair treatment which Canadians should receive, no matter where they live. We must quit discriminating against people because of where they live. The NDP maintains that the ferry services on the East Coast and the West Coast should be treated as part of the highway system. They should be toll-free. The municipalities, the provinces and the federal Government do not charge tolls on the Trans-Canada Highway or other major roads. Surely it is not appropriate to charge for the ferry services.

CN Marine will now be a separate Crown corporation. That might make CNR look better because its deficit will be lower. It might make the CNR happy, but it does not do a thing for marine services in Atlantic Canada. The money will go from one losing operation into a separate losing operation. The Government calls it a cut of $21.5 million. The Government is taking it out of one pocket and throwing it away.

Finally, I want to say to the Minister of Transport that I fully agree with and support many of the points which were announced in Prince Albert, and reiterated by the Prime Minister in Toronto, concerning the Western Grain Stabilization Act. I expect the Minister of Transport to announce within a very few days that he will be implementing what he and his Leader promised—a freeze. They promised a freeze on the western grain freight rates in July and August. At best, that should mean that the freeze should take effect as of August 1 last. They made that promise during the election campaign. The Minister objected when I quoted what he said at the Transport Committee meeting of last September. He said that was not what was promised during the election campaign. I am asking the Minister and his Leader to do what was promised during the campaign. I do not expect the Minister to implement NDP policy but, at best, I do expect him to implement the freeze retroactive to August 1. At worst, I expect him to order the freeze as of today. The rates should revert to what they were on July 31. When the court case is settled, the rates may revert back to what they were on January 1. I would ask the Minister to carry out that commitment on the grain freight rate freeze.

There has been a cut in the rehabilitation of the Prairie branchlines which is part of a $50 million cut. The rehabilitation of those branch lines will be delayed unless the Government intends to renege on its promises and commitments to not only retain, but complete the rehabilitation of the Prairie branchline system. All it is doing is putting it off for another day. I am suspicious, Sir, when things continue to be put off. The next thing you know they are not going to be done.

• (1540)

I hope the Minister of Transport, or his second in command, will rise and tell us what they are doing to carry out what was said in Prince Albert on July 5, and what was said in Toronto on August 27. If this is going to be implemented, then my colleagues and I will applaud them for it.

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

Mr. Gagnon: Mr. Speaker, I have been listening to this debate for some time with interest. I find it amazing that the Hon. Members opposite still believe in the perpetual motion machine. In science there have been two myths thought to be believable, but which have been proved false. One myth is the perpetual motion machine, and the other was advanced by the alchemists of the Middle Ages who spent their time trying to turn base metals into gold. Today there is a modern myth believed by the socialists that somehow with a snap of the finger they will be able to spend all the money they want without any fiscal responsibility. This Government is showing some fiscal responsibility, but these Hon. Members opposite are saying, "Let us not cut back, let us spend, spend, spend".

Mr. Benjamin: Mr. Speaker, I will say to my hon. friend that all I was asking is that he and his colleagues implement what his Party said they would implement in the coming year and the year after. That is all. I am not asking that they go on any kind of a "socialist spending binge"—in the mind of my hon. friend—I am just asking that they do all of the things for which his colleagues stood in the committee on transport and in this House of Commons, yea, these many years I have been here. If that is a spending binge, then I believe the Conservative Party should now be honest and say to us here in this House, and to the people of Canada, that they have changed their minds about what they told us they would do last July and last August. If they do that, fine. Everyone is entitled to a change of mind. But do not give us the typical Liberal "crap" which we have heard for the last 20 years. Do not promise it and then space it out for another year, another year and yet another year. The Government should make up its mind to do it or not to do it and quit kidding around about it. All we are asking the Government to do is to implement what it said it would do in July and August.

Mr. Brisco: Mr. Speaker, I would just like to briefly comment on the remarks of my colleague, the Hon. Member opposite. The Hon. Member makes particular reference to the fact that he has been around "yea, these many years". We know that he is rapidly becoming an institution of the House. Perhaps it is beginning to show in what he has to say. It is patently apparent, Sir, that there is an absence of reality in what he says. In 1974, the circumstances of the Canadian economy were not quite what they are today. In 1979 and 1980, the circumstances of the Canadian economy were not quite what they are today. Indeed, many things have changed. The only thing which has not changed is the New Democratic Party policy, which is circa 1954. That is where the Hon.

Member's problem is. He is still tied up in the 1950s policy of his Party. When that Party snaps itself out of that element, perhaps it will then understand why this Government has had to take the initiatives it has taken, and perhaps it will understand that we did not know just how bare the cupboard was at the time we were making assurances to Canadians regarding matters we would see initiated.

Those things of which the Minister of Transport spoke over many years in committee and in this House, are a matter of record. They are a part of our policy. I know the Minister of Transport will see that they are fulfilled when the opportunity prevails. However, he is not going to do it for the sake of doing it, for the sake of creating a much greater deficit and denying Canadians the employment opportunities which they so richly deserve and which they have been denied by the actions of the people across the way.

Mr. Benjamin: Mr. Speaker, again may I say to my hon. friend from the Kootenays that I was not asking the Minister or the Government to spend money for the sake of increasing the deficit. I was asking the Government to spend not only the moneys it promised but to spend at least those moneys which would be a sound business investment and which would allow a public need and necessity like rail passenger services or ferry services to function better and more efficiently.

Mr. Mazankowski: That is right.

Mr. Benjamin: The return on that investment would be recovered within a two, three or four-year period. That is all we are asking, Mr. Speaker. The new passenger equipment will pay for itself within three years. Instead, the Minister of Transport is going to continue on with the policies of his Liberal predecessors and keep forcing VIA Rail to refurbish and frantically try to get by with that old worn out equipment.

Mr. Mazankowski: Oh, no!

Mr. Benjamin: And we will have to go through another winter—probably another two or three winters—with the same thing all over again. The Minister has to order the equipment, but it is an investment. It will in subsequent years reduce the amount of subsidy that has to be paid to VIA Rail. I hate to sound like a free enterpriser, but surely that is sound business investment practice. If it happens to raise the deficit by that many millions of dollars more for the next two years or three years, so be it. At least it is a productive investment.

Mr. Skelly: Mr. Speaker, I believe it is relevant that another Hon. Member from British Columbia would have previously made this statement. However, in the Province of British Columbia the Social Credit Government has set a precedent for the kind of activity undertaken by the new Government in Ottawa, an activity which has virtually destroyed the economy of the Province of British Columbia. The Social Credit Government made the promise during its election campaign that it was going to practise restraint and revitalize the economy. But there is no province in this country which has been more badly harmed than the Province of British Columbia by the same kind of activity which this Government is now undertaking.I say to my colleague that the same people who guided the Province of British Columbia on this path of destruction, Patrick Kinsella and Norman Spector, are certainly back here in Ottawa laying a path of destruction for Canada.

I would wonder, Mr. Speaker, about making cuts in transport, an extremely important public utility in this country on which people and businesses of this country depend. Perhaps those cuts should be referred to a committee before they are implemented by the Government? Rather than approaching it from a strictly ideological point of view, perhaps if we could examine the total budget over a period of time with the Department of Transport, we could find the cuts and economies which everyone desires.

Mr. Mazankowski: Would you show up?

Mr. Skelly: We would also like to see a situation in which the investments which are needed are also put in place. The kinds of promises which were made by that crew over there, and their candidates in the field, should be honoured.

Mr. Benjamin: Mr. Speaker, I am sure we will have an opportunity when we are dealing with supplementary estimates to raise the matter of the cuts with the Minister of Transport. I know he will want to appear. British Columbia is nothing more than a prime example of the symptom of the disease. When one reduces the deficit for wrong reasons, one increases unemployment. For anyone to say we must reduce the deficit in order to reduce unemployment has got it backwards. It is not how much the deficit is, but what the deficit is for, and if the deficit is for sound investment for which the Government will receive a full return, whether it is two years or 22 years. If the Government follows this mindless proposition 13 syndrome imported from California which was applied in British Columbia and Saskatchewan, then it will duplicate in spades what happened in British Columbia.

Mr. Brisco: What would you cut?

Mr. Benjamin: If I can have another half hour, by unanimous consent, Mr. Speaker, I can point out some cuts for my hon. friend.

• (1550)

In any event, you cannot have it both ways. When you bring in deficit reductions of this nature, you are going to increase unemployment. It cannot be helped if you follow that route. I suggest adding $1 billion or $2 billion more to the deficit now, which will be repaid over the next two or three years, makes far more sense.

Mr. Mazankowski: You said that five years ago.

Mr. Benjamin: You would put people to work, they pay taxes and government gets the money back.

[*Translation*]

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

[*English*]

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, this is the first time I have had an opportunity to speak in the House with you in the Chair. I would like to extend my sincere congratulations on your appointment, and echo the sentiments of my friend across the way. I wish you well in your lofty position and I know that you will preside over the House in a very dignified fashion.

I want to thank the Hon. Member for Papineau (Mr. Ouellet) for presenting the motion today. I regret he is not able to be here and I hope his illness is not serious. I think he will be aware that the Hon. Member for Shefford (Mr. Lapierre) did a very good job in introducing the substance of the motion. It gives us all an opportunity to discuss transportation issues, and I am very grateful to the Opposition for this opportunity.

I believe, and I think my view is shared by many Members of this House, that transportation is indeed the vital link that binds us together as a nation, both socially and economically. For the Opposition to have chosen transportation for their first allotted day I think is a significant gesture, and indicates the importance they place upon transportation as well.

Mr. Benjamin: But they have a lot of nerve.

Mr. Mazankowski: I must say, though, that I had hoped I would hear something of a substantive nature, some new initiatives. We waited for initiatives for many, many years from those who are now on that side of the House. We did not really hear anything different today. Nor did we hear anything different from the Hon. Member for Regina West (Mr. Benjamin).

Mr. Benjamin: You have not done it yet, that is why I have to keep repeating it.

Mr. Mazankowski: The Hon. Member for Shefford spent a great deal of time in his speech criticizing us for reviewing and consulting. At the same time the Opposition, every day in the House and outside the House, is harping at us for being too secretive. Well, we are not trying to hide anything. We believe there are some very fundamental decisions to be made. We have to review a number of programs which have been in existence for a number of years and which clearly are not working. We are doing it in an open and consultative way. We do not function as a Government on the basis of issuing edicts from upon high and imposing them upon the Canadian people, such impositions as the savage cuts in VIA Rail passenger service in 1981, the imposition of the National Energy Program, or the methodology used in unilaterally imposing constitutional change on this nation. That really set the nation in a mood of disharmony and bitterness which we are still trying to overcome today. This is a different style of Government and I think that is what the Canadian people voted for. They voted for change, a new direction in economic and social policies. They voted for a change in process and for a Government that would listen before it acted. That is precisely what we are trying to do.

Mr. Lapierre: How about air safety?

Mr. Mazankowski: We do not have to take a back seat to anyone on air safety. It was this Government that commissioned the Dubin Inquiry which laid the groundwork for a safer aviation system in this country. We will continue to carry out the recommendations of that inquiry, and not procrastinate and footdrag as the Liberal Government did after the inquiry completed its report.

As I said earlier, the Hon. Member for Regina West has not revealed anything new. He merely dredged up one of his old speeches, added a few items regarding cuts and made a few comments about the Speech from the Throne. He put a few finishing touches on it, and that was about it. We have heard that speech in the House and committee time and time again. Basically his solution is to throw more money at the problem and then turn and walk away. With respect, and I have a lot of respect for my hon. friend, we cannot continue along that same path. When people voted for change on September 4 they voted for genuine change, and we are trying to carry out that mandate.

The substance of this motion is silly, Mr. Speaker. To suggest that we should carry out our election promises within two months is absolutely absurd. Especially so when it is sponsored by the Official Opposition, particularly the Hon. Member for Papineau who spent most of his time as a member of a Cabinet and a Government which broke more promises, imposed more hidden agendas and misled the Canadian people on more occasions than any other Government since Confederation.

Mr. Keeper: You are neck and neck on that one.

Mr. Mazankowski: Well, give me a little time. We have only been in office for two months. We are committed to fulfilling our pledges and obligations.

I have to genuinely question the sincerity of this motion, particularly when it was backed up with the kind of hollow, shallow commentary we received from the Hon. Member for Shefford. He talked about savage cuts. Well, it is very interesting to note that the Liberals were going to cut rather significantly the budget of Transport Canada. When the then Prime Minister, now the Leader of the Official Opposition (Mr. Turner) was looking for ways and means to fund his $307 million election promises, he said that $76 million was going to come from Transport Canada, most of it from VIA Rail. That was part of their hidden agenda as well. It was exposed but we do not hear them talk about it too much any more.

Transport Canada spends roughly $4.3 billion a year and takes in a little over $1.1 billion. That is a $3.2 billion expenditure not covered by revenue. There has been, roughly, a $200 million cut in the expenditures of Transport Canada.

That excludes the transfer of CN Marine to a Crown corporation, at $21.5 million, and disregarding the CN debt, which is an overpayment made by Transport Canada to CN of $46 million. So we are really looking at $200 million. That is less than 5 per cent of total departmental spending. It seems to me that any Government department that cannot improve its revenue expenditure position by less than 5 per cent really is not worth its salt. That is really what is wrong with this country. That is why we are in trouble. That is why the people of Canada rebelled against that Government. They are sick and tired of paying more and more and more and getting less and less and less. They are sick and tired of deficits, mounting debts, and sick and tired of the continual increase in the cost of servicing the debt and the impact that has on the economy. There are also sick and tired of irresponsible government.

Throughout the election campaign we said first and foremost we were going to restore fiscal responsibility to this nation—above all else. We are well on our way. The confidence factor is improving day by day. Throughout the election campaign we did identify several areas in which we believed there were improvements needed in transportation. We did make commitments.

● (1600)

In his speech to the House on November 8 the Minister of Finance (Mr. Wilson) said:

> We are committed to implement these policies within an overall framework of fiscal responsibility over the course of our mandate. And this means that to do more in some areas, we must do less in others.

That is the guiding principle. I can honestly say to the House right here and now that the transportation commitments are not excluded, because we believe that the country needs and deserves an effective, efficient, innovative and reliable transportation system. That is vital to this nation.

Transportation is a vital component to our nation's economy. It is vital in so far as our commitment to economic renewal. It is vital in terms of achieving balanced economic growth. It is vital to providing long-term productive jobs in the country and to our desire to overcome regional economic disparities.

This nation is probably the most transportation dependent nation in the world. We move more tonne miles of freight per capita than any other industrialized nation in the world, and 40 per cent of it is moved by rail. We move a lot of bulk commodities and we move them long distances before they get to tide water. For example, our grain moves on average something in the order of 1,250 miles. Australia, which is one of our major competitors, moves its grain 200 miles. Argentina moves its grain 125 miles and the United States of America moves its grain 700 miles. In terms of coal, British Columbia coal moves an average of 700 miles while U.S. coal moves an average of 300 miles and Australia coal moves less than 50 miles. Therefore, we see that the transportation costs represent a very significant component of the final price of the product that we deliver to tide water. It represents a very important percentage of the value of our export commodities. As a matter of fact, some 60 per cent of our exports have a transportation cost component of more than 10 per cent.

Given the fact that we are a trading nation and that we must put greater emphasis on expanding our international markets and recapturing our fair share of the international trade, we must ensure that we have a competitive transportation system. We must ensure that we have the lowest net cost possible, because 30 per cent of our gross national product depends on trade. Competition is keen and we all know that we are price-takers and not price-setters. We appreciate the importance of that, and it has been referred to in the economic statement submitted by my colleague, the Minister of Finance.

I believe that one of our first challenges is to keep the unit cost of transportation down. We must be innovative. We must employ the latest technology. We must improve our systems and operations. We must achieve better utilization. We must improve the infrastructure where necessary, and we must cut out waste and inefficiency. In short, we must find more effective ways of doing things.

Safety must be held as a high priority. Any transportation system which is not safe is not worth having. We have made a good start. We commissioned the Dubin inquiry and the Grange inquiry when we were in office. A number of very important and major recommendations have flowed from both of those reports. I commend my predecessors for taking action on many of them. There has been some foot-dragging, but many of these things are very costly.

We intend to bring forth a new Aeronautics Act. This Act was being drafted when I was Minister of Transport in 1979 and the work has continued. There will be changes to the Canada Shipping Act. These Acts relate to the matter of safe transportation of goods and people. The regulations with respect to the transportation of dangerous goods are very complex. We are continuing the consultative process with industry and the transportation system. The RAMP system, the new radar system, is going ahead. That represents an investment of something in the order of $800 million. We must strive to improve our total air navigation systems, particularly in the isolated areas in the North. We must beef up our enforcement in the air sector, particularly now with the trend toward a deregulated environment, with the emphasis more on prevention, rather than investigating accidents after the fact. Therefore, there will be a continuing challenge and continuing pressure to put a great deal of emphasis on safety.

Our third challenge, which comes to the point being made by the Member for Regina West, is how to fund and maintain the system. A first class system requires the necessary resources to maintain its stature. Resources are scarce. It is going to require a very frugal allocation of public and private expenditures. Some would suggest that by the end of the century we will have to invest something in excess of $90 billion to $100 billion in the transportation system. We have $10.5 billion invested in the airport transportation system alone just to maintain the status quo. To maintain the system at an up-to-date operating level we require some $450 million annually.

I must tell the House in all sincerity that the cost recovery, the expenditure revenue ratio, is on a decline. The cost recovery in the air administration, for example, is 35 per cent. In the marine administration it is 26 per cent. In the surface administration it is 17 per cent; in CN Marine it is 19 per cent; in VIA it is 23 per cent; and in the coastguard it is 1 per cent. I am not suggesting for one minute that we can get 100 per cent cost recovery, nor would I ever strive for that. However, we must try to achieve efficiency, cut out waste, and find ways and means of doing the job more effectively. That is in the interest of the system, the nation, and Canadians as a whole.

The fourth challenge I see, Mr. Speaker, is for us to put in place a legislative and policy framework which will indeed reflect the realities of the 1980s and 1990s and meet the challenges of the 21st century. We have a National Transportation Act that was adopted in 1967. Times were different then. It has served us well, but we are functioning in a new environment. We are going to be charged with the task of responding to the transportation challenges, and of doing so in a flexible framework within which we can ensure that there is maximum opportunity for innovation and flexibility, and ensure that we get the best out of the effort and resources that we put into the system. I think that we will do that.

Canada has always responded to challenge. If there is anything unique about Canada in terms of its ability to address issues, it is that we have consistently resolved the transportation issues which have faced us. We have resolved many of our transportation impediments by working together in our own unique Canadian way. I think we have the expertise, abilities, know-how and technology to continue to stay one step ahead of other nations in transportation. I see this as a very major challenge and one which I look forward to.

I would like to discuss some of the elections commitments we have been talking about. The Liberals and the NDP did not have anything significant to say about transportation. As a matter of fact, I went to the Library of Parliament today to try to find out what was the Liberal and NDP policy on transportation. I drew a blank. On September 31 the *Globe and Mail* reported that the only Party that had anything to say about transportation was the Progressive Conservative Party. I find that very interesting.

Then I went a little deeper and got the Liberal agricultural policy which had a couple of very interesting commitments. One was that "a new Liberal Government is willing to consider both raising the 31.5 million tonne volume cap and lowering the safety net". The other one was that, as specified in the Western Grain Transportation Act, the federal Government has established a commission of inquiry under Judge Hall which is examining all matters pertaining to the method of payment which would be most conducive to agricultural development in Canada, and that the committee will report before March 31. That is the substance of the Liberal agricultural policy.

Let us go to the NDP. They really shifted during the course of the election campaign. They stood in this House and fought tooth and nail to maintain the Crow. But then they moved an amendment which, in effect, cancelled the Crow. This amendment concerned a safety net which in effect nullified the Crow statutory rate. The Hon. Member shakes his head. But at least the NDP are consistent. The position of the NDP during the election campaign was "we will continue to press for restoration of the statutory Crow rate and will fight any further increases in freight rates". That is quite a change. But as I said, at least the NDP are consistent.

• (1610)

I see that my time has come to an end, Mr. Speaker. I had hoped I would be able to get into some of the other issues such as VIA, the issue of trucking and changes to the Western Grain Transportation Act. Hopefully I can cover some of those in my responses to questions.

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

Ms. Copps: Mr. Speaker, I was not going to speak today—

An Hon. Member: And comment.

Ms. Copps: Excuse me, but the Finance minister should well be aware that in my question I have a certain period of time in which to build up to a crescendo.

Some Hon. Members: Oh, oh!

Ms. Copps: I was going to tell the Hon. Minister that I was not going to speak today. I was just going to sit back because I had heard the Hon. Minister was actually a very nice individual and had done his best when he was in opposition to provide constructive criticism. I heard not only the Minister but the former speaker on behalf of his Party state that they were unable to carry out the promises they had made during the election campaign. In his remarks, the Minister made some allusion to the fact that because of the situation and because the cupboard is bare—

Mr. Clark (Yellowhead): Question.

Ms. Copps: —they cannot go ahead and carry out their promises. My question to the minister is this. The Minister and his colleagues were fully aware of the situation leading into this last election. As a matter of fact, he may remember that his leader over-estimated the severity of the deficit situation by some $2 billion, $4 billion, or $6 billion.

An Hon. Member: Which one?

Ms. Copps: Not Joe Clark, I mean the current Prime Minister (Mr. Mulroney). He over-estimated the severity of the deficit problem by $2 billion, $4 billion, or $6 billion, depending upon which press report he happened to have read that morning.

Can the Minister tell us what has changed before and after September 4 to prevent you from telling the Canadian people here in the House today in a clear and lucid way just which of the promises you intend to break and which of the promises

you in fact fully expect to carry out? Let us be specific. You accused the Liberal mover of the motion of being a little vacuous in his comments.

The Acting Speaker (Mr. Paproski): Order, please.

Ms. Copps: I would like to ask—

The Acting Speaker (Mr. Paproski): Order, please. Would the Hon. Member please address the Chair?

Ms. Copps: I have addressed the Chair, Mr. Speaker. I think if you review my comments I have addressed them to the Chair.

Some Hon. Members: Oh, oh!

Ms. Copps: Could the Minister specify here in the House which of the promises he fully intends to break and which of the promises he intended to break even before he made them on September 4?

Mr. Mazankowski: I am very pleased to answer that question, Mr. Speaker. I thought I made it very clear that we intended to fulfil all the election commitments that we made in the area of transportation—

Mr. Skelly: VIA rail cuts?

Mr. Mazankowski: —consistent with the comments made by the Minister of Finance (Mr. Wilson) in his statement on November 8.

Mr. Skelly: Mr. Speaker, I would like to address two questions to the Minister of Transport (Mr. Mazankowski) in light of the VIA rail cuts. On Vancouver Island the E and N Railroad for years has been trying to get an upgrading and an improvement in the service on that particular railroad. There has been a substantial reduction in bus transportation and the lower end of the highway is not conducive to safe movement of large volumes of goods. Will the Minister indicate what he intends to do for the E and N Railroad?

I would like to suggest to the Minister in terms of cost cutting an improvement in spending. Your subsidy to the coastal ferry system in British Columbia is simply a grant to general revenue in British Columbia. They have destroyed the ferry system on the coast of British Columbia. Would the Minister consider making that grant conditional to service of the small communities up and down the coast of B.C. if we are going to continue to provide a federal subsidy?

Mr. Mazankowski: Mr. Speaker, in response to the Hon. Member's part of his question, the issue of the E and N Railway was clearly a subject that will be considered by the rail passenger action force which was established this week. If the Hon. Member had a chance to look at the terms of reference I think he would see that the mandate is to define a basic national railway passenger network. This includes those services to be restored. It is also to review all current services, and among-other things, to define and oversee a new rail passenger investment program with emphasis on the acquisition of new rolling stock. I hope this answers the Hon. Member for Regina West. It should make him very happy because he has harped about it just as long as I have, and I would have thought he would have been my greatest ally in support of the cut-backs. He has said time and time again that the costing formula is too generous for the railroads; it is a waste of money. We are trying to get at that waste.

Mr. Skelly: What about the money you are wasting on the ferry service?

Mr. Mazankowski: I remind Hon. Members that, notwithstanding the $93 million reduction, there is still $600 million being pledged by the Canadian taxpayer to VIA Rail, of which some $200 million plus will be used for capital expenditures. We could have thrown more money at the VIA Rail problem and walked away from it, as the Member has suggested, but we believe it is time to make some fundamental decisions, conduct a thorough examination and try to put VIA Rail on a sound economic footing. We intend as well, to put in place a proper legislative mandate that will ensure that it will continue to work and provide the type of service that will make all Canadians proud. That is what we are really trying to do.

Mr. Skelly: What about the ferry service? Where's the beef?

Mr. Mazankowski: I am sorry that I took a little longer, but knowing the Member's interest in the rail passenger service I thought he would have been interested.

The grants to general revenues is a point very well taken. I cannot make a commitment at this point in time, but suffice to say that we are examining that particular issue. I know of what the Member speaks, and I think he has a very valid point.

The Acting Speaker (Mr. Paproski): I will allow the next question to the Hon. Member for Skeena (Mr. Fulton). A short question and a short answer please.

Mr. Fulton: Mr. Speaker, I have three very short questions. I know the Minister can answer them very quickly. The first one concerns VIA Rail on the northern run from Prince Rupert to Prince George. As the Minister knows it operates three days a week and it is terribly inconvenient to a lot of the small communities. Is there going to be a change in that regard?

My second question is in terms of the northern transportation agreement. I think the Minister is aware that the B.C. Government has cut the Port Hardy to Prince Rupert run to once every two weeks. The B.C. Government has put a totally inadequate vessel on the Prince Rupert to Port Simpson-Kincolith run. Could the Minister comment on whether or not he is prepared to re-open the agreement which was signed in 1977 by Otto Lang? It is very important that that be renegotiated.

Third in terms of the Prince Rupert elevator, could the Minister comment on the accessibility of grain and boxcars to the old elevator? As I believe the Minister knows, 75 per cent

of the jobs from that old elevator are about to be lost some time this month or next month. It is a real black eye, and a sore point for Prince Rupert which expected the new elevator to take on far more than 26 workers, and with a net gain rather than a net loss.

Mr. Mazankowski: Mr. Speaker, in response to the Hon. Member's first question, I would think that with respect to the VIA Rail three days a week passenger service to Prince Rupert, that too will be one of the subjects the rail action force will be looking at. They will be empowered to examine all existing routes and proposed routes. If the Hon. Member has any points of view on that particular run, I would certainly advise him to communicate either directly with me or with the action force. Suffice to say that the mandate of the committee is to ensure that services are provided where there is a need and where the services are well supported. Judging from the comments of the Member, if there is that kind of need we will certainly look at it in a very positive way.

Regarding the other question having to do with the ferry services, that too is somewhat related to the issue raised by the Hon. Member's colleague. I will be meeting with the officials of the British Columbia government to discuss the ferry service issue in that northern region, as well as to discuss the point made by the Hon. Member for Comox-Powell River (Mr. Skelly).

On the issue of the Prince Rupert Grain Terminal, I share the Hon. Member's concern. I am deeply disturbed by the prospect of the loss of jobs. I had an opportunity to meet with members of the union during the course of the election campaign, at which time I set out to explore whether there were other ways and means by which the existing terminal could be utilized. There has been some demonstrated interest in that. I think there is a way in which that terminal might be used for non-grain services, such as specialty crops, pellets and things of that nature. I will be discussing this with some members of the provincial government, and other interested parties, with a view to attempting to maintain that facility, even on a one-shift basis, to help alleviate some of the problems affecting workers. More important, in the long term we should make sure that we do not close down a facility, something which we may regret later on.

• (1620)

The Hon. Member made the point that it is the only facility which accommodates boxcars. Clearly that is another consideration which should be taken into account. I thank him for drawing the matter to my attention. I am aware of it, and I hope I can count on his support in trying to find a solution.

Mr. Axworthy: Mr. Speaker, I have a very quick question. Before the day is over, I presume I will have an opportunity to engage in a somewhat longer discussion about some of the issues raised by the Minister. My specific question relates to the transportation agreement signed with the Province of Manitoba under the Industrial Regional Development Program which included major restoration of the Port of Churchill, major development of new CN grain cars at the Transcona shops and the expansion of Winnipeg, Brandon, Churchill and The Pas airports. The package totalled some $230 million, and it was between the province and the federal Government. It has been on hold, no action has been taken on it. It is causing a high level of uncertainty and anxiety in several parts of the province because much of its economic development is contingent upon the continuation of that program.

Would the Minister be kind enough to tell us whether he intends, as one of the Ministers responsible under this program, to continue with that agreement and the major benefits it brings to the Province of Manitoba?

Mr. Mazankowski: In answer to the Hon. Member's question, I should like to indicate that I had an opportunity to meet with the Minister of Transport for Manitoba last week. We discussed in some detail the elements of the subsidiary agreement. There are many aspects on which there is unanimous agreement. Indeed those programs will go ahead. One concerns the development of a light grain car, the rail-bus car prototype project, and there are a number of others. The provincial Minister of Transport indicated that he hoped there would be some negotiated changes in other elements of the program and that they would have to be done on a bilateral basis. We agreed to that. I am to get back to him within a week or so.

Primarily the agreement stands, subject to some modifications which will be negotiated on a bilateral basis. To suggest that the whole matter is stalled is inaccurate. We agreed to give the green light on a number of the points. I could provide the Hon. Member with that information in detail, perhaps in writing.

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

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, on behalf of my constituents I bestow best wishes on your elevation to such a high and distinguished office in this Chamber.

The motion put by my Party is an attempt to have the Government of the day focus some of its attention on improving the economic plight of the poorer regions of Canada. This appears to be in direct contrast to what the Government is doing. It is attempting to destroy an already weak economy in the poorer regions of the country, particularly in Atlantic Canada.

The general thrust or thesis of the election campaign of the Conservative Government can best be summarized in three words—jobs, jobs and jobs. The Prime Minister (Mr. Mulroney) repeated this theme time and time again. In fact, he is on record as saying that tens of thousands of new jobs would be created upon the election of the Conservative Government. This theme of long-term, permanent jobs being created overnight was frequently reiterated by Members of Cabinet and indeed his entire caucus. The message was clear and unequivocal—vote Progressive Conservative and jobs, jobs and jobs will

be created for Canadians seeking new employment opportunities.

This message touched all Canadians. They responded to that request by voting overwhelmingly, unfortunately, for the Progressive Conservative Party in the federal election. Since the creation of employment opportunities was the priority of the Conservative Party, it had a particular significance to various areas of Canada, such as the Atlantic region. It also responded by voting overwhelmingly for the Conservative Party of Canada. This commitment touched the hearts and souls of young people, women, minority groups and Canadians from every walk of life, so much so that those expectations for greater opportunity and new jobs swept the country on September 4 much like a tidal wave.

Canadians believed the Prime Minister's declaration that tens of thousands of new jobs would be created after he assumed office. Canadians trusted that regional development would be increased and many disparities would be corrected. Canadians trusted the Prime Minister to aid the small inshore fishery and to keep his commitments to the energy sector by creating additional opportunities. They also believed that activities and projects which supported the achievement of national defence objectives would be maintained.

Young people trusted the Prime Minister when he said that the Tory Government in its commitments would allow the youth of the country untold opportunities for future employment. Women in the country trusted that the Prime Minister would see to it that equal pay for work of equal value would no longer be an exception but a rule in Canadian life. Thus Canadians gave the Conservative Party a clear and unequivocal mandate to create jobs, jobs and jobs.

Let us not consider just the rhetoric of the Minister of Transport (Mr. Mazankowski) or other Ministers of the Government. Let us look at the facts since they assumed office on September 17. The economic statement totally washed out the priority of jobs, jobs and jobs. At page 6 of that statement is stated that "controlling the deficit must be our priority for this year and for each year of our mandate." The priority has changed from job creation to cutting the deficit. In more than five places in the Throne Speech the key, operative word was "consultation". It indicated that a constant process of conciliation and co-operation must be restored.

What have we had since they assumed office? The Minister of Finance (Mr. Wilson) introduced a $4.2 billion cut without any consultation whatsoever with provincial premiers in those areas of the country which it dramatically affects. It is hypocrisy for the Minister of Transport to stand in his place today and talk about consultation when in fact major cuts have been made within his own Department without any consultation.

As many Members know, the Atlantic region is a complex geographical area comprising a number of major islands and peninsulas. Its transportation system is a complicated network; it is not a corridor. Reductions in services and expenditures in Atlantic Canada by the federal Government cut deeper into the socio-economic life of the East Coast than in any other area. Transportation has traditionally been used as a tool for regional development. Unfortunately, under this Government it is the exact opposite.

• (1630)

The Minister of Transport (Mr. Mazankowski) talked about promises. I will quote a promise from a document of the Atlantic caucus of August 2, 1984. It reads:

> A Progressive Conservative Government would ensure the continued development and maintenance of reliable and efficient ferry services in the Atlantic Region.

That particular quotation flies in the face of their actions. I can cite a specific example in my own Province, that of the ferry services between Yarmouth and Bar Harbour. What happened there? This Minister of Transport has not consulted with the Premier of the Province or with the Hon. Member for South West Nova (Mr. Comeau). He has unilaterally reduced services in that area by six months. So much for the rhetoric of consultation.

My Government recognizes that ferry services are an important ingredient in the economic life in Atlantic Canada. We were to retain a number of services for a period of time, with the Yarmouth-Portland ferry service to be terminated. However, we allotted certain dollars to be allocated to the Yarmouth Bar Harbour ferry services for terminal modifications both in Bar Harbour and Yarmouth, and dredging in Yarmouth was undertaken in 1983 to take account of the upgrading which was needed in that area.

The Premier of our Province wrote some time ago to the former Minister of Transport saying that the *Bluenose* ferry, which would be travelling from Yarmouth to Bar Harbour, was an important ingredient and that we needed it on a full time basis. The document that was signed by my Government in the Province of Nova Scotia talked about joint consultations on matters of this nature. This is a public document. I quote from the last page:

> Both Canada and the Maritime Provinces anticipate that agreement will be reached on future programs and they will consult regularly to that end.

There was no consultation. It was a unilateral move by the Minister of Transport to cut off that particular service. I support the Member of Parliament for Southwest Nova in his attempt to have this rectified by restoring the service back to a 12-month service, because it affects a great deal of Canadians in that area. It will cost Canadians jobs in that area. It will cost jobs in the Atlantic region if that service is not restored to a 12-month service.

I could go on and deal with a number of other areas. However, let me say this. This cut-back in Yarmouth will force fish processors to ship their fish via the ferry from Digby to Saint John, New Brunswick, and truck it to the United States. This will be quite costly. It will place truck drivers in a dangerous situation during icy winter months.

Problems and risk will arise by shipping $300,000 to $400,000 worth of lobsters along the Saint John-New England route. Added to this is the risk of not being able to secure reservations on the Digby-Saint John ferry. The objective in this business is to get the fish to market as quickly as possible.

This will cost producers money. They will have to bear the additional transportation time and cost.

Another area of concern to the Atlantic region is the additional cost of ferry services. In one instance the Minister has broken a trust, which was that there would be consultation, and he acted unilaterally. He has broken the agreement that his predecessor signed with the provincial governments by unilaterally raising the fares of ferries in Atlantic Canada by 15 per cent. That means an additional cost to individual passengers. As well, those who are travelling for commercial purposes will face an additional cost.

The Minister of Transport says that we will have to make accommodations, if you will, for those who use the service on a regular basis, but he has not given the details of that information. The situation as it relates to the management centre at the Strait of Canso will result in its being closed, resulting in the loss of at least nine jobs. That is not very important to the Minister of Finance (Mr. Wilson) or the Minister of Transport, but it is vitally important to the less prosperous areas of this country.

That is the situation in the field of transportation. This motion states that there are other savage cuts that this Government has implemented. I want to talk about employment. There have been savage cuts in the Department of Employment and Immigration. With regard to employment pension incomes, there has been a $30 million reduction by the Minister of Finance and the Minister of Employment and Immigration (Miss MacDonald). Separation payments have been cut by $60 million, which affects Atlantic Canada more than any other area of this country. Employment assistance and entitlement has been cut by $200 million. If one had the philosophy of the Minister of Finance, who says to the 1.5 million unemployed Canadians that they are not looking hard enough for a job, one could understand why they would make a cut in excess of $200 million. I say, shame on the government Party for singling out unemployed Canadians, those who are trying to obtain unemployment insurance, and trying to reduce the deficit on the backs of those individuals.

Unemployment insurance payments have been cut by $5.8 million. The mobility program has been cut by $2.8 million. The program delivery services of the Department of Employment and Immigration are being reduced by $1.3 million. Those were the reductions of programs in just one Department.

What about the elimination of programs which affect us in Atlantic Canada and the poor regions of this country? There has been an elimination of the General Industrial Training Program, a cut of $40 million. Can you queue that up with what the Prime Minister (Mr. Mulroney) said during the election campaign about jobs, jobs, jobs? Now we have cuts, cuts, cuts. There will be 50,000 Canadians out of a job because of the Minister of Finance. Surely we cannot trust the Prime Minister or this Government to carry out what they say because they do not mean what they say. They are doing the complete opposite. This affects the lives of all Canadians, particularly those Canadians in the less fortunate areas of this country.

With regard to the Department of Regional Industrial Expansion, the "Happy Hacker" talks about a reduction of $175 million. He refuses to give Members of Parliament information as to where those cuts will take place. He does not want to share that information. We put sufficient pressure on him. Now we are to have a briefing, not now but next week. It will probably be postponed again and again.

What about the cuts as they affect the poor regions of this country? The maximum levels of assistance have been reduced by one-half and one-third. The maximum level of assistance under the innovation element has gone down from 75 per cent of eligible project costs to 50 per cent in tier 4 areas. Tier 4 areas are the poorest regions of this country. So much for a compassionate, concerned Tory Government. They laugh. The Tories laugh.

Mr. Wilson (Etobicoke Centre): We are laughing at you.

Mr. Dingwall: Tier I areas, the rich areas, have had the level of assistance reduced by 16 percentage points while tier 4 areas, the poorer areas of this country, have had a reduction as well, not by 16.7 per cent but by 25 per cent. Where is the equity there? It is Tory equity to hurt deliberately those poorer regions of the country.

• (1640)

If one were to look at some tables of expenditures for regional industrial expansion, one would see that from the period July 1983 to March 1984, $38 million was spent in tier 1 while in tier 4, $6 billion was spent. Yet, in his wisdom, the Minister of Finance has indicated that it will be reduced even further than that. If that is Tory compassion for the poorer regions of the country, then I would hate to see the Government deliberately, in a Throne Speech or economic statement, hit us any harder.

The facts are there, Mr. Speaker. There is an instance of government members speaking of jobs, jobs, jobs, whether they be in transportation, employment or through the federal Department of Regional Industrial Expansion.

What about the fisheries? Fishermen were told during the election campaign that a Conservative Government would support and maintain the inshore fisheries which are so vital to the Atlantic area. Through the inaction of the Government, expenditures for the fishery sector have been reduced by $11.7 million, with fees for licences being increased by more than $6.3 million.

Mr. Hnatyshyn: That is not relevant.

Mr. Dingwall: Hon. Members opposite say that that is not really relevant. They have obviously not read the motion, because the motion talks about cuts that the Government has imposed upon the people of Atlantic Canada and the poorer regions of the country.

When we talk about energy—

Mr. Bradley: Transportation.

Mr. Dingwall: That Hon. Member has not read the motion either. In the field of energy, there was a reduction of $250 million under the Petroleum Incentives Program. Whom will that affect, Mr. Speaker? Will that affect the richer parts of the country? It will directly affect the Provinces of Newfoundland and Nova Scotia. So much for the rhetoric of the members of the Conservative Party. Their actions are entirely different.

I could go on to deal with the other sectors of our economy that the Government has hurt so badly. However, transportation has been singled out by the Minister of Transport. We in Atlantic Canada have been assailed by the Tory Government. We in Atlantic Canada have been hit by the Minister of Employment and Immigration. We have been devastated by the actions and statements of the Minister of Finance. The Prime Minister has the gall to say to the people of the poorer regions of the country that government members have compassion for them. However, those cuts will drastically affect those of us in Atlantic Canada.

I would hope that those Members on the back-benches who sit there silently will rise to their feet and, over the heads of the front-benchers, many of whom were put there by the Secretary of State for External Affairs (Mr. Clark), I might add, say that these cuts must stop. They must stop because the Government is taking away from the less fortunate areas of the country and giving to the richer areas.

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

Mr. Skelly: Mr. Speaker, I certainly look with some misgivings at what the present Minister is doing in his Department. Perhaps he will be able to clarify his actions for me. However, at this point I do not think that they compare with the complete disaster that the Liberal policies inflicted on the country.

I would like to suggest that perhaps the Hon. Member who just spoke would like to rise and indicate why, if they were so concerned about the remote areas of the country, the previous Minister of Transport and previous Liberal Ministers of Transport would not tangle with the Social Credit Government of British Columbia and insist that its subsidy was conditional on servicing those areas. The previous Liberal Minister of Transport did absolutely nothing. He left them hanging out to dry.

As a matter of fact, all this goes back to a previous Liberal Minister of Transport, Otto Lang, who cut off the subsidies for northland navigation thus detroying the marine transportation system on the coast of British Columbia. If those Ministers were concerned, perhaps they could now stand up in the House and repent for some of their activities.

Perhaps something else that the Hon. Member who just spoke would like to do is to explain why the last Liberal Government almost drove private civil aviation out of business by jacking up airport and fuel costs and insisting on irrational inspections and licensing conditions. It is like the situation which created the Dubin Commission gone mad. Those things harmed a great many people in the rural and remote areas of Canada. They drove up the cost of living and cut down the availability of transportation.

I could go on and on. Perhaps the Hon. Member would like to repent for the previous Government's role in transportation in the country.

Mr. Dingwall: Mr. Speaker, it is always nice to try to respond to a question put by a member of the New Democratic Party. As we know, those members have been in bed with the Conservative Party for some period of time.

Some Hon. Members: Oh, oh!

Mr. Dingwall: We know that their life expectancy is very short and that their importance is not as great as they would like it to be. However, the only persons to feed on their egos, of course, are members of the Conservative Party.

I would like to tell the Hon. Member that the previous Minister of Transport, during his term of office, showed himself to be an individual who not only listened and consulted with the poorer regions of the country, but who also, beyond the shadow of a doubt had compassion.

It should be noted that when the present Prime Minister was the Member of Parliament for Central Nova, he rose in the Chamber to speak about maritime freight rate assistance. It was then that our Government, under the previous Minister, initiated a study with regard to possible cut-backs to that. That study recommended that there should be no cut-backs. At that time, although the Tories and members of the NDP were alluding to the fact that perhaps cut-backs ought to take place, we as a Government and he as a Minister took very concrete and specific action. The previous Minister maintained those subsidies which were so vital to the poorer regions of Canada.

Further, I would like to say to the Hon. Member of the New Democratic Party, a Member who is always articulate but never really says anything substantive, that this Opposition does not need any lessons and we do not need to hear any rhetoric from members of the New Democratic Party when it comes to compassion and understanding for the less fortunate areas of the country.

Mr. Mazankowski: Mr. Speaker, I would like to compliment the Hon. Member for his speech and for the vigour and enthusiasm with which he delivered it.

Mr. Benjamin: Too bad he did not give it last year.

Mr. Mazankowski: It is too bad he did not give it last year and it is too bad that he did not include in it a few more facts.

The Hon. Member, quite correctly, pointed out that our Party made a commitment to provide reliable and efficient ferry services in the Atlantic region. Would he not agree that the actions that are proposed, such as the provision of three new vessels of the latest state of the art in addition to the

Caribou on the gulf service and a new vessel on the coastal service, will constitute to a large extent the fulfilment of the commitment that was made? After all, these vessels are getting older and are outdated. There are newer, faster, more reliable and larger vessels that are capable of providing that service. Perhaps there may be a reduction in the frequency of service, but in terms of achieving an economy of scale and providing the kind of reliable service that I think we all wish to see in that region, would the Hon. Member not agree that that is a very positive step?

Furthermore, would he not agree, given the fact that we have such a tremendous problem in the shipyards of Canada, that this kind of initiative would provide a great deal of relief for the shipbuilding industry in Canada and perhaps provide some hope and optimism for the many hundreds of Canadians who will find jobs in the shipbuilding industry as a result of the construction of these vessels?

● (1650)

Mr. Hnatyshyn: Up to $2,000.

Mr. Mazankowski: As the Government House Leader said, it is up to $2,000. I think that has a very positive dimension to it.

With respect to the Yarmouth-Bar Harbour route, if the Hon. Member can tell me how we can effect some cost savings, I would be glad to discuss that with him. However, the fact of the matter is that during the six-month period about which we are talking, that service has generated about 10 per cent of its total revenue. At the same time, it has generated about 45 per cent of its total annual operating expenditure. That results in a loss of some $5 million. I know the Hon. Member will have very clearly thought out his statement. However, I would appreciate it if he could tell me how we can bring about the kind of cost saving which is necessary. It is obvious that if the service generates only 10 per cent of its revenue during that period of time, it is not being fully utilized. I think the Hon. Member would agree with that.

Mr. Dingwall: Mr. Speaker, the Minister asked for my advice and I am pleased that he would seek it. However, as the Hon. Member for South West Nova has stated, there should have been consultations with respect to the reduction of services between Yarmouth and Bar Harbour. To say in one instance that we will have meaningful consultations, and then, unilaterally, to reduce by six months the ferry service between Yarmouth and Bar Harbour is totally unacceptable. I am certain that if individuals at the municipal, provincial and federal level were consulted, perhaps an arrangement could have been made whereby the objectives of the Minister of Transport and the individuals who reside in that area could be met.

With respect to his second point, in terms of the new ferries, yes, we appreciate that and we think it is important. However, whether those ferries will be more efficient and reliable remains to be seen. What is important is that he is saying to the people of Yarmouth-Bar Harbour, Saint John-Digby and Borden-Cape Tormentine that there will be a 15 per cent increase in the ferry rates. That is what the Minister is saying.

Mr. Mazankowski: That is not right.

Mr. Dingwall: If the Minister is not saying that, he should clearly spell out to Canadians and to the users of those services that that will not be the case. It is a complete breach of what the Government promised during the election campaign. But that is typical of Tory policy—say one thing and do the complete opposite.

The Acting Speaker (Mr. Paproski): The time for questions and comments has now terminated. I will recognize the Minister of State for Transport (Mr. Bouchard) on debate.

[*Translation*]

Hon. Benoît Bouchard (Minister of State (Transport)): Thank you, Mr. Speaker. I appreciate being given this opportunity to speak in the House for the first time on behalf of the people of the riding of Roberval who elected me and who, I think, would be even more inclined to do so today, considering the approach our Government has taken to a situation created by the previous Government.

First of all, I can inform the Hon. Member for Regina West (Mr. Benjamin) that I was unaware there was a second in command with regard to Transport. I would put it down to inexperience, but in any case, that is not the position the Prime Minister asked me to take.

Mr. Speaker, I shall, if I may, address my comments more particularly to the Hon. Member for Shefford (Mr. Lapierre), who agreed to stand in, at very short notice, for the Member for Papineau (Mr. Ouellet), and who did so with remarkable presence of mind. I would like to inform him that his assessment is as considerable as the time he had to prepare it.

I believe that although this Government has been remarkable in doing what it has done in two months, it should not be expected to do more than what the Hon. Member's Government did over a period of twenty years. As far as the tolls on the Champlain Bridge are concerned, I made it clear to the Member for La Prairie (Mr. Jourdonnais) yesterday, that in view of the administrative consistency we are trying to instill in the less than brilliant legacy we have here, that if this country's finances improve, we might be able to review a situation that the Hon. Member's Government did not see fit to change for twenty-five years. Yes, the situation has existed for twenty-five years, and the previous Government did not see fit to change the situation, so I think it would be somewhat pretentious to claim that we can do it in two months. I said it and I say it again, as far as tolls on the Champlain Bridge are concerned, this Government will assess the possibility for taking corrective action, always considering our financial situation.

• (1700)

About the Canadian Aviation Safety Board which is a matter of great concern to my hon. friend, he ought to know that we do not set up investigation offices as a matter of prestige but on the basis of operational needs. The services connected with the Canadian Aviation Safety Board are all located in the National Capital Region. The vast majority of agencies directly concerned are located there as well. The staff already consisted of people working in the region for Transport Canada. For all these reasons, it was and still is preferable to have the office in Hull, and I might remind the Opposition that Hull is located in Quebec, contrary to what I think the newspapers were saying or almost said.

I repeat, this is all part of the new framework we want to give this Government: the administrative consistency that will allow us to keep the promises we made that can be realized within a reasonable length of time, all of which we would have been unable to do if we had not acted to correct a situation that has been deteriorating for so long and which the previous Government should have corrected when it was time to do so.

My hon. friend has been referring constantly to VIA Rail. I might remind him, in connection with these "savage cuts"—quite an eloquent turn of phrase, I might add—that a committee was formed by the Hon. Minister of Transport (Mr. Mazankowski) to examine the issue of VIA Rail and will be expected to report. I can confirm what I said in Sherbrooke at a meeting where the Hon. Member was not invited, because we assumed that his constituents were very well informed, that they had told him about their concerns, and that the Hon. Member would surely take the trouble to pass their recommendations on to us. In this context, I said that I was in favour of restoring the Montreal-Atlantic route, and I want to repeat here in the House that if our present information is confirmed, I will make sure this is done, if it is in my power to do so.

You seem to be very worried about the Crow Rate. I would ask the Hon. Member for Shefford (Mr. Lapierre) to let us settle our own arguments. They will have their hands full with their own debate on the issue among the Members of the Opposition.

I admit I was somewhat taken aback by the vehemence of the comments made by the Member for Cape Breton-Richmond East (Mr. Dingwall). I wonder where he was when the former Government was administering this country. I wonder whether he was part of that Government that managed to accumulate this incredible, astronomical deficit we have now inherited. He should have realized that accumulating deficits could only lead to further expenditures which eventually must be answered for.

When your Government was in power, spending was done in such a haphazard fashion that all services in this country were in danger of being affected. I have been listening very carefully over the past few days to the questions being directed to the Minister of Employment and Immigration (Miss MacDonald). I admit I am rather amazed that people should be surprised at a situation they have done nothing to prevent. The big thing now is the universality of social programs. Unemployment has been with us for longer than two months, much longer. You people were personally responsible for raising the number of unemployed workers in this country to 1,500,000, and you certainly cannot lay the blame at the doorstep of a Government that has been in power for only two months.

The country's economic situation is incredible, but here again, this did not happen in two months. A Government's financial credibility is not created in two months. It is based on situations that have been going on for years, and the previous Government did not have the political courage to deal with them when it was time to do so. I have the impression, especially since the statement by the Hon. Minister of Finance (Mr. Wilson), that you are really blaming us for having had the political courage to take the action required to deal with unemployment with our own money and not other people's money. I repeat, Mr. Speaker, it may be my inexperience because nine months ago, I was, like most Canadians, watching what the Government was doing and wondering when it was all going to end. Maybe that is why I fail to understand why they did not act far more quickly than we must do now to correct situations that have brought this country to the brink.

Mr. Speaker, two weeks ago I travelled through Quebec, and though it is not typical of the situation in Canada as a whole, I did get a good idea of what Canadians expect of their transport facilities. I appreciate the vision offered earlier by my colleague, the Minister of Transport (Mr. Mazankowski), and I believe that the expectations of Canadians are along those lines. After realizing the seriousness of our present financial situation, I think we must have, and I did so emphatically to my fellow citizens and compatriots, made it clear that the Government had to rethink its expenditure plan, not to make cutbacks but to do what must be done within the transportation network. The needs are considerable and expectations are not necessarily the same. For instance, the Montreal area and the Gaspé do not have the same needs, so our response to those needs cannot be the same in each case, but we will have to respond with the funds at our disposal. In this connection, Quebecers, and I would extrapolate to include all Canadians, are now able to tell the Government they are prepared to support the redeployment of expenditures that is essential if we are to cope with all the needs identified within the transport sector.

I am surprised, in a way, when I analyze the total cutbacks for Transport: $287.1 million. The VIA Rail cuts, for instance, which were so vehemently criticized and commented upon, will be mostly obtained by reducing costs charged to VIA by the other two railway companies, by reducing operating costs, by a new investment strategy and by a new rate strategy. How can anyone say these measures as a whole will result in drastic cuts in service to Canadians? That is just not the case. I said earlier that we would be taking steps to restore the Atlantic service, that is, Montreal-Halifax, and also, if possible, the Toronto-Havelock and Edmonton-Vancouver routes.

Once again, within that structure, I think it is possible to do it, but certainly not in accordance with the financial criteria of the previous government, but rather by keeping in mind the

funds at our disposal. It was easy enough to spend money every which way, so much so that they could at least have maintained the services needed by the people. The CN budget has also been reduced by $46.8 million, but that is just a bookeeping measure. For three years now the Auditor General has been asking the government to recover that money which was in fact an overpayment, but no action was taken. Capital projects will be rescheduled and that will enable us to save $51 million, not to mention $23.5 million for transportation services and $34.6 million in air transportation and air cargo taxes. I rather doubt that air travellers will go broke if we raise from 8 to 9 per cent the tax on airplane tickets, which amounts to about $1 or $2. I think the people who use that means of transportation can more easily afford it.

Mr. Speaker, given the current situation after two months, I think I was quite justified in welcoming the statement made by the Minister of Finance (Mr. Wilson). I said earlier that a lot of political courage was and is still required to assume responsibility for setting our financial house in order. Members of the Opposition can say what they like, but we as a party firmly believe, as the Minister of Finance, the Prime Minister and others have stated, that we will be able to restore the economic climate needed in Canada and to provide the services we are expected to offer.

Mr. Speaker, how easy it is to turn a blind eye to reality, easier still than spending money. The most challenging endeavour is to get some sort of order in our expenditures and to do what the Canadian people have elected us to do. It was on September 4 that we heard the clearest response to our promises and commitments to rationalize public outlays in 1984. That is why we are here and we intend to continue along those lines.

The Acting Speaker (Mr. Paproski): Questions and comments. The Hon. Member for Shefford.

Mr. Lapierre: Mr. Speaker, I am pleased to have heard the speech of the Minister of State for Transport. In my opinion, his arguments are a distant echo of the remarks made by his colleague the Minister of Finance. But there is one thing which does not sound quite right; he talks about rationalizing, cutting and so on, but if the Minister of State had made that commitment to his electors prior to September 4, he might not have had the same response because Canadians are not stupid, Mr. Speaker. Throughout the summer, before September 4, the Minister of State and his fellow candidates did not say openly to the Canadian people that the axe would fall. That is not what they did. They made every promise imaginable, Mr. Speaker, but as soon as they were in office after resorting to dubious schemes, they made an about-turn and said: Listen, it is worse than we expected. Nobody believes that. Either the current Prime Minister ... He referred to the deficit in his statements, telling Canadians it was huge, even making it worse than it is. So why should the Minister of State for Transport and his colleagues now claim that they are surprised? Surprised by what? That is where the problem lies. It is a problem of credibility when they tell us now that they discovered something which they did not expect and that they are forced to renege on their election promises. That is where the government team has a problem of credibility, Mr. Speaker.

For instance, the Air Safety Board. The way the Minister of State for Transport (Mr. Bouchard) sees it, everything must be centralized in Ottawa since everything else is already here. If that is so, Mr. Speaker, the same thing would be true of all government operations. If we follow the reasoning of the Minister of State, all government services would be in Ottawa so there would be no justification for decentralizing. That is it. The government could easily claim that everything had to be centralized in the national capital because it would be cheaper. But is it proper to think that the national capital region alone has the right to benefit from Canadian government jobs and everything that goes with them? That is the question. That would be true and logical if he is talking about a centralizing government in Ottawa. That is where his philosophy and ours differ because, as much as possible, we wanted to spread the benefits of government throughout the country.

An Hon. Member: It costs more.

Mr. Lapierre: Of course it costs more, as the Hon. Member opposite is saying. It costs more, but then should the residents of the Magdalen Islands be relocated? Should the Gaspé region be closed down? Is that what the Hon. Member is saying? That is not the philosophy we advocated as a government. Regional economic development, the potential of the various regions, I think the Minister of State sitting next to him could explain what a region is.

Mr. Speaker—

• (1710)

[*English*]

Mr. Blaikie: I rise on a point of order, Mr. Speaker. According to the Standing Orders with respect to this time period, it is a time for brief comments, questions and answers so that as many Members as possible can be heard. I would ask the Hon. Member to take that into account.

The Acting Speaker (Mr. Paproski): I would like to recognize the Hon. Minister of State for Transport (Mr. Bouchard) in reply to the Hon. Member for Shefford (Mr. Lapierre).

[*Translation*]

Mr. Bouchard: Mr. Speaker, the Hon. Member for Shefford (Mr. Lapierre) may be tired, but he caught absolutely nothing of what I said. What I said was that the choice of an enquiry office which is close to being a court of justice, is not made on the basis of Montreal or Hull, but on the basis of where it is operational. What were the reasons given by his Government for locating such an office in Montreal? I enquired. The answer was: Montreal has the facilities for the air industry. In my humble opinion, the air facilities of a city are not enhanced by the presence of any court of justice. I was told: It is a matter objectiveness. The court must be kept at arm's length from the Department of Transport. Why is that? A court does

not get recognition in terms of its distance from a department. It gets recognition for its expertise, the quality of its finding on the issues that are referred to it. If the court had been in Montreal, would they have said it was not impartial because it was close to Air Canada? That has nothing to do with it. Essentially, my view is that the previous government should have used that same kind of energy in finding the real reasons that could have put people to work. We have a $35 billion deficit, besides those million and a half unemployed. What did that solve? The deficit, in terms of jobs? On this side of the House we have been lambasted for the past two months. I am sorry, Mr. Speaker.

[*English*]

The Acting Speaker (Mr. Paproski): Order, please. I would like to recognize the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) for a question.

Mr. Blaikie: Mr. Speaker, I have two brief questions to put to the Minister of State for Transport (Mr. Bouchard). I am sorry I was not here earlier so as perhaps to have had the opportunity to question the Minister of Transport (Mr. Mazankowski).

In his remarks, the Minister referred to the cuts in VIA Rail and, quite rightly, pointed out that not all of them were on the capital expenditure side. Some of the cuts are to be made because they are listed in the document produced by the Minister of Finance (Mr. Wilson). I was wondering whether the Minister of State for Transport could give this House any assurances as to the fate of the VIA Rail repair shop scheduled to be located in Winnipeg? Is he able to assure us that that project will go forward?

While he is answering that, he might also comment on whether or not he has been able to take an interest, and if he has not, will he, in the whole question of car inspection, public safety and the plans of the CPR to replace trained car inspectors with people from the running trades?

[*Translation*]

Mr. Bouchard: In answer to the Hon. Member I would suggest that on the first question, actually, the statement made by the Minister of Finance (Mr. Wilson) refers to a rescheduling of investments in VIA Rail, and this, we are now considering in that context, also within the terms of reference of the committee created by my hon. colleague. The terms of reference of that committee provide among other things for an assessment of the relevancy of those facilities, and on the basis of the report of the said committee, that is its contents and recommendations, we will take the appropriate course of action.

As far as the Hon. Member's second question is concerned, I would prefer, if I may, that the answer be provided by the Minister of Transport. I think he is more at home on that aspect of the question than I am.

[*English*]

Mr. Angus: Mr. Speaker, I want to follow up on the question on the VIA Rail cut-backs, particularly the capital expenditure cut-backs. Can the Minister indicate whether that will have any effect on possible future contracts for doubledecker rail cars? Secondly, along the same line, can he indicate what this Government's intention is regarding the development of doubledecker cars for use on VIA?

[*Translation*]

Mr. Bouchard: Mr. Speaker, in line with my earlier answer, the overall consideration of the investment in VIA Rail comes within the terms of reference of the committee set up this week, and the answer to your question could be within the purview of the recommendations that will either be accepted or turned down by the Minister of Transport.

The Acting Speaker (Mr. Paproski): End of questions and comments.

[*English*]

Mr. Jim Fulton (Skeena): Mr. Speaker, I am particularly glad to see the Minister of Transport (Mr. Mazankowski) and the Minister of State responsible for the Canadian Wheat Board (Mr. Mayer) here this afternoon because I think they can make good use of many of the remarks I am going to make. These are issues which have affected the northwestern area of British Columbia for a long time.

First, I want to touch on what the Minister had to say regarding the possible joint federal-provincial agreement on the Yellowhead highway. I hope that his remarks this afternoon will apply to Yellowhead 16 between Prince George and Prince Rupert. I would like to spend a few moments commenting on a major transportation bottleneck starting to raise its ugly head on the north coast of British Columbia. It arises from an agreement made on April 18, 1977, between Ottawa and Victoria, an agreement which has never really been lived up to by British Columbia. In fact, it has been broken in Clause 4(2), as I will point out in a moment. The docket number is 104897, and it was signed by Mr. Bennett and Mr. Lang some seven years ago now. Clause 4(2) says that the Province agrees that in accepting the subsidy from Canada, as provided herein for ferry and coastal freight and passenger service in British Columbia coastal waters, it will assure reasonable and adequate service and appropriate supervision thereof. I think the background is well known by the Minister of Transport (Mr. Mazankowski), but there is a very appropriate quote taken from a Library of Parliament study I had done some time ago. It says that the reasons for withdrawing the subsidy are cited in the following. Many years ago we had Northland Navigation which had a number of coastal freighters that operated in and out of the smaller coastal communities, out of Prince Rupert and down the coast, and provided both passenger and freight transportation. I think this quotation indicates what the Government of that time thought would occur but of course never did occur. It says:

However, Transport Minister Otto Lang followed up by refuting that the withdrawal of the subsidy would either reduce services to northern B.C. communities or distort rates. The decision to lift the aid, he said, was taken after talks with the B.C. Government and various shipping companies in the province had revealed that the services would not be impaired by this action. These companies were interested in expanding their operations in northern B.C. he added. The removal of the subsidy would end what he described as 'present inequities,' and put non-subsidized carrier in better competitive positions to serve these communities.

What has happened, Mr. Speaker, as I am sure the Minister is well aware, is that the service between Prince Rupert and Port Hardy is now going to be cut down to once every two weeks. That means everyone in northwestern British Columbia who wants to go to Vancouver will have to drive 1,000 miles. That is 1,000 miles back and forth, particularly in the winter when the new twice a month scheduling is going to come in. In fact, as my colleague from Comox-Powell River knows very well, it eliminates regular ferry routing in and out of the community of Bella Bella and the linkage of course to Bella Coola and other communities.

• (1720)

We, and the Minister of Transport, have to look carefully at what the Alaskans are doing. They are bringing their state ferry service down into Hyder, a community of 200 on the north coast of British Columbia. They have recognized the economic viability of bringing their ferry service in to allow loopings for transport. I am glad to see the Minister of State for Tourism (Mr. McMillan) here because it is important that he be involved in studying how this agreement, signed by Canada and the Province of British Columbia, should be renegotiated. We should have looping ferry service going from Stewart to Kincolith to Port Simpson and back into Prince Rupert. We should maintain the barge service which regularly goes from Prince Rupert to Masset, providing an opportunity for propane and other commodities to be moved without having to have the driver and the tractor on board. You can put a drop trailor on and move it to the Queen Charlotte Islands. We must also maintain the regular passenger service between Prince Rupert and the Queen Charlotte Islands.

The federal Government, through this agreement, has now given over $70 million to Bill Bennett. Bill Bennett is shuffling that money into general revenues. This year, in excess of $14 million goes to the Province of B.C. The B.C. Government is on the record as saying that the whole cost, including depreciation on the vessels, salaries, and everything you can imagine, is $10 million. They are actually making a net benefit. Ottawa now pays entirely for the north coast service, and Bennett takes a $4 million cut and puts that into south coast services.

If a community like Hyder with 200 people can have the Alaska state ferry service regularly, why cannot a community like Stewart, with 2,000 people, be hooked into the system? Other smaller communities could be hooked into the system. The little passenger vessels from Port Rupert out of Port Simpson and Kincolith are unsafe. I can say quite honestly in the House that I fear there will be drownings. That vessel is not large enough. We have just lost a number of lives. It is endangering the lives of those people who must take those routes.

I know the Minister is seriously interested in this. He said earlier today that he is going to be meeting with officials in B.C. to deal with it. The clause of which the Minister should make use from docket 104897 is Clause 4(2). The Province of British Columbia is simply not living up to the original agreement, and that contract and clause can and should be reopened for negotiation.

My second point is in terms of VIA Rail. As the Minister knows, we have seen an erosion over a number of years to the point where now fewer and fewer people take VIA Rail from Prince Rupert to small communities such as Usk or Cedarvale. There is really no other way either for freight or for passengers to get in and out of those communities. It is a real, identifiable need. However, it has become a self-fulfilling prophecy. When you downgrade the service and make it less accessible, people will find other ways. If one can only catch the train Tuesdays, Thursdays and Sundays, and one wants to buy groceries on Wednesdays, one must find some other way. Over time, the number of people using the service naturally declines. Then VIA can say that this route no longer has the kind of passenger utilization that makes it a viable service. That, of course, leads to greater and greater cuts.

I received a letter in March of this year from the Minister's Department saying that, because of Expo '86, the new prototype equipment may well be identified for use on the Prince George to Prince Rupert run. That is one of the most beautiful areas of the country. It has great potential for hooking into the kind of offshore tourist traffic that we have historically seen in Banff and Jasper. We could get the type of routings which would allow people to take circle tours. They could take VIA to Prince Rupert, whether from Edmonton or from Montreal. Having arrived there, they could take the Alaska state ferry service or the B.C. coastal ferry service. All of these services are interlinked. As one part of the over-all transport sector erodes, we lose the opportunity to upgrade other parts of that sector to bring more growth and tourists to northern British Columbia, an area which has been identified by many studies as having great potential in that respect.

My third point this afternoon, Mr. Speaker, is with regard to the Prince Rupert elevator. The Minister of Transport has already responded to the subject today, but I would like to give a very brief overview of what has happened in Prince Rupert. In 1979, the Minister signed what I believe he felt in good faith was a very good agreement. Ultimately, the people of Canada put about $30 million into the infrastructure costs at Wrigley Island for the new grain elevator, which is now very near completion. However, Prince Rupert Grain I has a very unique ability to load very rapidly a lot of the small Pacific Rim freighters that come in. That is not to say that the new elevator cannot do that. That is a very popular route for vessels from China and a lot of other Pacific Rim countries. That is not a state of the art elevator, but it can unload boxcars. In recent years it has set records, year after year, moving more than 1 million metric tonnes at a time. Last year it moved 15

per cent of the West Coast grain that was moved out of this country.

I am glad to see the Minister conferring with the Minister of State responsible for the Canadian Wheat Board (Mr. Mayer). I am also glad to see the Prime Minister (Mr. Mulroney) listening. This is important.

Mr. Mazankowski: This is more attention than you have ever had.

Mr. Fulton: In 1979, the Wheat Board identified $600 million in lost offshore sales because of bottlenecks in our grain system.

Mr. Mazankowski: We fixed that.

Mr. Fulton: That is right. The Minister did a good job. The Prime Minister should know that. The only Tory who could ever get elected in Prince Rupert is the Minister of Transport, but fortunately he is going to stay in Vegreville.

That same year, as the Minister responsible for the Wheat Board will know, $100 million in surge capacity was identified as needed for Prince Rupert. That money was starting to be put in place. I agree that the potential for the old elevator for surge capacity is limited. The Minister has already written to me about that and I recognize it. However, there is a real social and export need in terms of the good faith of the people of Prince Rupert. They did not expect to lose any jobs out of this. They expected to gain some. As it stands now, of the 100 grain jobs in Prince Rupert, we lose 75. That is a net loss of about $6 million a year to the City of Prince Rupert. To a small community, that is a huge loss. To small business the roll-over dollars are very high. For about $25 million the docking and galleries can be repaired. That would not make it a state of the art elevator, but it would be a good functioning system.

Farmers make 30 cents more a bushel shipping out of Prince Rupert. Small freighters save 500 navigation miles each way sailing from Prince Rupert to the Orient rather than from Vancouver. The Orient is very rapidly becoming our principal trade partner in terms of grain movement. Therefore, there are good, sound reasons why this elevator should remain open, hopefully with two shifts, maybe with three. I see the Minister of Transport and the Minister responsible for the Wheat Board smiling. I know they are going to move on it very soon. We have got it. That is good.

Mr. Mayer: I did not say that. You were just getting to the best point to be made. Keep going.

Mr. Fulton: That is right. We can move some pelletized material. We can move some alfalfa and some of those more exotic feed stocks through there. I still think—and I think the Ministers will agree if they look at the 1979 report of the Wheat Board—that there is potential to keep it going. The Tories believe in competition. It may well be that Prince Rupert would be better off with some competition. I may not want Cargill or some of the other heavies in there, but needless to say, I do not think the consortium has a gilt-edged requirement for having a monopoly on the part of Prince Rupert in terms of grain sales and movement.

The federal Government used to own that elevator. I must remind the Minister of Transport that he gave it to the corsortium for a buck. That is a pretty good deal for a $50 million elevator. Prince Rupert lost 75 jobs out of the deal. I know that the Minister will deal with it expeditiously.

My fourth point is with regard to the Digby Island airport. When you buy a ticket from CP Air that says you are going to Prince Rupert, you land on an island in the middle of the Hecate Strait. You get off to find there is nothing there and you wait for half an hour. You get on a privately operated bus on Transport Canada land. You drive down to a landing wharf operated by the Port of Prince Rupert. You then get on a ferry owned by the city, and the driver comes around and is forced, because of corporate regulations, to extort $6 from you. You have flown on that plane supposedly to go to Prince Rupert but you have to go through all this hassle.

• (1730)

I think the Minister of Transport needs to look at the brilliant options I have brought forward, such as for Transport Canada to operate some kind of hovercraft or ferry system that could be used for search and rescue. That is one module option. The other option, with the possibility of the LNG at Port Simpson, is for the Minister to move some money for the connection of Digby Island on to the peninsula and back across the Rapids and into the City of Prince Rupert. These are options that are not too expensive and would provide for greater and easier access between the city and Digby Island. Things are coming to a crunch. The ferry is wearing out. People's patience is getting thin. Every year when we use the system it has gone up another buck. Pretty soon it will be $200 to fly from Prince Rupert to Vancouver and $300 to take the ferry.

Mr. Forrestall: We may never see you again.

Mr. Fulton: We need to move on this. I know the Department of Transport has a responsibility in terms of finding some options and participating with the City of Prince Rupert, the Province of B.C., and some of the industries that are planning on coming into the area, so that we can get it off the ground.

Now let me deal with airports. Let me name some of the airports I have to fly in and out of, such as Sandspit, Prince Rupert, Terrace, Smithers, Watson Lake and Whitehorse. All these require some kind of additional navigational aids. Terrace is the most dangerous right now in that the number of days when jets cannot land there is very very high compared with any other airport in Canada. It is very important in terms of safety that there be additional navigational aids. The Sandspit airport and the Watson Lake airport are just long enough for Boeing-737 landings. The Prince Rupert airport is a large airport. It does not have great difficulties with navigational aid problems. Certainly Smithers, Terrace, Sandspit and Watson Lake require upgrading.

Next is search and rescue. The Department of Transport and the Department of National Defence are hopefully going to provide fairly shortly two new 400-class cutters, one for the Queen Charlottes and one to operate out of Bella Bella. I am sure the Minister is aware of the most recent loss of life, which was partly tied into a complex jungle of mistakes that occurred as a result of weather reporting systems, some of which were off the air and some of which were not reporting fully. One can only surmise from talking to a lot of fishermen who knew the fishermen who drowned that some of them were among the most careful fishermen that ever cruised the coast of British Columbia and who would never have gone out in the kinds of wind and weather that occurred. I know the need is there for a couple of 400-class cutters, particularly for the Hecate Strait, to a certain extent the Dixon entrance and the west coast of the Charlottes, but also going down into the Queen Charlotte Sound. There is a real, identified need for that size and class of vessel. The "123" operating out of Prince Rupert cannot go out in anything other than a light chop. The Derby is large enough to go out.

There is also the potential for the early signing of an agreement with the State of Alaska to combine our helicopter efforts by moving a helicopter from Comox either to Masset, where we have a DND base and from where a helicopter could operate, or out of Prince Rupert. Again we have some search capacity with Buffaloes and other fixed-wing aircraft. But what we really require is rescue capacity. We require helicopter rescue capacity. Most recently, George MacDonald, head of the Museum of Man in Ottawa, was rescued by the U.S. Coast Guard. The U.S. Coast Guard helicopters came and lifted the people out of the water before they drowned. In almost all situations now in the Dixon Entrance, the Hecate Strait and on the west coast of the Charlottes we rely upon the Americans. I think it is about time we moved one of those five choppers from Vancouver Island on to the north coast. This is identified in various transport reports and recommendations. At the same time we should rubberize and upgrade the Coast Guard helicopter that operates out of Prince Rupert which is not now able to rescue but is simply capable of search capacity.

I think I have covered a few things in terms of transport. I notice there is a little time left to me. I would like for a moment to come back to the question of marine transport. I think the Minister, in seizing himself of this matter in the next week or so, needs to know how to deal with Alex Fraser and Mr. Bennett on this issue. It is a long-festering one and one that I think has a solution. You cannot base the statutory mileage rate from Port Hardy to Prince Rupert, which is what the subsidizing formula is based on, and say that you can still consider it a highway if it operates only once every two weeks. It is a damn poor highway if that happens. If you closed the highway between here and Toronto and had it open only once every two weeks, it would not be much of a highway. We have to use that same argument with the Government in Victoria, that if the formula is based on statute miles between Port Hardy and Prince Rupert, then you have to operate it as a highway linkage. Rather than forcing people to drive one thousand miles from Prince Rupert to Vancouver under very treacherous conditions, people should have access to that highway both for freight and for safe passenger movement. We should have a vessel moving out of Prince Rupert that links Kitimat to Prince Rupert to Kincolith to Port Simpson and to Stewart so we can get those little circles of tourist and localized movement that is safer than the kind of operation we now have. I am thinking particularly of the vessel now on the Prince Rupert-Port Simpson-Kincolith run which is totally inadequate. The previous vessel was barely adequate. This one is endangering lives. If the Government in Victoria proceeds to cut the Masset to Prince Rupert barge service, it will mean all of the explosives, propane and so on, will have to be put on the dedicated passenger run between Prince Rupert and the Queen Charlottes, and the whole system will have to be cleaned up.

The Acting Speaker (Mr. Paproski): Order, please. I would like to hear questions and comments now.

Mr. Skelly: Mr. Speaker, I am certain that my colleague has experienced a number of problems with civil aviation. I would like to run through a couple. Would the Hon. Member for Skeena (Mr. Fulton) be prepared to indicate that he is hearing these problems from people in the riding and indicate that he would like to see the Minister of Transport (Mr. Mazankowski) do something about them?

First is the example of the Dubin Commission gone mad. I am sure the Hon. Member for Skeena has had cases where RCMP officers in pursuit of the objectives of the Dubin report go to the local airport and check to see whether a pilot who has just come in has his log book. The individual ends up being fined $100 because he does not have the journey log book in the aircraft or he does not happen to have his pilot's licence on him. Fines are occurring in situations where the Dubin Commission has gone mad.

The Hon. Member might also have had a second situation where requirements for instructors at flying schools in his riding have been boosted to the point where they are not quite sure whether they should give the students 40, 50, or 60 hours, because they, the instructors, may wind up losing their licences or having them downgraded. The largest number of accidents in the flying business happen in the private sector from continued flight in bad weather. They have absolutely nothing or very little to do that can be demonstrated with additional serious upgrading of instruction. Maybe the Hon. Member could comment on that.

Mr. Fulton: I will try to be brief, Mr. Speaker. I think the Hon. Member for Comox-Powell River (Mr. Skelly) knows that I spend a great deal of my time flying around in Beavers, Otters, Geese, and various other kinds of aircraft. I am abundantly aware of the difficulties that pilots, private and commercial, are running into as a result of the bureaucratization within the aviation industry. I agree with the Hon. Member that there needs to be some big scissors taken to the kind of bureaucracy that is applied to many commercial and private fliers. At the same time, it is very appropriate that the

Minister should look carefully at how to ensure that state of the art safety procedures are in place. I think all aircraft, both private and public, should carry ELTs. It is a very important step which has to be taken. I am thinking in terms of places such as Dease Lake. The federal Department of Transport should put forward the very limited number of dollars required to install directional aid beacons that provide return signals for aircraft, such as the one I was on during the election campaign. We got lost flying over the Tuya River, trying to fly from Dease Lake to Atlin. We just simply flew into a cloud, not knowing where we would come out. There are positive steps in terms of safety which the Department of Transport can take. However, providing more bureaucracy for private and commercial fliers is not really the way to go.

● (1740)

The Acting Speaker (Mr. Paproski): The period provided for questions and comments has now expired.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I rise with some reluctance because I think there is something in the tradition that once one has been defrocked, one should not write about what went on in the seminary. However, I should like to follow the example of my successor who maintained his continuing interest in the area of transportation.

This resolution is targeted at a very important question, that is, the impact of very severe and destructive transportation cuts on regional economic growth and development in the country. We have seen time and time again total insensitivity on the part of Conservative speakers to that fundamental issue. They have decided *en masse*, as if there were some kind of large Kool-Aid tank in Georgetown from which they are all drinking, to worship at the shrine of the deficit cut. It has been raised to the level of theology. It has become a matter of utmost and critical importance to them, almost as if the search for the Holy Grail was insignificant compared with this great magical search for the deficit cut, as if all will be solved by reducing the deficit.

The fact that this is challenged by a number of quite sound economic analysts does not seem to bother them very much. In their haste to cut the deficit, they are reaching into programs which are of vital importance to a wide variety of cities, towns and regions throughout Canada. This totally escapes them. They are so totally preoccupied with the kind of theology we have heard, that they are prepared to sacrifice the economic security, stability and potential of Atlantic Canada, the northern regions of Canada and western Canada.

I want to talk particularly about my own region. The best way to express what westerners think of the position taken by the new Government, which they rewarded with a great deal of election trust—and there is no doubt about it—would be to quote from an editorial appearing in the *Manitoba Co-operator*, which represents the largest number of farmers in the Province of Manitoba. The November 8 edition contained a blank message which read, "Dear Brian: Just thought we would drop a note to you and your Members of Cabinet to say thanks for nothing". It continued in the same vein to say that westerners placed a certain amount of trust in the promises and commitments of the Government and looked vainly in the Throne Speech for some indication that those promises would be fulfilled. As the editorial said, they came up with nothing. There was nothing to respond to their needs. There was nothing directed toward them. Perhaps the greatest disappointment was in the area of transportation, the area where in some ways the most grand and eloquent promises were made. They were to freeze the rates. It is now November 21, and we have not seen hide nor hair nor sign of any indication that the Government is prepared to make any move in areas affecting the interests of farmers as they were promised by the Conservative Party. I am not saying that they were right, but that was their promise. If we begin to wonder why at times people become somewhat cynical, I think we have to look at the fact that a bald-faced, straightforward commitment was made in the famous Prince Albert statement. People have been looking in vain somewhere in the nooks and crannies of the various speeches, yet all they have heard is the Gregorian chant of Members of Parliament saying, "We must cut the deficit". That is their only answer to all that ails the world.

An Hon. Member: What is your answer?

Mr. Axworthy: We have answers and we will talk about them. In fact, we had answers, many of which have now been put on hold, have been frozen, are under study or under review. If they had been allowed to go ahead, they would have had the kind of economic impact about which we are talking.

Mr. Mayer: Mr. Speaker, I rise on a point of order. If the Hon. Member wants to read the Prince Albert statement, he will realize that several things have been fulfilled already, and we have barely been in office two months. If he wants to talk about what went on in Prince Albert, he should read the full statement. Let us get some balance into what is being said.

The Acting Speaker (Mr. Paproski): I regret to inform the Hon. Minister that that is debate.

Mr. Axworthy: When and if the Minister of State for the Canadian Wheat Board (Mr. Mayer) is prepared to make a speech in the House, we will be glad to respond to him. Other than that, I think he should desist from using points of orders for frivolous reasons. That is what he was just doing. It was not a point of order.

Mr. Mayer: Mr. Speaker, I rise on another point of order.

Mr. Axworthy: And he should not be so sensitive.

Mr. Mayer: If the Hon. Member is suggesting that he is prepared to give up his time so that I can make a speech, I would be more than happy to accommodate him. If that is what he is saying, I would be more than happy to do it right now.

Mr. Axworthy: Obviously the Hon. Minister is as effective at getting his name on a list as he is at defending the interests

of Manitoba in Cabinet. It also amounts to nothing, as the editorial indicated.

Let us return to the point under discussion. We have not heard much about transportation other than from the Minister of Transport (Mr. Mazankowski). However, we have heard a lot about deficit cutting.

We have only 14 minutes remaining and there are many other areas which I would like to cover, but I should like to indicate that we in western Canada have been awaiting with some expectation an indication from the Government as to when it intends to bring forward legislation dealing with the Western Grain Stabilization Fund, so that $400 million or $500 million of necessary funds will be put into the hands of farmers within the next weeks or months. My Party has promised that it will be committed to letting that legislation go through within one day if the Government would only take some initiative and do it. However, we have heard nothing from them.

Mr. Mayer: You were in power for four years and you did nothing.

Mr. Axworthy: I think the Hon. Member should try to get to Cabinet meetings more often to put his proposals on the table. He should not be spending all his time stargazing with commissioners from the Canadian Wheat Board and causing problems out there. Why does he not get back to Cabinet and do something useful? We are awaiting a stabilization fund. Farmers and western Canadians are waiting for it, yet the Minister of State for Canadian Wheat Board is travelling around and speculating about agriculture in the year 4000.

Mr. Mayer: What did you do when you were Minister? You showed how much you knew about farming. You did not know the front end from the back end of a plough.

Mr. Axworthy: Mr. Speaker, I hope you bring the Minister to order. He should learn, if he is going to be a Minister of the Crown, not to be too sensitive.

An Hon. Member: When you were insensitive you ended up with 40 Members.

Mr. Axworthy: Oh, we have them riled up now. I hear them baying, cackling, groaning and moaning. They do not like to have their unfulfilled promises thrown back at them. They recognize that every minute, hour and day which goes by there is another Canadian saying, "There goes another promise down the drain which they cannot fulfil and will never fulfil". That is the problem with Conservatives. They are seeing their promises falling like autumn leaves.

Some Hon. Members: Oh, oh!

Mr. Axworthy: I should like to continue with the discussion of transportation, if I might. The fact of the matter is that we must also look at the kinds of initiatives in transportation which were under way. I will talk about VIA Rail for a moment. A great deal has been said about it this afternoon. What have we actually received?

Mr. Forrestall: Let's talk about it.

Mr. Axworthy: Let us deal in factual terms. We have had the setting up of another task force to study the problem, and a $93 million cut. That is the sum total of actions on the part of the Government in terms of VIA Rail. What was under way already was a major capital project, which committed $200 million over a five-year period to the modernization and re-equipping of VIA Rail. That was put on hold, that is the unstated message. We had already committed money to the establishment of four maintenance bases in Halifax, Montreal, Toronto and Winnipeg. We know why they would not stop the one in Toronto; we know where the Minister of Finance (Mr. Wilson) is from. The reason why those maintenance bases were absolutely essential to the modernization of VIA Rail was that that was the way to bring down substantially the maintenance costs, which occupy about 40 per cent of the operating cost of VIA Rail. Those maintenance bases were already contracted and under way. This Government has put them in the deep freeze. As a result, the ability of VIA Rail to save substantial amounts of money on its operating budget have thereby been frustrated until we get to the commission's study.

• (1750)

That was not something that had to be frozen or held. It was a clear-cut investment in modernization to bring about a substantial reduction in the cost to the taxpayer. The Minister of Finance talks about bringing the cost of Government down, but what does he do? His Minister of Transport takes an action that will keep the cost way up. Do you call that good economics? Of all those new back-benchers who have come here waiting to save the world I ask whether cancelling an investment that will save money on operating costs is good economics.

We also talked about new equipment. The Minister of Transport might be good enough to confirm this because he has seen the document. Under way already was a plan to provide new locomotives for the Atlantic region. That has been put on hold. There was a plan to convert all the cars on the Atlantic track region to electrical upgrading. That was a commitment—

Mr. Forrestall: That was pie in the sky, and you know it.

Mr. Axworthy: That was no pie in the sky. It was part of the capital budget of VIA Rail. I challenge the Member opposite and the Minister to show that that was pie in the sky. That was part of the capital budget of VIA Rail until it was put on hold by this Minister of Transport.

Mr. Forrestall: For what year?

Mr. Axworthy: Beginning this year. In addition, we had reintroduced the new service between Winnipeg and Edmonton. We had made a commitment and a decision on the

reintroduction of the route between Edmonton and Vancouver. To provide for new equipment on that, we had leased new Amtrak trains, which are presently on the tracks operating between Winnipeg and Edmonton. I invite the Hon. Member for Regina East (Mr. de Jong) to ride on it some time. That is the way of testing the application, of developing new equipment under contract with Bombardier on which construction can start next year. I do not know where that is going. I strongly recommend to Members opposite who are vitally interested in the future of VIA Rail that they get to their Minister of Transport at the first opportunity in caucus and ask him to go ahead with the Amtrak experiment to see whether it is valid, then purchase the cars and get them on the track. That was already under way.

Furthermore, we had committed a major investment to the Cancar factory in the Thunder Bay constituency so that Canada will develop its own technology for short trains. We had an agreement between Bombardier and Cancar to develop that new research and development at the Thunder Bay plant so that we would have a new form of Canadian-made trains under development. That has been put on hold.

They cannot get up in this House and say, "We are the Party of progress", when decisions that have already been initiated have been put in the deep freeze, put on hold. There is nothing wrong with another action committee to study it. That is okay, but why frustrate initiatives already under way? Why delay? Why put back? Why retard? What is the value of that, especially when it comes to the vital question which every Conservative Member has spoken about, the need to get costs down? That was the intended purpose, to bring costs down.

Let me move to a different subject, the whole question of how we stimulate growth and competition. I agree with the Minister of Transport. Every Minister of Transport has said that the transport of people and goods is vital to the economic health of this country. There is no question that what is very important is that we establish a way of getting higher levels of productivity and lower costs.

To initiate that, last year we introduced a new airline policy to deregulate the airlines, to bring new competition into the system and to provide higher levels of productivity. From every statement that I have read, the Minister of Transport has agreed to go along with that policy. He is in agreement with the thrust of that airline policy which we established last year. I will take him at his word.

What disturbs me is that last year we had also started the deregulation of the trucking industry. We had unanimous agreement with all the provinces at a federal-provincial conference last spring. Every single province agreed that we undertake major changes and reforms in trucking regulations to change the onus of proof so there would not be that ability to frustrate any regulatory change. We had instructed public servants to prepare a plan of action that was to come before a meeting on September 15, where it would be ratified and the new regulations could be put in place.

What happened? The meeting of September 15 has come and gone. All we have, to quote from my friends in the *Manitoba Co-Operator*, is nothing. We had made a decision. We had an agreement from the provinces. We had developed a system that would have substantially brought down the costs of interprovincial and intercontinental trucking. In its economic statement, this Government lauded the concept of deregulation and more competition. However, it has put on hold a decision that had already been negotiated and arrived at and was already to be implemented.

How do you decide whether this Government is serious in its commitment to the Canadian poeple or economic reform and adjustment when it already had a ready-made package handed to it? It was a gift to them, something they could have put into place right away. For reasons that maybe are academic preoccupations, they have to restudy everything. They have put it on hold. As a result, I am afraid that it will become unravelled. We will find that the agreement we have already received will not be implemented. We will have set the clock backwards in enabling the federal and provincial governments to undertake an effective form of cost reduction at higher levels of productivity.

Some of my colleagues have pointed out that we want to improve our export capability and our cost performance by reducing the cost of transportation. That is a very laudable, very important, objective. What has this Government done in its economic statement? It has added close to $700 million in hidden taxation, mostly on the backs of small business people and particularly in the realm of transportation. While we were attempting to get costs down through deregulation, the Minister of Transport has added substantially to the user costs in our airports. He has brought in airport fees and is now talking about imposing fees on the transportation of cargo.

That is a good bureaucratic answer, but what really amazes me is that when the Minister of Transport was occupying the role of critic on this side of the House, in fact as recently as three months ago, he was arguing for a major change in airport pricing so that we could start decentralizing the ownership and control of airports. That was an important objective.

What does he do instead? He raises the cost. As a result, he is going to provide a countervailing force to the dergulatory impact that we have by increasing costs both to the passenger and to the cargo user.

By what form of logic does a government that is attempting to bring about a transportation system, which is a service industry to enable passengers and shippers to move quicker and faster and at lower costs and therefore expand the marketability, increase the cost of transportation by adding a user fee? That is not good economic sense.

Once again we are filled with a series of contradictions, wrapped in an enigma, all sort of bubbled up in a pile of rhetoric about the great new economic revolution that the Conservative Party is about to perpetrate upon the Canadian people. Instead, they are victimizing them. They are adding to their costs. They are providing a dampening effect on the ability of the business community to have lower cost transportation and, therefore, providing a reduction of growth, not an enhancement of growth.

That is the kind of economic analysis that Members opposite should apply, rather than simply standing in Pavlovian fashion worshipping at the Minister of Finance's icon that deficit cutting is the only thing that counts. They should peruse that document and realize that there are substantial fallacies in their economic analysis. Nowhere is that more important and more clear than in the area of transportation.

[*Translation*]

The Acting Speaker (Mr. Paproski): It being six o'clock, it is my duty to interrupt the proceedings on the motion, pursuant to Standing Order 62(11). Accordingly, this House stands adjourned until tomorrow at eleven o'clock a.m., pursuant to Standing Order 2(1).

At six o'clock p.m. the House adjourned.

HOUSE OF COMMONS

Thursday, November 22, 1984

The House met at 11 a.m.

• (1105)

[*English*]

POINT OF ORDER

QUORUMS IN HOUSE COMMITTEES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I rise on a point of order. I do so somewhat reluctantly. I feel it is important to raise in the House at the earliest possible moment a matter that I believe is of considerable importance. It may in fact constitute a grievance. It may even be a question of privilege at some future date.

As you know, Sir, it has been the practice in the House of Commons to establish the need for the presence of both government and opposition in order to conduct business. I recognize that it may not be absolutely necessary under certain circumstances, but the practice has always been that, for the business of the House to be conducted properly and adequately, there would be representation both from the government and from the opposition at the start of the business of the day. I suggest this practice has been a good practice, one that has resulted in a harmonious relationship in the House of Commons which in turn has resulted in the House being able to deal with questions in a way which brings about their resolution.

At the moment, there appears to be a deviation from that practice, if not in the House itself, in the committees of the House. I would ask Mr. Speaker if he would consider motions that were put in committee—given that the committees have the right to establish their own rules of procedure, they must do so within the generally accepted framework of the rules of procedure of the House of Commons—that have resulted in the establishment of a practice which could disrupt the orderly procedures both in the House and in the committee. In a number of committees, decisions have been made by the Government members that a quorum shall be established based not on the normal practice of representation from both sides, but—

Mr. Speaker: May I be clear that the Hon. Member is in fact raising a question relating to practices in committees? Does the point of order relate to that issue?

Mr. Deans: Mr. Speaker, I am raising the practices that have been pursued in the past.

Mr. Speaker: In committee?

Mr. Deans: The committees are an emanation of the House. The committees operate by the same rules as the House of Commons. They do not set separate rules. They may set with unanimous consent, as can the House, different rules, practices and procedures, but only with unanimous consent.

I suggest that what is happening is going to cause grievous difficulty not only in the committee but in the House. All I am asking is that there be some attempt made to ensure that the practices that have been followed, both in the House of Commons with regard to quorum and in the past in committee with regard to quorum, be followed during this Parliament. At the moment I have reason to believe that is not the case.

Mr. Speaker: The Member may have reason to believe that is not the case. The Member is an experienced parliamentarian. He knows the traditions of the House are that the Speaker has no right to intervene in procedures or decisions taken in committee. The committees are masters of their own affairs. The Hon. Member knows well enough that the issue that he is raising may at first blush be an issue that the procedural committee or a committee on reform of the House may want to consider.

The rulings in the past with regard to these questions have been very clear. The committees are master of their own destiny. An appeal from a decision taken in a committee shall be made in the committee to the chair of the committee and, if necessary, resolved in the committee, but cannot be brought before the House. The Speaker has no authority to decide on something that has happened in a committee unless it is reported by the committee in its report to the House. Only in that circumstance does the Speaker have any capacity to deal with a question or a grievance or a point of order that the committee has dealt with. I think the Hon. Member knows that.

I regret to find that, while he may have a point of serious concern, and I appreciate the point he is making, I cannot at the moment find that it is a point within the grounds of a point of order in the House. I therefore think that the matter should end at this point. However, the Hon. Member for Hamilton Mountain may have a supplementary comment. That is certainly my current view and I am prepared to rule in that manner unless the Hon. Member has something else to say.

• (1110)

Mr. Deans: Mr. Speaker, I do not deny for a moment the validity of the comments you have made; neither do I question them. My concern is that I may well find it necessary to attempt to raise a question of privilege.

My problem is that the practice that is being followed will cause disruption in the House of Commons as it will cause disruption in committees. That worries me. I raise the matter

since it is of worry to me and I alert the House to the fact that there are problems in committees.

Mr. Speaker: I think I should leave the matter as I indicated earlier. I feel that a point of order for the purposes of the House has not been established.

GOVERNMENT ORDERS

[*English*]

WAYS AND MEANS

INCOME TAX ACT

Hon. Barbara McDougall (Minister of State (Finance)) moved that a Ways and Means motion to amend the Income Tax Act and Related Statutes, laid upon the Table on Thursday, November 8, 1984, be concurred in.

Motion agreed to.

Mrs. McDougall moved that Bill C-7, an Act to amend the Income Tax Act and related statutes, be read the first time and printed.

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

PETROLEUM AND GAS REVENUE TAX ACT

Hon. Barbara McDougall (Minister of State (Finance)) moved that a Ways and Means motion to amend the Petroleum and Gas Revenue Tax Act, laid upon the Table on Thursday, November 8, 1984, be concurred in.

Motion agreed to.

Mrs. McDougall moved that Bill C-8, an Act to amend the Petroleum and Gas Revenue Tax Act, be read the first time and printed.

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

[*Translation*]

EXCISE TAX ACT

Hon. Barbara McDougall (Minister of State (Finance)) moved that a Ways and Means motion to amend the Excise Tax Act, laid upon the Table of the House on Thursday, November 8, 1984, be concurred in.

Motion agreed to.

EXCISE ACT

Hon. Barbara McDougall (Minister of State (Finance)) moved that a Ways and Means motion to amend the Excise Act, laid upon the Table of the House on November 8, 1984, be concurred in.

Motion agreed to.

[*English*]

Mr. Speaker: Perhaps I should explain something to the House. There is a technical difficulty with proceeding with the Bill regarding this matter because the recommendation for the Bill has yet to be printed in the Order Paper. I believe the Government House Leader (Mr. Hnatyshyn) knows the problem. That is why we will proceed to the next Order of the Day.

• (1115)

CUSTOMS ACT—CUSTOMS TARIFF

Hon. Barbara McDougall (Minister of State (Finance)) moved that a Ways and Means motion to amend the Customs Act and the Customs Tariff, laid upon the Table on Thursday, November 8, 1984, be concurred in.

Motion agreed to.

Mrs. McDougall moved that Bill C-9, an Act to amend the Customs Act and the Customs Tariff, be read the first time and printed.

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

INCOME TAX CONVENTIONS INTERPRETATION ACT

Hon. Barbara McDougall (Minister of State (Finance)) moved that a Ways and Means motion with respect to the interpretation of Canada's International Conventions relating to Income Tax and the Acts implementing such Conventions, laid upon the Table on Thursday, November 8, 1984, be concurred in.

Motion agreed to.

Mrs. McDougall moved that Bill C-10, an Act respecting the interpretation of Canada's International Conventions relating to Income Tax and the Acts implementing such Conventions, be read the first time and printed.

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

* * *

FARM PRODUCTS MARKETING AGENCIES ACT

MEASURE TO AMEND

Hon. John Wise (Minister of Agriculture) moved that Bill C-4, an Act to amend the Farm Products Marketing Agencies Act, be read the second time and referred to the Standing Committee on Agriculture.

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. The motion is to refer the Bill to the standing committee. However, there have been discussions between House Leaders with

respect to this legislation and it has been agreed that the Bill would be dealt with in Committee of the Whole in the House. Mr. Speaker, I would ask that you seek the consent of the House for the amendment to the motion at this time.

Mr. Speaker: Is there unanimous consent for Bill C-4 to be referred to Committee of the Whole?

[*Translation*]

Mr. Guilbault (Saint-Jacques): Mr. Speaker, we agree. We have no objection to the Bill being referred to a Committee of the Whole or to considering all stages today. There may, however, be someone on our side who will be speaking to the Bill.

• (1120)

[*English*]

Mr. Wise: Mr. Speaker, I would like at the very outset to express my appreciation to my House Leader, as well as to the respective House Leaders of the two Opposition Parties, and particularly to the agricultural spokesmen of the two Opposition Parties, for their understanding and co-operation.

It is with concern for a group of financially hard-hit farmers that I wish to speak briefly this morning. Those particular farmers are tobacco growers and their plight is a common one. They are caught in a very significant cost-price squeeze between rapidly rising input costs, dramatically lower prices and some very significant tobacco acreage cuts. As a result of this, tobacco growers have studied their marketing situation. They have assessed their options and have approached the federal Government with a request. It is in response to their request that I am introducing today for second reading Bill C-4, a Bill to amend the Farm Products Marketing Agencies Act.

This piece of legislation would simply amend the Act to include tobacco as a commodity which may be regulated by supply-management provisions. I want to stress that it is, however, only a facilitating piece of legislation. While the amendments would not immediately provide for a national supply management agency for tobacco, they would allow growers to explore the possibility of establishing such an agency.

Specifically, the legislation would designate tobacco as a farm product for which an agency could fix and determine the quantity of product which could be marketed in interprovincial or export trade circles. The Farm Products Marketing Agencies Act currently restricts the application of supply management to eggs and poultry and their products. At the present time, tobacco production is regulated by provincial marketing organizations and tobacco prices are negotiated between those provincial agencies and the buyers. However, tobacco growers want the legislated ability to work together on a national basis and to act in a unified manner. Surely they are entitled to the same rights as egg and poultry producers if they so wish.

It is well known, Mr. Speaker, that tobacco production was once one of the most lucrative sources of farm income not only in the Province of Ontario but, indeed, in the four other producing provinces in Canada. However, that is no longer the case. The domestic market for tobacco has been steadily declining while production and input costs have continued to increase. Domestic demand for tobacco has declined by some 20 per cent since 1983. As a result of these factors, Ontario growers expect to take a significant loss on their 1984 crop. At the moment estimates of that loss run between $50 million and $60 million and it may well exceed the $60 million figure. A loss of that magnitude, of course, is more than just a loss to the farmers. It means a loss of employment for some 5,000 migrant workers and university students who rely on the tobacco harvest to get them through the winter or through their next term at university.

There is as well the impact on the local communities. When tobacco growers do not have any money to spend it affects not only farm machinery and car dealers, but grocery and department stores, travel agencies, indeed virtually every commercial operation in the community.

• (1125)

The tobacco industry has been good for Canada and for tobacco farmers. What makes it extremely significant, Mr. Speaker, is that the amount of tobacco moved out of the farm gate on the average tobacco farm, whether it be in Ontario, Quebec, Prince Edward Island, Nova Scotia or New Brunswick, contributes somewhere in the vicinity of $1 million to $1.5 million in tax revenue to the two levels of government. Tobacco is a big earner of foreign exchange and it brings in well over $100 million a year.

Of course, many people applaud the decline in smoking and the beneficial impact it will have on the health of Canadians, but we also must recognize that tobacco is an important crop in international markets and Canadian farmers grow some of the best in the world. The researchers at our Delhi research station have worked closely with growers over the years and have been extremely successful in developing new varieties of tobacco which are lower in tar content. They have assisted in developing production techniques and labour saving equipment. At present they are also working on alternate crops that may assist growers to diversify and reduce their tobacco production without accompanying losses of income. That has always been the case, Mr. Speaker, but realistically, although no comparable substitute has been found, we must strengthen our resources, both financial and human, in this direction in the future.

Again realistically, Mr. Speaker, this will not be an easy task. A farmer with 100 acres of sandy soil could make a good living growing 30 or 40 acres of tobacco in rotation with other crops. However, those 100 acres will not earn a living for the farmer if he only grows corn and soybeans. Unfortunately, soil that is ideal for tobacco production is not particularly good for most other crops without a dramatic increase in the use of fertilizer.

Tobacco growers are going through a crisis and they believe a national agency is necessary to help them stabilize their industry. Some critics have suggested that the supply manage-

ment provisions of the Act should be opened up to include all other agricultural commodities as well. However, today we are concerned only with tobacco because of the urgent cost-price problems of tobacco production and because producers are seeking this change themselves. In contrast, producers of some other commodities have reservations about having the Act altered to include their products and I share that view.

The legislation to amend the Farm Products Marketing Agencies Act was one of the final pieces of legislation considered in the House before it rose last summer. It is worth noting that this Bill is one of the first Bills to be introduced in this new Parliament. It demonstrates very clearly the commitment of this Government to amend the Act on behalf of the tobacco producers in Canada.

I urge Members of this House to support Bill C-4 and encourage its speedy passage. Once the Bill is passed the National Farm Products Marketing Council may hold public hearings to explore the possibility of establishing a marketing agency for tobacco, and negotiations would then be held with provincial signatories to work out details of the actual agreement. It is only fair and reasonable that tobacco producers should be allowed to look into the option of playing a larger role in the marketing of their own product.

• (1130)

In conclusion, I would like to draw to the attention of the House that I have had brief discussions with my counterparts in the two other Parties with reference to a slight drafting problem. Perhaps it would more accurately be described as a bit of a conflict or another legal opinion with reference to making a further slight amendment to the Bill. In the section of the Bill that we are amending we are placing the word "tobacco" in line 9, and line 10 goes on to refer to "the products of".

We were satisfied by legal advice which we received from our own Department that the simple insertion of the word "tobacco" would cover parts of tobacco. However, to be consistent with the Bill, there is some question as to whether we should again insert the word "tobacco" in line 10 as it relates to products of. My two counterparts appear to be receptive to this. Although I have to be guided by the Chair, I understand that if the agreement holds true, as I am certain it will, rules dictate that it is not possible for me to move the second amendment. However, I understand that another Member of this Party could put this amendment forward. I expect that my colleague, the Member for Haldimand-Norfolk (Mr. Bradley), will be in the House at committee stage, and I would like to serve notice now that this second amendment will be moved at that time.

Mr. Maurice Foster (Algoma): Mr. Speaker, I am happy to have an opportunity to speak on Bill C-4, a Bill to amend the Farm Products Marketing Agencies Act. I would like to congratulate the Minister on his appointment as Minister of Agriculture. He is a gentleman whom I have known since our days at the University of Guelph. He is a man who has demonstrated his concern and interest in the agricultural community of this country over the past many years.

I would like to indicate our support for the Bill before the House today which adds the commodity of tobacco to those commodities which can have a national marketing agency in our country. The tobacco producers in southwestern Ontario, Quebec and the Maritimes have indicated their support for this Bill. They have indicated how desperately important it is for them in the marketing of their products, as it was for other commodity groups that have taken this step in their marketing procedure in the past. We understand the problems they face with a commodity for which the demand is dropping each year. We understand as well the problems they face in dealing with multinational corporations which travel around the world playing one set of producers against another in various countries.

If this legislation is passed it will allow producers to control their production. This will allow Canada to set limits on imports from other countries. I understand imports have fluctuated from below 8 million pounds a year to as high as 15 million pounds. Such violent fluctuations of imports will be controlled with supply management imposed on our own producers.

We agree with this legislation. We agree with other commodity groups having the opportunity to establish marketing agencies as well. We wonder why Bill C-56 was not reintroduced. That Bill would simply have removed the section from the Act and made it possible for all commodity groups within which the majority support a national marketing agency to take the same step. We wonder why the Government is limiting this to tobacco. There are other groups facing difficulty in the country. When the majority of the producers of a commodity want to establish a marketing agency and present a plan to the National Farm Marketing Council which is accepted by the Government, they should have the opportunity to take the same step. However, this Bill limits it stricty to tobacco.

My concern is with regard to why we are debating this Bill today. The Bill was filibustered last June 29, the last day that the House sat in the previous session. From reading a report in the *London Free Press* it is clear that the Tory House Leader spent a lot of time that day talking about many other things, effectively killing Bill C-56 which would have allowed this agency to be established. By this time it would have been established for five months. The tobacco farmers certainly vented their wrath at that time. The report of the *London Free Press* of June 30, 1984 states:

> Irate tobacco farmers surrounded Conservative MPs outside the House of Commons chamber Friday and accused them of killing a bill that would have enabled establishment of a supply management agency.

The article goes on to mention that the tobacco farmers had met in the morning with the Minister of Agriculture and the Conservative caucus. The article continues:

> Liberal House leader Yvon Pinard offered to add 15 minutes to debate time but his Conservative counterpart, Ray Hnatyshyn, refused it, insisting instead

that the House not set a limit on debate time. Liberal MPs and apparently the farmers believed the Tory tactic was used to stall the bill.

Outside the chamber, farmers were seething.

The report goes on to indicate that the PC Member for Haldimand-Norfolk (Mr. Bradley) said later:

"I'm going to be thinking about my future in this place over the weekend." Bradley, one of the chief proponents of the bill in the Tory caucus, was bitterly disappointed by the turn of events.

Although we are glad to see this Bill passed today, Mr. Speaker, we feel that it really should have been passed last June 29. The Tory handbook and election campaign included an item which indicated that they would support farmers in the efficient development of marketing systems of their choice. If that was part of the Tory platform, we wonder why Bill C-56 was not passed as proposed. It would have allowed all commodity groups to establish a marketing system of their choice.

• (1140)

Although marketing is of the utmost importance, I suggest we should be providing this kind of assistance to other commodity groups. We want this legislation to be passed. We also want the Government to introduce legislation to deal with the urgent cost-price squeeze being faced by other commodity groups such as the red meat industry and the grains industry. Their situation is perhaps more crucial in terms of that cost-price squeeze than at any time in many years. One has only to read the report of the Farm Credit Corporation which indicates that some 39,000 producers are facing very critical financial times. In fact, 1,700 producers are facing financial collapse.

The Speech from the Throne contained no proposals to deal with our important resource industries of agriculture, mining and forestry or with tourism. According to the economic statement of the Minister of Finance (Mr. Wilson), the question of agri-bonds will simply be referred to the Standing Committee on Agriculture. There is no legislation forthcoming to allow the Farm Credit Corporation to provide set-aside provisions. There is no legislation forthcoming such as there was in the Bankruptcy Act to provide for pre-bankruptcy arbitration.

We do not see any activity to lower the cost of money for farmers as was promised in the Conservative campaign platform, or set-aside legislation such as was introduced in the United States with respect to their farmers' home administration. That legislation permits them to set aside a portion of outstanding loans in cases of an individual who is a good producer and is capable of meeting his commitments if he could have a little short-term relief. It is a very ingenious arrangement applying to the commercial banks as well and I believe similar legislation here is urgently needed.

Since these measures have not been announced in the Speech from the Throne or in the economic statement, I am concerned that such legislation is a long way off. Consequently, those 1,700 farmers who are facing bankruptcy this winter will not get any relief.

The Official Opposition recognizes the urgency of this matter and we support this Bill. The production level of tobacco is dropping precipitously and those producers are facing a monopolistic situation with the international corporations that buy tobacco from ouside the country. We want to see this legislation passed so that this group of producers can work together to address this declining situation.

We hope that the Government will provide the additional research assistance in the hope that some of them will adopt their land and production techniques to meet other opportunities for agricultural production in the months and years ahead. With that, I want to indicate our support to see this Bill go to the Committee of the Whole.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I rise to take part in this debate on Bill C-4 to amend the Farm Products Marketing Agencies Act. It will have the effect of permitting tobacco producers to include their product within a marketing plan that will limit the amount of production that is permitted into the country or the amount produced on the farms.

This amendment concerns part of the Marketing Agencies Act which has its roots back in the 1930s. It was a copy of initiatives taken by those in Australia and New Zealand who were looking for methods that would permit their farmers to have similar powers that the state granted to large corporations and to workers to set up labour unions. The purpose of that legislation was to allow agricultural producers to put their products on the market through a single desk-selling agency. In some instances it also provided for a reduction in quotas, the setting of quotas to regulate the amount of product put on the market and even the amount of product produced in some cases.

I am concerned about this section of the Act because I believe it is rather unfair that it prescribes a limitation to producers at all. In any event, this proposal will limit the amount of imports or production in the country to only three groups of producers. They are egg producers, producers of poultry or similar products and now tobacco producers. I will come back to this subject because I believe it is a negative imposition of a set of rules and guidelines that are an unnecessary hardship on agriculture. I will prove that by illustrating how our existing legislation already provides sufficient safeguards without forcing producers to jump through another hoop.

The House is aware that tobacco farmers have been required to lobby for the last two years, including having to picket in the rain for several weeks last spring. The silly attitude taken by various governments forced them to lose another season of benefits from this proposed legislation. After two years, many of them are no longer able to remain in business. They have been forced to come to the House of Commons, hat in hand, to get permission to use that last bit of regulation which would allow them to stay in business.

This type of procedure is no longer required for corporations. We long since gave up sitting in judgment on whether a

group of individuals should be allowed to form a corporation. We no longer require such a lobbying procedure by a group of workers in order to set up a union. This is all accomplished through Order in Council according to very clear procedures. Unions and corporations can be set up almost instantaneously.

However, the producers of any agricultural products other than eggs, poultry and tobacco, after today, must go through a long process of bargaining with the Government, lobbying Members of Parliament and even picketing occasionally. This often results in havoc being weaked on the industry before getting a lawful right which should naturally be theirs.

National products marketing agencies are set up in two stages in this country. That in itself is a fairly rigorous hoop to jump through. First, producers must organize on a provincial basis. Depending on the provincial organization, a majority of producers in most provinces—as much as two-thirds majority in some—must agree on a marketing plan. But that is not all. After havig organized themselves within their province, they still do not have powers to regulate the sale and marketing of the product for interprovincial trade or for international export trade. In order to do that, they have to go to the national legislation. They have to prove, depending upon the requirement, that from 50 per cent to two-thirds of producers are proposing to become part of the national legislation.

• (1150)

One can imagine the way in which the political process works in farm organizational terms. To reach that point they have probably spent five years or six years but are not in a position to regulate the amount of product going into the market or to regulate imports of the product. Then they have to convince the Government to introduce a Bill before the House of Commons. This requires the Government finding time in the House to debate the Bill so that it can be passed through all stages and proclaimed. At that point they finally get what they set out to do. As a result of the period of time required, often the initiators of the program have gone out of business. Some of them have died by natural causes. It is a long, stupid process.

In this case it would have been much better to have simply deleted Clause 17(3) from the Bill. This would have permitted producers of any product who had jumped through the two sets of hoops at the provincial and federal levels to get what they wanted initially. Again I indicate that in some cases as many as two-thirds of the producers have to be in agreement. With the deletion of that clause and producers having gone through two road-blocks, they would have been able to have those powers and to begin to function as part of the Canadian society, as is the case with large corporations and unions.

It is a discriminatory practice to continue with these limitations. We will be permitting the tobacco amendment to go through. Later on at the proper stage I should like to introduce an amendment which would in fact eliminate this particular clause of the Bill. I am not sure what Mr. Speaker's ruling will be on such an amendment since the Bill in front of us is a very short one. However, Hon. Members should look into the procedures required to set up a marketing organization and to conduct that organization in a business-like fashion, having some control of imports and some control of the amount of goods offered on the market. Such an amendment is certainly required. If we cannot get it today, certainly we will in the near future.

There is a great deal of difficulty facing tobacco farmers in the country at the present time. There are approximately 185,000 acres of land, in southern Ontario mostly, which lends itself to the production of tobacco. It is almost too sandy to produce any other crop which yields the same amount of income. Farmers have been under pressure for a number of reasons. There is reduced demand for tobacco because of the fear of lung cancer, as well as various environmental demands of society today. They are under pressure from imports. The Minister's proposed amendment would help provide some protection from various parts of the tobacco plant coming into the country as imports. Also they are under some pressure as a result of potential substitutes and some experimentation which has been conducted with various varieties of lettuce and the processes through which that crop has been put. There is a very clear need for some control of the amount of product introduced into the market from outside the country. The farmers require the ability to continue with acreage controls which they have placed upon themselves.

The cut-backs in the industry to this point have been quite substantial. There are approximately 2,000 or more growers in the industry now. They took a 21 per cent production cut last year by agreement. This has meant approximately 5,000 fewer tobacco workers at harvest time and probably between 500 and as high as 1,000 workers no longer having jobs in the manufacturing and distribution parts of the business. Probably close to 500 of those 2,000 farm families are faced with being forced out of business. This particular change to the law will give them the power to control the amount of imports with which they are faced, but it will reduce only marginally the pressure facing the industry at the present time.

We think it is a necessary amendment to help the tobacco industry. My only regret is that the Minister did not see fit to do away with the limitation clause so that producers of all farm products, having jumped through two sets of very strict requirements at the provincial and national levels, would have been able immediately to control their products in a manner which would provide them with adequate incomes.

Mr. Bruce Halliday (Oxford): Mr. Speaker, indeed I am pleased to be here today representing the constituency of Oxford. Having gone through the recent election promise that we would do certain things with respect to agriculture, I am pleased that within a matter of a couple of short weeks we are able to bring before the House something for which we have been fighting for months and months. In the last Parliament the then government refused to bring forward an amendment which would have easily suited the needs of the Canadian tobacco industry.

I will not become involved in a long dissertation about the steps which took place going back almost a year now. At the

wish of a large majority of tobacco producers, approaches were made to the government. It promised to have an appropriate Bill in the House within a few weeks, and then within a few months. One promise after another was made. Finally, by the end of June the Liberal government had broken several of its commitments to the tobacco industry. The Bill was brought in at the last minute, not even as a priority. It was about fourth on the list for one of those last days. As a result of that deliberate attempt by the Liberal government, the Bill did not pass.

Tobacco growers in southwestern Ontario were concerned about that. I will have to modify what I say somewhat because it is fair to say that the majority of tobacco growers wanted a simple amendment passed which would allow the inclusion of the word "tobacco" in the federal Marketing Agencies Act. As it was, a significant number of growers had reservations about it. However, it was certainly the feeling of the Progressive Conservative Party that producers of the country should have an opportunity to decide whether or not they wanted to be involved in a national marketing board. Our intent last year during those preliminaries leading up to the introduction of the Bill in the House was for tobacco growers to have that opportunity. That is all we asked. We wanted the former government to give them the privilege, as producers producing a particular commodity, of deciding how they would like to go. The next step would follow according to what they decided. As we all know, it was not possible with the attitude of the former government to do that. It brought forward a complicated Bill. It was not a simple Bill that could be voted on in a hurry, the way we can here today. As a result, it did not pass.

• (1200)

Agriculture, of which tobacco is a significant component in this country, is one of the basic components of our economy. Whether we are on the Government side or Opposition side, I sometimes wonder whether we really understand the significance of agriculture as the basis of our Canadian economy.

I have occasion to meet from time to time with repesentatives of the Federation of Agriculture, in my constituency the Oxford Federation of Agriculture. They continually impress upon me the importance of the agricultural sector. No matter which side of the House we are on, all of us must bear in mind that even though we are pretty well agreed on the need for some cuts in our over-all economy in order to get at the deficit problem, we have to look very seriously at whether we can afford to cut very significantly in the agricultural area.

As it is now, the input costs of most farmers, whether they are in tobacco or any other field of agriculture, are far in excess of what they used to be, more so than their revenues. As a result, farm incomes have dropped in an absolute manner from five years ago. The agricultural community across this country is suffering as much as, if not more than, many of the other economic sectors. We had better look very seriously at to what extent we can afford to limit support for the agricultural community in Canada.

One of the most important commodities in my constituency of Oxford is tobacco. The Town of Tillsonburg, which is known as a tri-county town, lies in the constituency and County of Oxford. It touches the border of Haldimand-Norfolk. It is within a mile or two of the constituency of the Minister of Agriculture (Mr. Wise), which is Elgin. Tillsonburg is the headquarters for the Ontario Flue-Cured Tobacco Growers Marketing Board.

The amount of tobacco grown in Oxford is not as great as the amount grown in Haldimand-Norfolk. My estimates are not precise to the nearest decimal point, but approximately 60 per cent is grown in Haldimand-Norfolk, 20 per cent in Oxford, and 20 per cent in Elgin. Smaller amounts are grown in Durham-Northumberland. On a national basis, small amounts are also grown in western Quebec, Prince Edward Island, Nova Scotia and New Brunswick. If my recollection is correct, 90 or 95 per cent of all tobacco produced in Canada is produced in the area around Tillsonburg.

If I were here today to defend the dairy farmers of this country, I could cite many proud facts which have a bearing on this tobacco Bill as well. In these stressful times being experienced by the farming community, those farmers perhaps least stressed are the dairy farmers. In the last three years I have received very few letters from dairy farmers indicating problems, with the exception of young men and women wanting to get into dairy farming who are having difficulty finding money to purchase the farm and quota. We must ask ourselves why the dairy farmers are having less problems.

By way of an aside, I am proud to speak of the dairy industry in my area. Although the constituency of Perth, and my friend and colleague from Perth (Mr. Brightwell) will understand and agree, has more cows than we have in Oxford, what is interesting is that we produce more milk. I do not know whether that suggests that we have better farmers in Oxford. I would not want to say that. Maybe they are better farmers in Perth. However, we have expertise which allows them to be the highest producers of milk of any constituency in this country.

They have had some help. Not only do they have ideal land conditions, a very temperate climate and so on which is conducive to dairying, but they have good organizational skills. The Ontario milk marketing plan provides for them, along with what is provided through the Canadian Dairy Commission, the opportunities to market their milk in a satisfactory manner. This has prevented them from suffering quite as much as other farmers have from the economic downturn in recent years.

Tobacco growers have observed this. It does not take a very acute mind to see that dairy farmers, both in Oxford and across this country, have done reasonably well over the last while. We should give some credit to the fact that they have had in place a national and provincial plan which has given them the opportunity to market their milk in an orderly fashion. It has provided them with returns that are reasonable, certainly in comparison with other commodities.

On that basis, I rise today in support of Bill C-4 which represents an attempt by tobacco producers across this country to gain some of the opportunities the dairy farmers have had. There may be some resistance to this from other parts of the country. I am not here today to get involved in that kind of an issue or conflict. I am here to speak on this Bill and also to do so on behalf of the producers who I know are anxious to have this Bill passed as quickly as possible. These producers are working and trying to earn a living under desperate conditions in the constituencies of Elgin, Haldimand-Norfolk and Oxford. As I mentioned earlier, I am proud to state that the headquarters for this constituency are in Tillsonburg in the constituency of Oxford.

I have received representations from constituents asking why the Member for Oxford, who himself does not smoke, is trying to support the tobacco industry when he is a physician and should be opposed to the use of tobacco. I understand their concerns. As a physician, I realize that there are definite health hazards from the use of tobacco. I accept that. As a physician, I am convinced that that is the case. However, I remind these constituents who write to me in this vein that, be that as it may, I still represent the tobacco farmers in Oxford. They are involved in the legal business of the growing of tobacco. There is nothing illegal about it. I have an obligation to them and I indeed want to support anybody who has a problem that should be aired in the House of Commons and I may be of assistance to them.

• (1210)

A number of things have happened that make it difficult for the tobacco growers, and this makes me want to speak today on their behalf. For instance, in the past both the federal Government and provincial governments have deemed it fair and wise to impose extra taxes of one sort or another on the tobacco industry largely at the retail level. By so doing, these governments are greatly increasing the amount of tax to which that particular industry is subjected in an over-all sense. I sometimes ask myself whether or not that is quite fair.

There are various approaches one could take to influencing people in their daily habits. Whenever I get to my medical office, which is very seldom these days, I try to influence people not to smoke or certainly to cut down on their smoking for health reasons. That is fair enough. I believe it is fair enough for those of us, either collectively as governments or as individuals, who are convinced that tobacco is a health hazard to try to influence people that it is probably not wise to smoke. I have no difficulty with that.

However, when it comes to taxation of the tobacco sector, I want there to be some fairness and equity. The way we should be exerting that kind of influence on people is through an educational process at the federal and provincial levels and through the various health groups. I do not want to see the Government indulging in over-taxation which is discriminatory to one particular sector.

It is a pleasure for me to be here today because we now have a Government that is prepared to look after the interests of the farmers of the country. The Government has now selected this one particular sector which the previous government refused to help and we have before the House today Bill C-4, a Bill which I am fully prepared to endorse. I hope my colleagues on both sides of the House will see the wisdom of this very simple amendment that will hopefully make the lives of tobacco growers much more acceptable to them.

The Acting Speaker (Mr. Paproski): Questions or comments on the speech made by the Hon. Member for Oxford (Mr. Halliday)?

Mr. Foster: Mr. Speaker, I have a question for the Hon. Member. It seemed to me that he stepped tenderly on the actual Tory filibuster that took place last June when this Bill was before the House. The Hon. Member for Haldimand-Norfolk (Mr. Bradley) is not present today. Obviously the Hon. Member for Oxford could not have been present last June 29 when the previous Bill, Bill C-56 which provided for the tobacco marketing agency to be established at that time, was before the House. At that time the Hon. Member for Haldimand-Norfolk said in an interview with the *London Free Press:*

"I'm going to be thinking about my future in this place over the weekend." Bradley, one of the chief proponents of the bill in the Tory caucus, was bitterly disappointed by the turn of events.

I wonder if the Hon. Member was actually present in the House when the previous Bill, C-56, was filibustered and did not pass last June 29.

Mr. Wise: Mr. Speaker, I rise on a point of order. I have a great deal of respect for my colleague, the Hon. Member for Algoma (Mr. Foster). He has brought up the name of my colleague, the Hon. Member for Haldimand-Norfolk (Mr. Bradley), who is not present today. I think the Hon. Member for Algoma will recognize the danger of quoting from an article published by any newspaper. The *London Free Press* is a newspaper with wide circulation in my part of the country. It is usually accurate. However, the Hon. Member knows that it does not accurately reflect—

The Acting Speaker (Mr. Paproski): I do not think that that is a point of order. I would like to have the Hon. Member for Oxford (Mr. Halliday) reply to the comment.

Mr. Halliday: Mr. Speaker, I welcome the question put by the Hon. Member for Algoma (Mr. Foster). To answer his question specifically, in actual fact I was not present in the House that day because I was in Vancouver on parliamentary business. Unfortunately, I was unable to be here to take part in that debate.

It is my memory, and I would challenge my colleague across the way to deny it, that there was a commitment made by the government on the day before or two days before the 29th of the month to the effect that it would bring in the tobacco Bill as the second order of business on that day. Instead of bringing it in as the second order of business, it was brought in as the fourth or fifth order of business. That is why that Bill did not get passed. It was not a filibuster on the part of this Party at

that time but a deliberate attempt on the part of the then Liberal government to put another Bill before the House that it knew was controversial and would take the whole day or even longer to debate. That is the reason the Bill was not passed. The Hon. Member for Algoma knows that and should have admitted it when asking his question.

The Acting Speaker (Mr. Paproski): The Hon. Member for Algoma on a further short question.

Mr. Foster: Mr. Speaker, I would like to ask the Hon. Member for Oxford (Mr. Halliday) to check his facts, not only with *Hansard* of the day—page 5343 indicates the actual debate that took place—but also with his colleague who was bitterly disappointed that the Bill was talked out. As well, the tobacco producers from southwestern Ontario who were present were bitterly disappointed that the Bill was filibustered and not passed. If the Bill had not been talked out, then we would be well on the way to forming the agency right now.

Mr. Halliday: Mr. Speaker, I am not sure that that was a question but I would certainly like to reply to it. Although I was not present on that day, I have it from reliable sources that what actually appeared in *Hansard* that day may not reflect exactly what was shown on the audio-visual record for that day. As I read *Hansard*, I found that it was very confusing and I daresay that those who were present recall that day as being very confusing. It is my understanding that what is indicated by the audio-visual recording for that day is not precisely the same as what was recorded in *Hansard*.

Mr. Deans: Mr. Speaker, I was listening to the exchange which just took place. I would like to suggest to the Hon. Member for Oxford (Mr. Halliday) that while he may want to believe that his interpretation is entirely accurate, there are certain flaws in it. I remember the day very, very well. I was involved in the negotiations that took place in an attempt to have the matter resolved on that day. In fact, I offered to sit beyond the appointed hour of adjournment in order to allow the question to be resolved in its entirety. As I recall it, and I am sure I do recall it accurately, the Government indicated that it would sit for an additional 15 minutes. The Official Opposition indicated that that would not be long enough. During the course of the exchange, which lasted for about 15 minutes, it became apparent that the question of how long it would take would not be resolved. The Speaker rose and adjourned the House at that point.

Mr. Wise: Two Members saw the clock.

Mr. Deans: The clock was seen. I think it is fair to say that the only people who were trying desperately to find a solution were members of the New Democratic Party. Members of the other two Parties involved found themselves playing a silly game which cost the farmers the passage of the legislation that they so desperately needed.

If the Hon. Member for Haldimand-Norfolk (Mr. Bradley) were here, I think he would be on my side of this particular issue. I can well remember the discussion that he and I had and I can well remember the bitter disappointment in his face at the actions of his own colleagues, in addition to the disappointment that he felt at the actions of the Government.

Mr. Hnatyshyn: Mr. Speaker, unaccustomed as I am to being drawn into debate on this issue or on any issue raised by the distinguished House Leader for the New Democratic Party (Mr. Deans)—

Mr. Deans: Are you going to talk this out too?

• (1220)

Mr. Hnatyshyn: No. I simply want to reject out of hand the suggestion that the Hon. Member for Hamilton Mountain (Mr. Deans) has made with respect to what transpired in a period of five minutes at the end of the last Parliament.

We could sit in the House and argue about who is right and who is wrong. However, I think it has been demonstrated by the new Minister of Agriculture (Mr. Wise)—as his first initiative—that he is bringing forward, in terms of agricultural legislation in this House, a Bill which will do precisely what we suggested to the previous Government. The Bill will assist the tobacco growers of Canada. My hon. colleague should be given kudos and not be subjected to carping and detailed criticism. He should be applauded by members of the New Democratic Party.

In conclusion, I am sure the Hon. Member for Hamilton Mountain will be leading the cheering on behalf of our great Minister of Agriculture.

[*Translation*]

The Acting Speaker (Mr. Paproski): The period provided for questions and comments has now expired. The Hon. Member for Bellechasse (Mr. Blais).

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, it is a pleasure to rise in the House to speak to this Bill. I must say I am also very pleased to see that my colleague, the Hon. Member for Algoma (Mr. Foster), and the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) are in the House. We had a little discussion yesterday on absenteeism in another context, and I am very happy to see they are here today.

Mr. Speaker, I think it is important to remember that the Bill we are considering is not one of the Bills that were tabled in the House before, whether it was a year or six months or three months ago. We are not considering those Bills. We are considering a Bill tabled by the Hon. Minister of Agriculture (Mr. Wise), and I think the debate should focus on this particular Bill and not on previous Bills. Of course I am not as experienced as the Hon. Members to whom I referred earlier, but nevertheless, I feel that as the Hon. Leader of the Government (Mr. Hnatyshyn) just mentioned, the important thing is that we have a Bill that is, after all, a minor one and concerns a single word, and I think that if we really want to help Canadian farmers, we should expedite this legislation and

refrain from obstruction and from going through the whole history behind this legislation. There may have been previous debate on the question, but now we should adopt this new legislation as quickly as possible.

Mr. Speaker, this week, in the presence of the Hon. Minister, I had an opportunity, to meet producers in this sector from the Province of Quebec. Various groups of tobacco growers may have expressed some concern in the past, but I can assure the House that the legislation proposed by the Hon. Minister of Agriculture has taken into account the comments of Quebec farmers and, if I may say so, the concerns they have raised previously. In fact, they are quite pleased and they agree with the Bill now before the House, and although growers in Quebec and the four Atlantic provinces represent only a small percentage, namely 7 per cent, of Canadian tobacco growers—93 per cent are from Ontario—it would seem that the fears that such a program would have an adverse impact on the smaller growers across Canada are unfounded. Everyone seems to agree with the legislation.

It is too bad that the criticism we are getting concerns debates in the previous Parliament. I feel that if we agree with the present legislation, we should decide to adopt it as soon as possible. Mr. Speaker, as I said earlier, my parliamentary experience is far from extensive, but to me, if a Bill is on the Table of the House and Hon. Members agree with its content, it should be passed as quickly as possible. Mr. Speaker, I am appealing to common sense, not to parliamentary procedure. I support this Bill. It is the first Bill introduced by the Minister of Agriculture, and I think we should proceed quickly with its passage, and then go on to something else, because Canadians, whether they are farmers or active in any other sector, expect a great deal from this Government, and that is why I think it is important that we should proceed quickly with these minor details so that we can deal with the really important problems facing us.

[*English*]

The Acting Speaker (Mr. Paproski): There being no questions or comments, we shall continue. Mr. Wise, seconded by Mme Champagne, moved that Bill C-4, an Act to amend the Farm Products Marketing Agencies Act, be now read a second time and, by unanimous consent, referred to Committee of the Whole. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into Committee thereon, Mr. Paproski in the chair.

The Deputy Chairman: Order. House in Committee of the Whole on Bill C-4, an Act to amend the Farm Products Marketing Agencies Act. Shall Clause 1 carry?

On Clause 1—*Limitation*

Mr. Althouse: Mr. Chairman, I believe the Minister is going to propose an amendment. After he does, I would like to propose an amendment.

Mr. Foster: Mr. Chairman, I would like to know if the Minister is going to make a statement or whether we are going to proceed with discussion on Clause 1?

The Deputy Chairman: I believe the Minister is going to make a statement.

Mr. Wise: Mr. Chairman, during my remarks on second reading debate, I indicated that there was a wish expressed primarily by the industry that we amend the Bill in line 10. The Act is amended in line 9 by the insertion of the word "tobacco". Our legal counsel is satisfied that it would be sufficient to include the products of tobacco. Those of us who come from farming areas and speak of leaf, stems, cuttings and things of that nature would prefer to use the word "particles" or "portions" of the tobacco plant. However, in an effort to satisfy the industry, we will move that line 10 be amended to insert the word "tobacco" as it relates to any part of tobacco.

I have the amendment and I have discussed it with my counterparts in the Opposition Parties. It is not possible for me, as Minister, to introduce the amendment. I have discussed it with the Hon. Member for Oxford and he is quite prepared to put the amendment if we can get some indication from you, Mr. Chairman, as to the appropriate time.

The Deputy Chairman: Would the Hon. Member for Oxford please put the amendment.

Mr. Halliday: Mr. Chairman, the amendment reads as follows:

That Clause 1 of Bill C-4 be amended by striking out line 10 on page 1 and substituting the following:

"ry or any part of tobacco, eggs or poultry shall not"

● (1230)

Mr. Althouse: Mr. Chairman, I have no objection to the amendment. I wish at this moment to provide an amendment as well in line 10, which would be an amendment to the amendment.

The Deputy Chairman: I am sorry, we must dispose of this amendment first.

Mr. Foster: Mr. Chairman, we are in Committee of the Whole. Are we going to be permitted time to put questions to the Minister concerning the Bill generally? If I can do that under the amendment which has been proposed by the Minister, I will be happy to do so.

The Deputy Chairman: You may ask all the questions you want of the Hon. Minister right now.

Mr. Foster: On the basis of this amendment or on the basis of the Bill itself?

The Deputy Chairman: Of the Bill.

Mr. Foster: In that case, I have a number of questions I would like to put to the Minister concerning the Bill. The Bill does not really deal with a number of concerns which have been expressed by various groups in the country; for example, the idea of strengthening the powers of the National Farm Products Marketing Council, of making that council stronger and more in control of the individual agencies and perhaps having more responsibility right back to the Government itself.

I had the opportunity last year of working on the Crown corporations Bill and its provisions which required greater accountability and reference not only to the Minister and to the Government but to Parliament itself. This was done so that Crown corporations would have a responsibility to put before Parliament on a regular basis their corporate plan. They would have a budget which would have to be approved by the Government. They would have annual reports, and so on, and there would be a continuing flow of information ultimately to Parliament. It has been said that the National Farm Products Marketing Council does not have much control over the agencies nor are they ultimately accountable to the Government itself, which is then politically accountable here on the floor of the House of Commons.

I wonder if the Minister agrees with that view, which has been expressed by many groups in the country and by, I believe, some provincial agencies and legislatures as well, and whether he foresees a need for greater financial accountability as well as just the over-all supervision by the National Farm Products Marketing Council. I ask that question because much of the previous legislation before the House provided for that in the way in which the estimates will be coming before the House in much more detail. Does the Minister feel that those kinds of amendments are ultimately desirable?

I would also like to know why the Bill only covers tobacco rather than other farm commodities. There are other groups in our society, such as consumer groups, which would like to see more accountability to Government so that the Government can respond to criticism of individual agencies. Could the Minister comment on that aspect of the legislation?

Mr. Wise: Mr. Chairman, I certainly welcome the opportunity to comment on the intervention and comments made by my colleague, the Hon. Member for Algoma. Indeed, what the Hon. Member is talking about is the same thing we are now discussing with reference to a Bill to be brought forth in the future regarding financial accountability and more or less authority for the supervisory body, the National Farm Products Marketing Council.

These are things which concerned our Government, as well as myself as Minister of Agriculture, back in 1979. Indeed, some discussions and meetings were held—not many, but a few—on that very subject between myself and the chairperson—who still occupies the chair quite capably—of the National Farm Products Marketing Council. However, of course, political events overtook us during that time. I know that discussions have been held with my predecessors, the council and the three agencies which fall within the authority of the National Farm Products Marketing Council. It was some of those problems which the previous government tried to address in the final days of the last Parliament.

I believe there was a message there. One cannot move on legislation of that kind, particularly legislation which removes power which has been in the hands of the three existing national boards, without full consultation and some type of agreement. That is what we do not want to duplicate here today.

I agree with the Hon. Member that these matters must be addressed, and I can assure him that I hold them in high priority; but I have not had ample time in which to look into these matters. I have had one discussion with the chairperson of the National Farm Products Marketing Council. In fact, I am meeting with one of the national agencies this afternoon.

That piece of legislation is an important piece of legislation. The work of the council is indeed also very important because it involves supply management, the producers, the industry, the consumers, the federal Government and the provincial governments. The federal Government, the commodity groups and the provinces are signatories to those national plans. I have met with my provincial counterparts on two occasions and we have discussed some of the possible changes which should take place in that Act. However, I am not going to move unilaterally. I am not going to move prematurely regarding those issues which my colleague, the Hon. Member for Algoma, quite rightly raises. They must be addressed but discussions must be held with those people who are involved.

I can assure the Hon. Member that this will go forward. However, I want time to talk to the council members and to my provincial counterparts, and particularly to those commodity groups which are governed by that board. To this point in time I suppose I could say that we have been going full steam ahead on other things. I am not going to go into a long list of benefits which have been flowing and will continue to flow to the agri-food industry. If I did that I might provoke some partisan discussion and I would prefer to avoid that, recognizing that the clock is moving on.

• (1240)

Am I concerned about them? Yes, I am. Do they have a priority? Yes, they have. Will they be addressed? Yes, they will.

Mr. Foster: Mr. Chairman, Section 18(3) would allow any commodity group, with adequate planning and approval of the Farm Marketing Council and the Government, to establish marketing agencies. Is the Minister opposed to removing that section?

That is one question at one end of the pendulum. The other question at the other end is this. We hear reports from time to time that this Government's philosophy and approach will be to move to deregulation, and that marketing boards and agencies are not favoured by this Government. In view of this legislation which establishes one more agency, is it the philosophy of the Government that ultimately we will move away from marketing agencies where an industry seems to be at a

stage where it no longer requires them? Also, will the Government move to allow any group of producers of unregulated commodities to establish marketing boards?

Mr. Wise: Mr. Chairman, I have no hesitation whatsoever in placing on the record the fact that I have no personal hang-ups or problems in removing that section. I am speaking from a personal point of view, but the fact is that that simply ignores reality. I am not about to say to people in the non-supply management areas, the producers of agricultural commodities in any part of the country, that indeed they need not be afraid of government imposing some type of a marketing system on them. There are producers of various commodities in all regions of the country who are just not satisfied with a government or minister of agriculture making that statement. I have to respect their position. We have to accommodate the people who are anxiously waiting for this type of legislation, the tobacco people, and still satisfy the concerns which are out there. I cannot understand why but those concerns are there. To say they are not is to ignore reality. So we recognize reality, we want to make progress and this is the way we are doing it.

In addition, the Hon. Member for Algoma raises the old problem of marketing boards. He comes from the Province of Ontario and knows that we have 40 or 50 marketing boards, commissions and agencies in one form or another in Ontario. Many of them are celebrating 40, 50 or 60 years of operation. He knows that across the country we have about 130 or 140 marketing boards, commissions and agencies. A lot of people think they are all under our jurisdiction but they are not. Basically there are only three under our jurisdiction and we are making provision for four. It is an old political argument, one that the Opposition Parties have worked very successfully in Ontario and elsewhere over time. If anyone questions that, they should examine the record. Every time the Opposition get into difficulty politically, they haul out the old marketing board question. They go back to the position of the Party during the national agencies' debate in 1970 and 1971, but I tell them to look at the position this Party has taken consistently without exception since 1976. We campaigned on that time and time and time again.

We recognize that an agency that works well for one commodity could well spell disaster for another. This Party is not about to impose any marketing system on any commodity whatsoever. However, through legislative changes we will permit commodity groups to take advantage of the Act and to decide for themselves what type of marketing system they want. If there is any doubt about that, and there should not be because hopefully in a few minutes there will be ample proof, I can take you back to 1979. We have three national boards under the jurisdiction of the council. The National Chicken Marketing Agency was first thought about in 1970 or 1971. Discussions and negotiations were held. We had an opportunity during the brief period of time we were in government, when I was the Minister of Agriculture, to proclaim the National Chicken Marketing Agency. Where do we stand on marketing boards? It is there for the world to see.

Mr. Althouse: Mr. Chairman, provincial legislation essentially acts as a screening mechanism of those who apply to operate under a national marketing plan. As the Minister knows, producers in each province must first approve the principle and concept within their borders. What real function does this limitation clause perform given that producers must first decide within their province to market their products through a marketing board and then agree a second time to go to a national plan?

Given those two tests of the acceptability of a plan, why do we still have this limitation which permits producers of eggs and poultry, and now tobacco, to actually go all the way with their marketing board, so to speak? Does it not seem an unfair restriction of the rights of those producers who have already gone through the pain and organizational problems to get themselves organized and approved provincially and then federally? Now they will have to go through yet one more set of road blocks. First of all they have to agree and then find time to deal with their particular commodity. Why does he not simply recognize that there are enough ways of making certain that the majority interest is well take care of both at the federal and provincial levels? Why do we require this third step? Is he prepared to open it up further?

• (1250)

Mr. Wise: Mr. Chairman, the Hon. Member for Humboldt-Lake Centre raises basically the same question which our colleague, the Member for Algoma, does. Personally I have no problem with that. I think there are enough checks, balances and safeguards in the system to prevent any problems. However, it ignores the reality of the situation. In this country we still have producers of agricultural commodities who are not satisfied with that. I say again that I have no problem with that but it ignores the reality.

If we were moving forward today with those other provisions which would open it up, I am sure that the galleries would be filled. I am sure that the producers would be on the front steps or front lawn and perhaps all the way down to Wellington Street. Instead of the number of Members who are in the House now we might even have 211 here. There may perhaps be 50 or 60 Members wanting to participate. I think there is a need here. There is a group of people who want this provision, so let us go forward.

The Hon. Member suggests that we should open it up. To be honest, Mr. Chairman, I am aware of two other groups, the pullet producers for the egg industry and the pullet producers for the chicken marketing agency, that are going forward in the hopes of achieving a national plan. However, the Act provides for that. The only people I know of who are pressing for the change at this moment, and have been for the last 12 months, are the tobacco producers. We are accommodating them. If the Hon. Member is aware of two or three other commodity groups that are demanding a national plan, I want to hear about them because I do not know about them now.

Mr. Althouse: Mr. Chairman, I have spoken with a number of farmers over the past 20 years on this subject. I think the

Minister has probably been made aware by producers, as I have, that there is virtually no incentive for them to begin the organizational requirements or even to begin discussions on such a board as long as the restrictions remain here at the national level. There is no point organizing themselves if they cannot get control of their product and if they know they are going to have to fight for three, four or more years to get the changes through the House of Commons. They do not see their lives being long enough to bother beginning.

The limitations contained in this Bill are doing a great deal of harm to a lot of producers of commodities who would like to see their commodity under the control of a national marketing plan. However, they realize that the condition of their farms, which may be in some economic trouble at the moment, will get even worse if they spend the time necessary to organize a national farm marketing plan. They know it will be a six, eight or ten-year program and they do not have that amount of time, Mr. Chairman. They cannot afford that kind of time. I believe that if we left the law open we would see a great many commodity groups rushing in to form provincial marketing boards with the idea of going into a national plan immediately to control the amount of imports and production they permit themselves to sell on the domestic market.

I think the circumstances should be changed so that they are treated the same as other producers of products in this country. They should be treated in the same way as people who want to form a labour union or a corporation. As I pointed out in my initial speech, we no longer require them to come to the House of Commons and jump through hoops. It does not take three or four years to set up a corporation, an association or labour union any more. There are laws which permit that to be done and the regulations are quite clear. We are discriminating against the producers of most of the agricultural produce of this country. I believe it is time we opened up the law while it is in front of us here today.

The Deputy Chairman: Shall the amendment carry?

Some Hon. Members: Agreed.

Amendment (Mr. Halliday) agreed to.

The Deputy Chairman: Shall Clause 1, as amended, carry?

Mr. Althouse: Mr. Chairman, I would like to introduce an additional amendment to the amendment that was proposed. I move:

That the Bill be amended by deleting line 10 at page 1 and replacing it with the following: "re, livestock, grains, fruits or vegetables or any part of eggs, poultry, tobacco, livestock, grains, fruits, vegetables shall not".

That would be the new line.

The Deputy Chairman: Shall the amendment carry?

Mr. Wise: Mr. Chairman, I was just considering what would happen in the country if someone did not rise to indicate that it would not be possible to accept the Hon. Member's amendment. We have had a full discussion on this Bill. The Hon. Member has made his point, as has our colleague, the Hon. Member for Algoma. I have indicated that I have no personal hang-ups with that because I am an old dairy farmer. I have lived, prospered, and paid my bills under a supply management system that has worked well for the dairy industry. However, I recognize the difference, and therefore I bring you back to the Party policy which has been in place since 1976, which is that a marketing agency that works well for one commodity could spell disaster for another.

I appreciate the Hon. Member's intervention. I appreciate his efforts to bring forth the subamendment. I believe he has done that to emphasize his comments and I appreciate that. However, I regret that I have to reject the amendment on behalf of the Government.

The Deputy Chairman: Shall the amendment carry?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Deputy Chairman: All those in favour of the amendment please rise.

An Hon. Member: Which amendment?

The Deputy Chairman: The subamendment. There is only one amendment before us now. The first amendment was carried. This is a new amendment by the Hon. Member for Humboldt-Lake Centre. The amendment is defeated because nobody rose.

• (1300)

Some Hon. Members: No.

The Deputy Chairman: I will not see the clock. I have asked Members to rise. All those in favour of the amendment please rise.

Amendment (Mr. Althouse) negatived: Yeas, 8; Nays, 23.

Clause 1, as amended, agreed to.

Title agreed to.

Bill reported, read the third time and passed.

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

At 1.04 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

S.O. 21

STATEMENTS PURSUANT TO S.O. 21

[*English*]

CANADIAN ARMED FORCES

416 ALL WEATHER FIGHTER SQUADRON—DECOMMISSIONING CEREMONY

Mr. W. R. Bud Jardine (Northumberland-Miramichi): Mr. Speaker, in these, my initial and brief remarks to the House, I should like to advise it of the end of an era in my riding of Northumberland-Miramichi. The 416 All Weather Fighter Squadron will be stood down as an operational unit at Canadian Forces Base Chatham at the end of December this year.

This weekend, in a special dedication ceremony, their colours will be encased, a pedestal mounted, and a CF-101 Voodoo aircraft will be dedicated to the base and to the people of Miramichi. The officers and men and women who served in this unit throughout the years have made their contribution to NORAD and to the safety and security of our country. Were it to be permitted by the rules of the House, I would indeed pay recognition to them.

Some Hon. Members: Hear, hear!

* * *

TRADE

UNITED STATES—REPORTED THREATS TO CANADIAN EXPORTS

Mr. Maurice Foster (Algoma): Mr. Speaker, recent reports indicate that United States food industry groups are planning to curtail a wide range of Canadian farm products going to that country from Canada, worth some $1.5 billion. These reports also indicate that President Reagan has lent his personal support to the United States pork producers' drive to block Canadian exports to the U.S.A. Also they have petitioned the International Trade Commission to impose countervailing duties. The value of this trade to Canadian farmers is estimated at $500 million this year. The Canadian Government should take action immediately to prevent the imposition of these duties on Canadian exports to the U.S.A. Action at the highest possible level must be taken directly by the Minister for International Trade (Mr. Kelleher) and the Minister of Agriculture (Mr. Wise), with the Reagan administration in Washington.

The Prime Minister (Mr. Mulroney) has portrayed his relationship with the President as one of sweetness and light. If this is really true, why has the President cut off sugar exports from Canada to the United States? Why is the U.S. Government in the process of cutting off fruit exports from Canada to that country? Why is the United States conducting investigations to cut off fish exports from Canada to the U.S.? We have to ask ourselves whether the whole love affair between the Prime Minister and the President is a one-sided relationship.

WILDLIFE

CARIBOU DEATHS—QUEBEC INQUIRY SOUGHT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, last month Canadians learned with horror about the death of over 10,000 caribou which were swept away while crossing the Caniapiscau and Koksoak rivers on their annual migration. Native peoples of Canada in that region depend upon caribou herds for their nourishment as well as their economic wellbeing. The tragedy is made that much greater by the fact that it could have been averted.

Over 10 years ago biologist Alexander Banfield predicted that the hydroelectric project at James Bay could lead to disastrous consequences, not only for the region's caribou but for other wildlife as well. In addition, native leaders had requested, prior to the disaster, that barriers be erected to protect the herds from high waters.

It is important that the causes of the caribou deaths be clearly established. Many different reasons have been given, but none are conclusive. Therefore we ask the Prime Minister (Mr. Mulroney), as the Member of Parliament from the area affected, and the Minister of the Environment (Mrs. Blais-Grenier) to urge their provincial counterparts in Quebec to launch a public inquiry to establish the exact causes of the disaster in order that this never happens again.

* * *

EXTERNAL AFFAIRS

INDIA—TRIBUTE BY CANADIAN JOURNALIST TO WORK OF MINISTER AND OFFICIALS

Mr. Tom Hockin (London West): Mr. Speaker, I have seen a communication from Jonathan Mann, the Canadian journalist who was imprisoned briefly in India. It expresses his heartfelt thanks for the work of the Secretary of State for External Affairs (Mr. Clark) and members of his Department to secure his quick release after he was arrested for illegally entering the Punjab.

He states that during the six days he was in police custody he was in regular contact with the Second Secretary of the Canadian High Commission in New Delhi. Those efforts were discreet and little publicized. Also, careful diplomatic activity by the High Commission during those six days was extremely helpful in setting him free.

Because of the success of the Minister, his Department, and the High Commission in this regard, I hope that similar efforts, if they are appropriate, will be exercised on behalf of a husband of a constituent of mine, Mrs. Alice Kozumplik. Michael Kozumplik was arrested in Czechoslovakia for an offence which may also be relatively minor. He has been under arrest since mid-August.

VISIBLE MINORITIES

INTERNMENT OF JAPANESE CANADIANS DURING WORLD WAR II

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, this Thirty-third Parliament of Canada has been summoned to the work of national reconciliation. It is my duty this aftrenoon to remind Hon. Members of a long-standing injustice that cries out for remedy by the Government of Canada.

The National Association of Japanese Canadians yesterday informed Canadians that their community was attacked during World War II for political reasons, not for reasons of national security. The Liberal Government's dispossession and internment of Canadians of Japanese descent was opposed at the time by military and police authorities who were more concerned about racist attacks on this visible minority than about any subversive activity among them.

Noble principles of democracy were trampled underfoot as thousands of Canadians of Japanese origin were taken from their homes and lost their property to Canadian government authority. This fact was recognized by the former Liberal Government which regretted what had happened. The Prime Minister (Mr. Mulroney), then Leader of the Opposition, asked for more last June when he sought a formal apology from the departing Prime Minister. Now that he has the authority to offer redress to Canadians of Japanese origin, it is the solemn duty of the Prime Minister to ensure that a resolution stating a formal apology for the injustices perpetrated, and providing for proper negotiations to establish compensation, be placed before the Parliament of Canada.

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[*Translation*]

THE ECONOMY

GASOLINE PRICE INCREASE

Mr. Carlo Rossi (Bourassa): Mr. Speaker, on November 8 of this year, the Minister of Finance (Mr. Wilson) raised the tax on gas by 10 cents a gallon or 2 cents a litre.

Surprisingly, this incredible and totally injustified increase in the price of gas is not being shared with the provinces or small retailers. What is even more surprising is the silence of the Member for Duvernay (Mr. Della Noce) who during the last election campaign claimed he was fighting for the rights of small retailers and now is sanctioning by his silence a measure that is a very real threat to retailers and car owners. The Hon. Member's silence, Mr. Speaker, is most eloquent.

Who would have thought that the Hon. Member, who was telling everybody he would make himself heard in Ottawa, would be doing just the opposite? Not one word, Mr. Speaker! He could at least have defended the Government's position, but not a word! He could have stood up for the retailers and car owners, but not one word!

S.O. 21

Mr. Speaker, it would seem that the Member for Duvernay has bowed down to the rule of silence, probably imposed by the Deputy Prime Minister.

I suppose the next time we hear from the new Member for Duvernay will be the night he goes down to defeat in the next election.

* * *

[*English*]

LABOUR CONDITIONS

PLIGHT OF MIDDLE-AGED UNEMPLOYED MEN

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, I rise to plead for an invisible minority, the middle-aged, unemployed men of Canada. Over 60,000 Canadians between the ages of 55 and 65 are receiving unemployment benefits. When added to the number of men between ages 45 and 55 in the same need, the total comes to about 200,000. That number can be expanded still more when we add those who have become too discouraged by relentless rejection to continue seeking work. Together they form Canada's largest prison. It has no walls, it has no bars. However, it holds more than a quarter million men fast. It incarcerates them by the despair that they may never work again. Together they form an unrecognized invisible minority.

Like women in the same age group, they need affirmative action to break down the barriers of "agism", that socially effective form of discrimination against which there has been so little protection.

I know many of these men, especially those in the constituency of Scarborough West. They do not look for grants, or subsidies, or incentives, or privileges. All they seek is opportunity.

* * *

• (1410)

NORTH ATLANTIC TREATY ORGANIZATION

ATTENDANCE OF CANADIAN DELEGATION AT NORTH ATLANTIC ASSEMBLY

Mr. Joe Reid (St. Catharines): Mr. Speaker, very recently it was my honour to lead Canada's fifteen-person delegation to the thirtieth annual session of the North Atlantic Assembly in Brussels. We met with delegations from the other NATO countries to receive a very major report on "Nuclear Weapons in Europe", to debate the new strategy for NATO, and to exchange views on the current state of the alliance.

Most members of this delegation were attending these sessions for the first time. Even so, Canada was represented on all five of the Assembly's working committees. I want to tell the House that Canada can be proud of the contribution made both in committees and in the plenary sessions. In particular, I would like to underline the report on alliance security presented on behalf of the Member for Dartmouth-Halifax East (Mr.

Forrestall), rapporteur for the military committee, and the report dealing with science and politics as presented by Senator Tom Lefebvre, rapporteur for the scientific and technical committee.

We were able to reassure our allies of this Government's firm support for NATO and that the objectives of this Government are clear and firm: to defend freedom and preserve the peace, to work with other nations to halt the spread of nuclear weapons, and to prevent their development and use and, lastly, to work with our allies in NATO to build a healthier world economy.

* * *

LABOUR RELATIONS

AIR CANADA—NEGOTIATIONS WITH UNIONS

Mr. Les Benjamin (Regina West): Mr. Speaker, Air Canada has filed a spurrious nitpicking charge before the Canada Labour Relations Board against the Canadian Air Line Employees' Association, accusing them of concerted action to strike while the collective bargaining process is going on; for wearing union pins in the workplace, which is authorized in Air Canada's own bulletins; for refusing temporary appointments to managerial positions, which is voluntary, and for a concerted ban on overtime, which is totally untrue.

I would ask that the Minister of Transport assure that Air Canada conducts meaningful negotiations with its unions, specifically CALEA, so as to ensure that there will be no disruption of service during the Christmas and New Year's period.

* * *

THE PRIME MINISTER

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, the establishment by the Prime Minister (Mr. Mulroney) of 10 provincial PACs, that is PC Provincial Advisory Committees, across Canada to ensure the PC Party members are placed in the thousands of jobs available to the Prime Minister and his Ministers, flies in the face of the Prime Minister's statement on patronage during the election campaign.

In the November edition of *Saturday Night* magazine, the Prime Minister of Canada, in responding to Ian MacDonald's question about the $300,000 raised in 1972 by the Conservative Party to persuade Claude Wagner to run as a federal PC, said, and I quote the Prime Minister:

> I didn't find anything outrageous in the proposition at all.

In the same *Saturday Night* article Mr. MacDonald points out that during the 1976 leadership campaign the Prime Minister was fond of quoting Senator Allister Grossart on patronage. I quote the Prime Minister from *Saturday Night*. He said:

> What this party wants is its two feet right in the goddamn trough.

The Prime Minister has now created the mechanism, through the establishment of PACs, to fulfil his leadership ambition of 1976 to put his Party's two feet in the public trough, and his thinly disguised attempts at naming a prominent liberal and a prominent New Democrat to diplomatic posts will not convince this House or the Canadian public otherwise. These PACs should be dismantled immediately before the situation gets worse than it already is.

* * *

PIPELINES

VANCOUVER ISLAND GAS PIPELINE PROJECT

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I call to the attention of this House the spurious nature of Conservative Party election promises in the last election campaign. The Minister of Energy, Mines and Resources (Miss Carney) promised a $325 million subsidy to the Vancouver Island gas pipeline. The Hon. Member for Nanaimo-Alberni (Mr. Schellenberg) promised more than half a billion dollars to the Vancouver Island gas pipeline. The defeated Conservative candidate in the Comox-Powell River constituency promised an equally generous subsidy. Last week in the House, on a question from the Hon. Member for Nanaimo-Alberni, the Minister of Energy said this project was on hold.

She has put the pipeline on hold, just as she put on hold an investment of $800 million in a fertilizer plant in Powell River. She has in fact put on hold 20,000 person-years of work on such a pipeline, and the opportunity of people on Vancouver Island to have natural gas. In effect the Conservative Minister of Energy has demonstrated how spurious these election promises were, how the people of Canada, British Columbia, and Vancouver Island have been betrayed. She has also driven an $800 million investment in a fertilizer plant offshore to Thailand or Mexico. I urge the Government to reconsider its position and support this worth-while project.

ORAL QUESTION PERIOD

[*English*]

DISARMAMENT

NUCLEAR FREEZE PROPOSAL—REQUEST FOR REFERRAL TO PARLIAMENTARY COMMITTEE

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I would like to offer my condolences to the Right Hon. Secretary of State for External Affairs on having been called into the office of the Prime Minister and having been slapped on the wrist for what the Tories think of the press. For the first time in a long time, I am in a position to agree with the *Toronto Sun* today when it called the Prime Minister "Benito Mussolroney". Will the Secretary of State for External Affairs give to the Standing Committee on External Affairs and National Defence a

reference to permit the Members of this House to review the question of nuclear disarmament? Within three weeks there will be another vote at the United Nations. Some 81 members of the Minister's Party have expressed the view that there should be a freeze.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I can quite understand the note of envy in the voice of the Hon. Member for Saint-Maurice in my situation of being able to go into the office of my Leader and have a cordial conversation.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): I, of course, cannot comment on the accuracy of the press reports that might relate to his relationship with his Leader, but I can assure the Hon. Member, knowing the depth and sincerity of his interest, that for the first time in the life of the Southam News organization it printed, this morning, a story that was absolutely 100 per cent false.

In relation to the specific question asked by the Hon. Member, it is my understanding that the Standing Committee on External Affairs and National Defence will hold its organizational meeting today. I would imagine that supplementary estimates will be before that committee. We will be prepared to discuss any questions at that time. The former Minister will also know that, contrary to the practice of his Government and his Party, we have announced a full, public, parliamentary review of all aspects of Canada's international relations. That will include the question which he has addressed here in the House today.

Mr. Speaker: I will grant a supplementary to the Hon. Member for Saint-Maurice, but I would ask him at this time to relate the preamble to the question.

REQUEST THAT CANADIAN AMBASSADORS APPEAR BEFORE COMMITTEE

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I just want to state, in relation to the House of Commons, that my Leader did not have to put two Members between myself and him, like the Leader of his Party has done.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Chrétien: Perhaps the Right Hon. Secretary of State for External Affairs could inform the House whether the Members of this Committee will be able to invite his ambassador to the United Nations and his ambassador for disarmament to appear before the Committee very shortly, since these two gentlemen have made it clear for some time what their views are and have said that a nuclear freeze should be put in place immediately.

[*English*]

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, one of the problems faced on this side of the House is that we have more Members for which to find seats. One of the realities of the Liberal bench is that everybody sits beside everyone else.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): With regard to the request that Ambassador Lewis and Ambassador Roche come before the standing committee, I am sure that, if there is a request made by that standing committee, they will be pleased to come. They would then speak in their capacity as representatives of the Government, as they are doing with effectiveness and force at the United Nations and elsewhere.

• (1420)

Mr. Chrétien: Mr. Speaker, I just want to tell the Hon. Member that Mr. Stanfield had Mr. Diefenbaker closer to him than the Prime Minister has the Right Hon. Member.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Chrétien: It is an historical fact. There is nothing I can do about that. I am sorry that my memory is so good.

FORTHCOMING MEETING BETWEEN AMERICAN AND RUSSIAN REPRESENTATIVES

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I would like to know from the Right Hon. Member if he has anything to report to the House today about the meeting that is supposed to be held in January between Secretary of State Shultz and Mr. Gromyko. Does he have anything to report to us about the nature of that meeting and the nature of the debate? Are they beginning new negotiations, or will they continue with the old negotiations on disarmament?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Right Hon. Leader of the Opposition has several people who are closer to him than the Hon. Member for Saint-Maurice.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): I think all of us were very much relieved and encouraged by the fact that the leaders of the U.S.S.R. and the United States have agreed to meet to discuss questions of nuclear disarmament and, more particularly, discuss moving the world away from the perilous situation in which it finds itself. It is my understanding that those discussions should, in fact, be seen as new discussions and not as simply the continuation of discussions that occurred to this point. It is my understanding that it does, in fact, mark a new departure and a new development, and I am sure I speak on behalf of all Members of the House of Commons in welcoming

the initiative that has been shown by the leaders of both the Soviet Union and the United States.

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ACCESS TO INFORMATION

REQUEST THAT PRESS GUIDELINES BE TABLED

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, a few days ago I questioned the Prime Minister on the Government's obsessive concern for secrecy and he assured the House that, to use his words, the press was indispensable to the proper functioning of our democracy, and that he wants to enhance that relationship.

Less than 48 hours after that assurance we find the Deputy Prime Minister skulking around the corridors of power that he knows so well, taking circuitous routes in order to avoid the press. We find the Minister of Finance lecturing the media about criticizing his mini-budget.

The Prime Minister has undertaken to meet the media with some guidelines tomorrow. I would ask him if he would recognize as well that this is not a matter for the media only, no matter how important its role is in conveying information to Canada, but also for Parliament. Would he table those guidelines in Parliament immediately so that the people's representatives would also have his assurance that Ministers and government officials can talk freely to the media without fear of reprisal?

[*Translation*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I shall be delighted to table all the documentation relating to the issue raised by the Right Hon. Leader of the Opposition. It is true I intend to meet the members of the press tomorrow. I expect to announce the parameters of our initiatives at that time, and I shall be tabling them as soon as possible here in the House.

* * *

[*English*]

CANADIAN BROADCASTING CORPORATION

ADVISORY GROUP FUNCTION—REQUEST FOR PARLIAMENTARY HEARINGS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, on the subject of the Canadian people's right to information, I am a little disturbed by reports that there are cut-backs to the CBC affecting remote communities in northern Canada and parts of western Canada in which live farmers and fishermen. I would like the Prime Minister to guarantee, if he would, that the CBC cuts committee, made up of outside experts, will answer to Parliament. Will he also allow the regional directors of the CBC to appear before a parliamentary committee in order to assure us that the distribution of information across the country will not be curtailed as a result of these cuts?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it is certainly not in character for the Right Hon. Leader of the Opposition to distort fundamental information. In point of fact I thought that I had clearly stated that the advisory group—and I assume that that is the group to which he refers—was precisely that, an advisory group, and that all determinations in regard to reductions in expenditures would be undertaken by the CBC. May I say that when Mr. Juneau visited with the Minister, I think I remember him saying in a "scrum" that it would be childish to assume that, with the public finances of the country in difficult shape, the CBC should be excluded from a reasonable application of the same principles. We are trying to be fair in bringing a degree of sanity back to the public finances of our country, finances that have been devastated by 20 years of mismanagement.

Some Hon. Members: Hear, hear!

* * *

INCOME TAX

MINIMUM TAX FOR UPPER-INCOME GROUP

Hon. Edward Broadbent (Oshawa): Mr. Speaker, it was certainly a pleasure for me to hear the Prime Minister speaking of fairness this afternoon. I have a question concerning the minimum tax for upper-income Canadians. I am sure the Prime Minister will vividly recall that during a certain evening this past summer he made an interesting observation about all of those upper-income Canadians who are not paying taxes at all. If I remember correctly, and I think I do, he said that the rich should pay, and should pay handsomely. The Minister of Finance, however, is quoted to today's press as saying that the Government is not necessarily committed to a minimum tax. He said that the Government is pretty committed but it is not definite. Are we going to impose a minimum tax on upper-income Canadians and, if so, when?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am disappointed that the Hon. Leader of the New Democratic Party would refer to that evening last summer. He was not supposed to mention it in public. It was supposed to be a secret.

Some Hon. Members: Oh, oh!

Mr. Mulroney: In point of fact, it was a delightful evening. I think the Hon. Leader of the NDP and I enjoyed it a great deal.

Some Hon. Members: Hear, hear!

Mr. Mulroney: In fact I think that he and I enjoyed it almost as much as did the Hon. Member for Saint-Maurice.

Some Hon. Members: Oh, oh!

Mr. Mulroney: I am sorry, Mr. Speaker.

The commitment I made that evening was to the minimum tax and to that sense of fairness that inspires both of us. We will follow through with regard to a minimum tax.

TIMING OF IMPLEMENTATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, perhaps the Prime Minister regrets deeply that it was not an affair, if I may use that word, between just the two of us. There were eight or ten million Canadians who heard him and saw him say that he was committed to a minimum tax.

I enjoy the kind of repartee in which he indulges almost as much as he does—

Some Hon. Members: Oh, oh!

Mr. Broadbent: —but, Mr. Speaker, considering that the Government has already imposed on ordinary Canadians increased taxes amounting to about $500 per family, including increases in indirect tax, federal tax, federal sales tax, income tax, and increases in the tax on gasoline, can the Prime Minister tell us that he will put in place an equivalent tax on upper-income Canadians before Christmas so that they will pay their share?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not think that the Hon. Member will be disappointed with the provisions that we will bring forward in a budget to deal with the question of fairness in taxation, a question which involves having people pay their fair share of taxes at all times.

My hon. friend refers to tax increases that may have been imposed on Canadians. I hope he would refer to the benefits which were brought forward for widows, and veterans, and the relief for farmers and fishermen, which have already been announced by this Government.

• (1430)

REQUEST FOR IMPLEMENTATION BEFORE CHRISTMAS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, pleasantness, civility, and charm are wonderful political virtues, as they are in terms of personal relations, but considering that we have a task in this House not only to be civil but also to be fair, and considering that the Government is now talking about singling out Canadians over the age of 55 and cracking down on the so-called cheaters in unemployment insurance, and considering that it has imposed a tax of $500 on the average family, will the Prime Minister agree that he already has taxed ordinary Canadians handsomely? Why will he not apply the minimum tax before Christmas to the rest of Canadians, in order that the rich can pay their share of the burden?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I will acknowledge readily that personal income tax, particularly for lower and middle-income Canadians, is too high. They are paying an unfair burden of government spending which has been absolutely out of control for the last 20 years. Those Canadians are paying to service the debt which has been imposed on generations of Canadian youth. That is the burden which we are trying to get out from under so that we can bring new prosperity to our country.

Some Hon. Members: Hear, hear!

Mr. Mulroney: My hon. friend quite properly refers to the dimension of fairness. I think the only disagreement may be on timeframes. He requested before Christmas; I give him the assurance that it will be in the budget.

* * *

GOVERNMENT OF CANADA

POLITICAL APPOINTMENTS IN PROVINCE OF QUEBEC

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I have read in the media that the Conservative Government is putting on the ritz, and that a committee has been struck—of which the manager of the Ritz-Carlton Hotel in Montreal is a prominent member—to advise the Government on political appointments in the Province of Quebec. That would certainly add some elegance to the pork-barrel. However, the fact is—

Mr. Speaker: Order, please. "Wonderful Wednesday" now appears to be happening on Thursday. The first round of questions took approximately four or five minutes longer than it normally should have. Therefore, may I ask the Hon. Member to please put his question.

Mr. Tobin: You should treat the Opposition the same way you treat the Prime Minister.

Mr. Speaker: I am perfectly happy to hold questions and answers to the same length.

Mr. Johnston: Thank you, Mr. Speaker. During the campaign, and on the evening last summer which has been referred to, before eight million or nine million people the Prime Minister told Canadians that political appointments to positions which would have a determining influence on our lives should be subject to the approval of a committee of parliamentarians.

How will the Ritz-Carlton group, for example, relate to a House committee? Or has the Prime Minister scrapped the idea of having such a House committee to approve political appointments?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member referred to the elegance of the Ritz. It is no match for the elegance of the meeting of the two apostles of affection which we witnessed the other night at a party held for the Hon. Member.

Some Hon. Members: Oh, oh!

Mr. Mulroney: It is our intention to bring forward provisions whereby nominees for government appointments would be subjected to a criticism or an analysis of their records and

proposals by parliamentarians. I have been meeting with the Government House Leader to attempt to find an appropriate manner in which this might be done. Because we have been preoccupied with economic matters we have made few appointments. The appointment of Stephen Lewis as Ambassador to the UN, and the appointment of Bruce Phillips today as Minister Counsellor in Washington are an indication of the high quality—

Mr. Speaker: With all due respect to the Prime Minister, I must be fair to both sides of the House and ask for brevity.

FORMATION OF PARLIAMENTARY COMMITTEE

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I have a short supplementary question. When can we look to the formation of such a House committee, and what will be its composition? As well, in the view of the Prime Minister, what are the agencies, commissions and other appointments which have a determining influence on the lives of all Canadians? We require some criteria against which their performance could be measured.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the House Leader will be meeting with his colleagues to draw up guidelines which are fair and helpful to the process. It will be a new concept, but it will be one which will be beneficial to the House of Commons.

Mr. Broadbent: What about Charlie Lynch?

Mr. Mulroney: With regard to Charlie Lynch, we can do nothing as he is protected by the Charter of Rights and Freedoms.

Some Hon. Members: Oh, oh!

* * *

[*Translation*]

EMPLOYMENT

MEASURES TAKEN BY GOVERNMENT

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Hon. Minister of Employment and Immigration.

Yesterday, Statistics Canada announced that 100,000 people were not included in the official unemployment figure of 1.3 million here in Canada. They are not included because they are completely discouraged and have stopped looking for work, but they still want to work.

My question is: what concrete measures does the Minister intend to take to make it clear to these 100,000 unemployed that the Government's number one priority is to create jobs here in Canada?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, according to that Statistics Canada report, indeed 100,000 Canadian workers had given up looking for work in September. Last March the figure was approximately 300,000. That is a recurring tragedy and one which we know must be addressed. However, it is due in part to the fact that the old remedies have not worked. For that reason we are going through an intensive consultative process to restore confidence in the economy, and to come up with new programs and new approaches which will deal with these very problems.

CANADIAN FEDERATION OF INDEPENDENT BUSINESS—LISTING OF JOB OPENINGS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the Minister speaks of confidence in business. The other day the Canadian Federation of Independent Business indicated that there were 170,000 jobs which were not filled.

Since the Canadian Federation of Independent Business indicated this morning that they will not release the names of companies looking for workers because "they don't want every Tom, Dick and Harry banging on their doors looking for a job", will the Minister approach the Federation and demand that they make public the list of companies which are looking for workers, so that the unemployed will have an opportunity of finding out where those jobs are? Is that not her responsibility?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I would like to tell the Hon. Member that we have agreed with the Canadian Federation of Independent Business to establish a system which would assist the unemployed in finding the jobs that were identified by the CFIB report. In other words, there will be one person designated in each of the Canada Employment Centres throughout the country to work with a representative of small business designated by the CFIB. Jointly, they will place unemployed persons into the jobs which are available.

* * *

GARRISON DIVERSION

STATEMENTS ATTRIBUTED TO UNITED STATES AMBASSADOR

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is directed to the Secretary of State for External Affairs and it concerns the statements which were made by the U.S. ambassador on the very critical issue of the Garrison Diversion. As the Minister may know, the U.S. ambassador, who may have been expressing a personal opinion, said that as far as he is concerned it is not much of an issue. As the Secretary of State will know, it is very much an issue with Manitobans and, indeed, with all Canadians. Has he had conservations with the U.S. ambassador to bring home to him what a vital issue the Garrison Diversion is for this

country? In addition, has he raised this matter with the Secretary of State in the United States to ensure that the Americans fully understand that this is a diversion which must not be allowed to be built because of the serious economic and environmental effect it will have on this country?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I had the opportunity to raise with the Secretary of State for the United States earlier in the fall the Garrison question, and to express Canada's very real concern. More recently, indeed yesterday, representatives of the Canadian Government and the Manitoba Government met with United States officials in Washington to present, in a diplomatic note, Canada's concerns about the Garrison plan, and to seek assurances. We received those assurances. There will be no action on any commission hearings which are undertaken in the United States without full prior consultation with Canada.

• (1440)

REQUEST THAT DIPLOMATIC NOTE BE TABLED

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I thank the Hon. Minister for his reply. However, he still did not indicate whether in fact he has been in direct communication with the U.S. ambassador who, after all, is a major line of communication with Washington, at least from the Ottawa post. In relation to that diplomatic note, which is very vital, would the Minister be prepared to table that note in Parliament so that Manitobans and all Hon. Members of this House will know exactly what is the nature of the Canadian response to the technical report, considering that it has very major implications for the economic and environmental concerns of our province, and for the country?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I would have to consult precedents on the possibility of tabling a note which was jointly prepared by this Government and another Government in another jurisdiction in Canada. If it is possible, and within the practices of this Parliament to table notes of that kind, certainly it will be tabled. I believe it goes without saying that this Government seeks the active co-operation of Hon. Members on all sides of the House and, indeed, Governments in all jurisdictions, in order to ensure that nothing is done with regard to the Garrison which imperils the Canadian interest.

* * *

UNEMPLOYMENT INSURANCE

LEVEL OF BENEFITS

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Just a few moments ago she acknowledged to my colleague, the Hon. Member for Yorkton-Melville, that she agreed with the CFIB, the Canadian Federation of Independent Business, that there are 170,000 jobs going begging, even though neither the Minister nor the CFIB know where they are. In the government paper, "A New Direction for Canada", the Government notes that the unemployment insurance program, "may create disincentives to job search". That sounds remarkably like the claim made by the CFIB that, "In Canada we have workers who are not willing to make a downward adjustment in their income in order to get a job", and that this is the fault of the unemployment insurance system.

Does the Minister agree with the CFIB that the unemployment insurance system is already far too generous when the average recipient of unemployment insurance benefits last year was living on an income $2,000 below the poverty line? If she does not agree, why has the Minister supported the action of her Government in making the deepest cut of all to the unemployment insurance program?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I stated just a few minutes ago that we would be working with the private sector, notably the CFIB, in order to determine where those 170,000 jobs are and how quickly unemployed people can be put into them so that they can go off the unemployed rolls and back into the work force. I would hope that the Hon. Member would agree that that is the approach we all want to take.

Mr. Rodriguez: Mr. Speaker, that simply is no change. That is the present system.

MINISTER'S POSITION

Mr. John R. Rodriguez (Nickel Belt): Yesterday the Minister informed me that in spite of the study done by her Department on exhaustees as abusers, her concern for Canada's older workers still exists. If this is so, would the Minister tell us why she has already agreed to cuts in the unemployment insurance program with respect to this age group? These cuts will save the Government $30 million but will be done on the backs of workers who will be forced to use up their pension savings before claiming unemployment insurance benefits.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I mentioned to the Hon. Member, and to others the other day, that the intent of the interviews is to help people find jobs.

Mr. Rodriguez: There are no jobs.

Miss MacDonald: The Hon. Member says there are no jobs. At least we can try to help the system move forward by providing the confidence in the economy which is needed, by attracting investment, by creating new jobs, and by putting people into them.

Some Hon. Members: Hear, hear!

Mr. Rodriguez: You are just trying to cut them off.

Miss MacDonald: I know that the approach of the Hon. Member is entirely different.

[*Translation*]

AGRICULTURE

REIMBURSEMENT FOR CROP LOSSES IN REGIONS OF QUEBEC

Mr. Michel Champagne (Champlain): Mr. Speaker, my question is directed to the Minister of Agriculture.

Could the Hon. Minister inform the House what is being done about reimbursement for crop losses suffered by certain regions in Quebec in 1983?

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, my hon. colleague refers to harvest losses in the Province of Quebec. I want to tell the Hon. Member through you, Mr. Speaker, that during my trip to Quebec City I had the opportunity to discuss the matter with my provincial counterpart, the Minister of Agriculture for the Province of Quebec. I have also had an opportunity to talk to the President of the UPA and I have requested the officials of my Department to study the losses. When that study is completed within a matter of two weeks or three weeks, I will have a look at it, and then I want an opportunity to discuss the matter with my provincial counterpart.

* * *

EMPLOYMENT

ABELLA REPORT—GOVERNMENT POSITION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Yesterday, in response to a question from the Hon. Member for Mount Royal, the Minister said that the Cabinet would study the Abella recommendations and decide whether legislation will be necessary to bring about employment equity. In the same breath her Leader told the Leader of the Opposition that to bring about "proper and fair representation of women throughout the Government . . . . That may, and indeed will, require legislative considerations that we will bring forward". Can the Minister tell this House which position stated yesterday was the correct one, her position or the position of the Prime Minister?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I want to assure the Hon. Member that there is absolutely no difference in the position of the Prime Minister, or of myself, or of any member of this Cabinet, this Government, or this Party—

Some Hon. Members: Hear, hear!

Miss MacDonald: —with respect to its total commitment to the economic equality of women, of the disabled, of the minority groups, and of native people. As I said yesterday, we will be studying the recommendations in the Abella report to see which ones can best be utilized to move this commitment to the desired goal.

EMPLOYMENT OF WOMEN

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the Minister stated yesterday, "I will never be in a position where I am accused of letting women down". The Abella commission clearly called for legislation to replace the voluntary approach which has been an abysmal failure in the Minister's own Department.

Mr. Skelly: What about the Liberals?

Ms. Copps: Why will the Minister not live up to the promises made to the women of Canada? Or is it simply a case of a promise a day to keep women at bay?

Some Hon. Members: Oh, oh!

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I would like to advise the Hon. Member that I am in agreement with her with respect to the way in which affirmative action programs have not been carried out in Departments which were administered by the Party of which she is now a member.

Some Hon. Members: Hear, hear!

Miss MacDonald: I would tell the Hon. Member that that Party has a record which is indeed shameful. So I would say to the Hon. Member yes, we are going to be looking at affirmative action and, yes, we are going to be doing something about it.

Ms. Copps: What and when?

Miss MacDonald: I would invite her co-operation.

* * *

RESEARCH

FUTURE OF CHURCHILL ROCKET RANGE

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Minister of State for Science and Technology. It relates to the closing of the National Research Council rocket range in Churchill and related facilities in Gimli, Manitoba. Can the Minister confirm to this House that by the closing of that base we will not only lose valuable research into the environment but we will lose the NASA contract which the Americans are in the process of negotiating for increased use of the Churchill rocket range? We are also entering into discussions with respect to the use of that base for the research related to the space shuttle program.

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, I do not know why the Hon. Member has jumped to the conclusion he has. Indeed, I met yesterday in Winnipeg with officials of Bristol Aerospace Limited and we discussed the fact that the lion's share of the work which Bristol performs at that base is carried out for universities and for U.S. and other interests. The direct

Canadian sponsorship by the Government of Canada was only a small portion of the over-all program. We discussed the prospects that Bristol Aerospace might bring cost recovery into the program and, through Canada's ongoing involvement in the space program, a number of exciting options will be presented which will create more employment rather than less.

● (1450)

GIMLI FACILITIES

Mr. Rod Murphy (Churchill): Mr. Speaker, the Minister seems confused. Once you close the facilities in Gimli, how can research be done by anyone? That is the question. Once the base is closed down, no one, Canadian or American, private or public, is going to use those facilities.

Hon. Thomas Siddon (Minister of State for Science and Technology): The base being spoken of is a Canadian Forces Base.

Mr. Murphy: No it is not.

Mr. Siddon: The Member is speaking of the launch site at Churchill. The Government has decided to discontinue, over a three-year period of phasing down, the operating expenses that were being absorbed by the National Research Council. This does not constitute a closing of the base. Indeed, we are negotiating with Bristol, as I said a moment ago, to find a number of other attractive uses for this facilitiy.

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MINES AND MINING

DISCOVERY OF RARE EARTH METALS IN NORTHWEST TERRITORIES

Mr. Bill Tupper (Nepean-Carleton): Mr. Speaker, my question is for the Minister of State for Mines. In recent months exploration teams working east of Yellowknife have delineated deposits of rare earth metals which have the potential to be the largest in the western world. In view of the importance of these rare earth metals to the high technology industry, can the Minister comment on whether any discussions or studies are in progress leading toward the establishment of a rare earth metallurgical centre in western Canada?

Hon. Bob Layton (Minister of State (Mines)): Mr. Speaker, at present there is no production of rare earth minerals in Canada. We understand that the world market is limited. However, these new discoveries, along with others in our country, perhaps present a new opportunity. We will be discussing this in the Department of Energy, Mines and Resources and I will be happy to provide a report to the Hon. Member.

THE DISABLED AND THE HANDICAPPED

COMPLIANCE WITH COMMITTEE RECOMMENDATIONS

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, my question is addressed to the Secretary of State who was in the House of Commons when the Special Parliamentary Committee on the Handicapped was created in 1980. This committee made a large number of unanimous recommendations, and later made reports showing compliance by the Government with a high percentage of those recommendations. Will the Minister tell this House what specific action he has taken, or is taking, to ensure compliance with the remainder of that committee's recommendations concerning the handicapped?

Hon. Walter McLean (Secretary of State): Mr. Speaker, I thank my colleague for that important question and assure him that consultations have already begun. This past weekend I met with the Ministers responsible for the handicapped in Atlantic Canada to begin the process of discussing implementation of many of the recommendations. As the Hon. Member will know, many of those recommendations require serious funding from a provincial base. There was a recommendation for federal-provincial consultation, and that will take place once we have looked at the agenda and set the framework for that type of consultation.

Mr. de Corneille: Mr. Speaker, in view of all these consultations I can now understand why they have to call the report *Obstacles*.

ABELLA REPORT—LEGISLATION RECOMMENDATION

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, in view of our concern for the handicapped, and in view of the conclusion of the Abella Commission that the elimination of all forms of discrimination requires more rather than less legislation, is the Minister prepared to support mandatory legislation of the kind recommended by Judge Abella on behalf of the handicapped?

Hon. Walter McLean (Secretary of State): Mr. Speaker, in her report Judge Abella quite rightly indicates the difficulty handicapped people have in finding employment opportunities. The question is one of charter application, and the discussions around April and the mechanisms to find appropriate entry into the workplace are, as my colleague, the Minister of Employment, has been outlining to the House, a top priority, not only in relation to women in the workplace but also in relation to the handicapped, natives, and visible minorities.

Oral Questions

CANADIAN BROADCASTING CORPORATION

BUDGETARY CUT-BACKS—EFFECT ON WINDSOR TELEVISION STATION

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, yesterday the Minister of Communications intimated the $75 million spending cut at the CBC would chiefly involve overhead, and that programming might in fact be improved. Today the people of Windsor are outraged, as am I, to learn that 30 per cent of the budget of CBET Windsor is to be cut. By order of the CBC bureaucracy, those cuts are to be applied to programming, resulting in the loss of 40 staff members.

In view of yesterday's assertions, will the Minister assure the people of Windsor and Essex County that these drastic cuts at Windsor will take into account the following: that CBET is the only source of local and national Canadian TV in a market with 12 U.S. stations; that CBET is the single most effective defence against the overwhelming cultural dominance of the U.S. media; that CBET is a Canadian window on the U.S.; and that increased, not decreased, national and local programming are necessary to community unity and identity in Windsor?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, the Hon. Member can inform the people of Windsor that up to now, the entire preamble of his question is just rumours.

* * *

[*English*]

NATIONAL RESEARCH COUNCIL

BUDGETARY CUT-BACKS—EFFECT ON ACID RAIN RESEARCH

Mr. David Berger (Laurier): Mr. Speaker, my question is addressed to the Minister of State for Science and Technology. To date he has given no satisfactory justification for the cut at the National Research Council. He simply refers to the fact that these programs are of lesser priority. How does he square that response with the report of the Wright Commission, to which he has referred approvingly, which states that government sponsored research into acid raid is virtually mandatory, and that government research into air and water pollution, pesticides, and radiation levels, constitutes a large and legitimate market for federal laboratories?

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, of course I have never said that the research programs of the National Research Council are not pertinent and necessary. As the Hon. Member confirms, we had to look at all options on a scale of priorities. If he would read further in the Wright report he would find that it suggests the work of the National Research Council could be better managed in terms of the determination of priorities. Therefore, I see nothing inconsistent in anything that I have said to this point.

REQUEST FOR REFERRAL TO COMMITTEE

Mr. David Berger (Laurier): Mr. Speaker, the report says that government sponsored research is virtually mandatory. I simply ask the Minister, as I did the other day, whether he would not refer these cuts to an appropriate parliamentary committee so we can see if they can be implemented in a more appropriate fashion.

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, the decisions the Government has taken, as announced by the President of the Treasury Board, will stand. However, any Member is, of course, welcome to bring matters of concern before the appropriate standing committee at the time the Estimates are tabled.

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AIRPORTS

AUTOMOBILE RENTAL CONCESSIONS

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is directed to the Minister of Transport. Last spring the Minister, along with numerous other Members of this House, some now in Cabinet, convinced the former Minister of Transport to change the policy concerning airport vehicle rental concessions. We were all successful in convincing the former Minister to change these policies because in essence they were preventing a Canadian company, Holiday Rent-A-Car, from successfully bidding for space at airports. Why has the Minister changed his mind on this important matter?

● (1500)

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, this Minister has not changed his mind. I have taken every step available to work out a negotiated settlement with Holiday Rent-a-Car. As the Hon. Member knows, the Holiday Rent-a-Car organization is in considerable arrears at several airports throughout the country. We have proposed a number of options to Holiday Rent-a-Car to allow them to enter into the bidding process. They have basically taken the position that the arrears should be written off. That is contrary to the provisions of the contracting arrangements under which the agreements were entered into. Mr. Speaker, we have tried and we have negotiated, but we have not been able to arrive at a settlement yet.

Mr. de Jong: A supplementary question, Mr. Speaker.

Mr. Speaker: The time for Question Period has expired.

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CLERK OF PETITIONS' REPORT

CORPORATE TAX BREAKS—JOB CREATION

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Spadina (Mr.

Heap) on Wednesday, November 21, 1984 meets the requirements of the Standing Orders as to form.

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PRIVILEGE

Mr. Speaker: I must advise the House that I have received three written notices of questions of privilege, one of which I take it has been withdrawn. I have received notices which I must take in order. I believe the Clerk's office telephoned the Member for Humber-Port au Port-St. Barbe (Mr. Tobin). The two questions of privilege, one from the Member for Humber-Port au Port-St. Barbe and the other from the Member for Burnaby (Mr. Robinson), turn out to be effectively the same question of privilege. I therefore propose to hear them both, if it is appropriate, at the same time.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I have a point of order.

Mr. Speaker: You cannot raise a point of order during a question of privilege. What is the point of order?

[*Translation*]

I now recognize the Hon. Member for Saint-Jacques (Mr. Guilbault).

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I simply want to ask you . . . I can understand that there are questions of privilege, but now that most Members are in the House, would it not be preferable now to ask the House Leader what the House business will be for the coming week?

Mr. Speaker: I presume the Hon. Member is rising to enquire about the business of the House.

That is not possible when the Chair has received notice of a question of privilege one hour earlier. I presume that the Hon. Member knows full well that the Chair must entertain questions of privilege immediately or at the earliest opportunity. He is aware of that, I presume.

[*English*]

SERVICES OF LIBRARY OF PARLIAMENT

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I have given notice of a question of privilege because a matter which I believe directly affects the ability of Members of Parliament to carry out their duties and responsibilities has been brought to my attention. The Speaker will know that the services of the Library of Parliament are historically of crucial importance to Members of Parliament in carrying out research to ensure that they are as fully informed as possible on all matters that are brought before the House.

It has come to my attention, Mr. Speaker, that a very significant part of the services provided by the Library of Parliament to Members of the House in all Parties is at risk of being lost to Members. I understand that the Minister of Consumer and Corporate Affairs (Mr. Côté) has requested that the third floor reading room of the Library of Parliament in the Confederation Building be closed and that its services no longer be available to Members to allow for additional office space in what are already palatial surroundings of the Minister of Consumer and Corporate Affairs.

Some Hon. Members: Shame, shame.

Mr. Speaker: Could I ask the Member to inform the Chair whether in fact the space has been reallocated? If the space has not been reallocated, how could there possibly be a question of privilege about a matter which has not yet happened?

Mr. Tobin: Mr. Speaker, you have asked a very good question and I propose now to give you the answser. I understand that without consultation with any of the three Parties in the House a request has been made—

Mr. Speaker: A question of privilege is a very special parliamentary situation, as the Member knows. I have asked the Member a very simple question which he should answer, please. Has the fact happened? If it has not happened, how could there possibly be a question of privilege? I give him about 30 seconds to find some way to turn this into a question of privilege, if he has one.

Mr. Tobin: Mr. Speaker, if you will give me 30 seconds I will come right to the point. The problem is that a request has been made to your office, without consultation with any of the Parties. That request may put the Speaker in a position where he will appear, or at least his appearance—

Mr. Speaker: No, with due respect. The Speaker receives hundreds and thousands of requests from Members. To argue that somehow a request made to the Speaker puts the Speaker in a position other than that for which he is paid is hardly a question of privilege.

I have to recognize the Member for Burnaby. Does he wish to rise on the same Question of Privilege? Does the Member have an angle he wishes to present to me before I rule?

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I understand that the Speaker appears to be rejecting the unbridled arrogance of the Minister of Consumer and Corporate Affairs (Mr. Côté) in his totally unreasonable request to expand his already palatial space.

Mr. Speaker: I thank the Member for Burnaby for recognizing the difficulty the Speaker is put in on this question. I must find, for the record, that there is no question of privilege.

Mr. Guilbault (Saint-Jacques): Just refuse the question. Just say no.

Mr. Speaker: In all seriousness and dignity, I accept the representations that are being made by various Members of the House, which I have also received in writing, that I deal

with this matter seriously, and I shall, recognizing the use that Members wish to make of library material.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Guilbault (Saint-Jacques): With your permission, Mr. Speaker, I will now ask the Government House Leader to tell us his plans respecting the business of the House for the coming week.

An Hon. Member: In French!

Mr. Hnatyshyn: Mr. Speaker, I speak French very well, but very slowly.

[*English*]

Therefore I will make my remarks in my native language of English.

Mr. Speaker, we have again had the benefit of additional, productive and constructive House Leaders' meetings in which I have been able to advise the House Leaders of each of the Parties with respect to the business of the House. I will now indicate to you and to Members that we intend to carry on today with Government legislation as indicated to the House. We will proceed after Routine Proceedings with the order of reference with respect to the creation of a parliamentary task force for the reform of the House of Commons. After that it is my intention to call Bill C-6 which is the Bill dealing with the Saltfish Corporation.

Tomorrow is an allotted day. Next Monday I intend to deal with Government business. It is my intention to call the Bill relating to the Income Tax Act which was the subject of a Ways and Means motion this morning. When we have finished with that Bill it will be followed by the Customs Act and Customs Tariff legislation.

I am informed, Mr. Speaker, that the Minister of State for Finance (Mrs. McDougall) will be introducing a borrowing Bill tomorrow.

Mr. Deans: Shame, shame!

Mr. Hnatyshyn: The cupboard is bare, Mr. Speaker, I therefore anticipate that there will be a borrowing Bill brought forward.

Mr. Deans: More borrowing on top of what you have already borrowed?

Mr. Hnatyshyn: Mr. Speaker, if I could conclude this dissertation, I know that the Hon. House Leader has heard this all before so his surprise is not exactly real.

Mr. Deans: No, but I am no less surprised.

Mr. Hnatyshyn: It is my intention to designate Tuesday next as the third allotted day in this Supply period. On Wednesday next I intend to return to Government legislation to carry on with those financial Bills which I indicated we will begin on Monday. We will see if we make progress. We will try to carry on in that sequence.

I of course reiterate the caveat that there may be a possibility of changing priorities. Depending on the progress, I may in fact change the order of business and the designation of days indicated. However, that is my present intention. I hope that we can hold to it and make substantial progress in the business of our country through the legislative program being put forward by the Government.

● (1510)

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

NUCLEAR-WEAPONS-FREE ZONE

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have the privilege to present a petition to the House of Commons on behalf of the undersigned residents of many parts of Canada who urge that Canada be declared a nuclear-weapons-free zone, in accord with similar initiatives by other nations, and to become actively involved in working for multilateral de-escalation of the arms race.

[*Translation*]

REQUESTED AMENDMENT TO FORMER BILL C-47

Mr. Louis Plamondon (Richelieu): Mr. Speaker, I have the honour to present a petition.

To the Honourable the House of Commons of Canada, in Parliament assembled.

The petition of the undersigned "Femmes autochtones Abénaquises d'Odanak et de Sorel", who now exercise their ancient and unchallenged rights to present a grievance, with the assurance that your Honourable House will provide a remedy.

Humbly sheweth that:

An amendment be made to Clause 11(2) of Bill C-47—

Mr. Speaker: I regret to interrupt the Hon. Member, but it seems to me that he is reading the introduction to the petition, and that is not allowed. I realize that he is a new Member and, for that reason, I think it is my duty to point out that he may explain very briefly the nature of the petition, nothing more.

Mr. Plamondon: If you will allow me, Mr. Speaker, I will do so in two paragraphs, or I will simply give it to you.

Mr. Speaker: That is not for me to decide. Our Standing Orders allow a summary of the contents of the petition, but the Hon. Member is not allowed to read the entire petition.

Mr. Plamondon: Mr. Speaker, I have read one paragraph, as allowed under the Standing Orders of the House. When you interrupted me, I was about to read one of the two introductory paragraphs of my petition. I was following the formula recommended in the Standing Orders.

That an amendment be made to Clause 11(4) of the same Bill.

Wherefore the undersigned humbly call upon the federal government to amend Bill C-47 which denies reregistration rights to all the generations concerned.

And, as in duty bound, your petitioners will ever pray.

That is the accepted formula.

Mr. Speaker: I fully appreciate the difficulties, and perhaps I should explain for the benefit of the other new Members that, in my opinion, the Hon. Member used Beauchesne's formula to read the introduction to the petition. I can understand that. For the future, however, I would point out that Hon. Members are not allowed to read the petition or the introduction in the House. I presume the Hon. Member used the formula for the preparation and the official presentation. But I point out that, henceforth, the only thing allowed is a summary.

* * *

[*English*]

REPRESENTATION ACT, 1984

MEASURE TO ENACT

Mr. J. R. Ellis (Prince Edward-Hastings) moved for leave to introduce Bill C-210, an Act to stabilize the representation in the House of Commons.

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

Some Hon. Members: Agreed.

Mr. Ellis: Mr. Speaker, briefly, I have put this Bill before the House on two previous occasions. It concerns not wanting to expand the number of members in the House of Commons. The reasons are self-evident. While I have great trust in this brand-new Government, I am still putting in my Private Members' Bill just in case.

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

Order Paper Questions

HOUSE OF COMMONS

MOTION TO ESTABLISH TASK FORCE ON REFORM

On the Order; Government Notices of Motions:

November 20, 1984—*The Minister of State (Government House Leader):*

That a Special Committee of the House of Commons to be composed of Mrs. Bourgault and Messrs. Blaikie, Cooper, Ellis, Friesen, McGrath and Ouellet, be appointed to act as a Parliamentary Task Force on the Reform of the House of Commons to examine the powers, procedures, practices, organization and facilities of the House of Commons, bearing in mind the balance between the respective constitutional responsibilities and roles of the House of Commons and the Government, such an examination to include, but not be limited to, the following matters:

(*a*) the Permanent and Provisional Standing Orders;

(*b*) the role of the private Member in the House of Commons;

(*c*) the accountability of Ministers to the House of Commons;

(*d*) the legislative process;

(*e*) the funding, facilities and staff support services made available to Members of the House of Commons;

(*f*) the administration and management of the House of Commons; and

(*g*) the procedures and powers of Committees of the House of Commons and the role and the use of parliamentary task forces;

That the Committee have all the powers provided to standing Committees pursuant to Standing Order 69(8);

That the Committee have the power to retain expert, professional, technical and clerical staff;

That the Committee and members of the Committee have the power, when the Committee deems it necessary, to adjourn or travel from place to place inside and outside Canada and that, when deemed necessary, the required staff accompany the Committee or members of the Committee, as the case may be;

That all the evidence adduced by the Special Committee on Standing Orders and Procedure and the reports of that Committee as tabled in the House of Commons during the 32nd Parliament be referred to the Committee;

That notwithstanding the usual practices of this House, if the House is not sitting when an interim or final report of the Committee is completed, that the Committee shall report its findings by depositing its report with the Clerk of the House and that it shall thereupon be deemed to have been laid upon the Table;

That the Committee be authorized to include in its interim and/or final reports drafts of proposed permanent or temporary Standing Orders drawn to give effect, if concurred in by the House, to any permanent or temporary change or changes proposed by the Committee;

That the Committee be authorized to include in its interim and/or final reports recommendations as to the implementation of any reforms proposed in the reports of the Committee;

That Messrs. Penner, Binns, Comeau, Duguay, Jardine, Ravis and Young be appointed as alternate members of the Committee;

That changes in the membership of the Committee be made only pursuant to Standing Order 69(4)(*b*); and

That the Committee shall report to the House finally no later than June 28, 1985.

Mr. Speaker: Pursuant to Standing Order 25(2), the notice of motion standing on the Order Paper in the name of the Hon. Minister of State (Government House Leader) (Mr. Hnatyshyn) is transferred to and ordered for consideration under Government Orders later this day or at the next sitting of the House.

* * *

QUESTION ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Parliamentary Reform

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, the following question will be answered today: No. 12.

[*Text*]

DEPARTMENT OF HEALTH AND WELFARE LAWYERS

Question No. 12—**Mr. Howie:**

How many lawyers are employed by the Department of National Health and Welfare?

Hon. Jake Epp (Minister of National Health and Welfare): The Department of National Health and Welfare employs one (1) lawyer. As well, there are five (5) lawyers assigned to the Department from Justice.

[*English*]

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

Mr. Speaker: The question as enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

HOUSE OF COMMONS

MOTION TO ESTABLISH TASK FORCE ON REFORM

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)) moved:

That a Special Committee of the House of Commons to be composed of Mrs. Bourgault and Messrs. Blaikie, Cooper, Ellis, Friesen, McGrath and Ouellet, be appointed to act as a Parliamentary Task Force on the Reform of the House of Commons to examine the powers, procedures, practices, organization and facilities of the House of Commons, bearing in mind the balance between the respective constitutional responsibilities and roles of the House of Commons and the Government, such an examination to include, but not be limited to, the following matters:

(*a*) the permanent and Provisional Standing Orders;

(*b*) the role of the private Member in the House of Commons;

(*c*) the accountability of Ministers to the House of Commons;

(*d*) the legislative process;

(*e*) the funding, facilities and staff support services made available to Members of the House of Commons;

(*f*) the administration and management of the House of Commons; and

(*g*) the procedures and powers of Committees of the House of Commons and the role and the use of parliamentary task forces;

That the Committee have all the powers provided to standing Committees pursuant to Standing Order 69(8);

That the Committee have the power to retain expert, professional, technical and clerical staff;

That the Committee and members of the Committee have the power, when the Committee deems it necessary, to adjourn or travel from place to place inside and outside Canada and that, when deemed necessary, the required stafff accompany the Committee or members of the Committee, as the case may be;

That all the evidence adduced by the Special Committee on Standing Orders and Procedure and the reports of that Committee as tabled in the House of Commons during the 32nd Parliament be referred to the Committee;

That notwithstanding the usual practices of this House, if the House is not sitting when an interim or final report of the Committee is completed, that the Committee shall report its findings by depositing its report with the Clerk of the House and that it shall thereupon be deemed to have been laid upon the Table;

That the Committee be authorized to include in its interim and/or final reports drafts of proposed permanent or temporary Standing Orders drawn to give effect, if concurred in by the House, to any permanent or temporary change or changes proposed by the Committee;

That the Committee be authorized to include in its interim and/or final reports recommendations as to the implementation of any reforms proposed in the reports of the Committee;

That Messrs. Penner, Binns, Comeau, Duguay, Jardine, Ravis and Young be appointed as alternate members of the Committee;

That changes in the membership of the Committee be made only pursuant to Standing Order 69(4)(*b*); and

That the Committee shall report to the House finally no later than June 28, 1985.

He said: Mr. Speaker, I regard it as a great privilege to be able to move this motion. As Members of Parliament, we share the honour and duty of serving an institution which helps to bind this nation together and which helps to define and defend the rights and interests of the Canadian people.

Edward Blake, one of our predecessors in this place, described his understanding of the importance of this institution in the following terms:

The privileges of Parliament are the privileges of the people, and the rights of Parliament are the rights of the people.

It is for that reason that reform of the House of Commons is not undertaken lightly by this Government. As I have expressed on other occasions, the results of the September 4 election indicate that there is a public will for a change in the operations of the central institutions of government. That desire for change expressed itself in the mandate received by our Government.

However, no matter how strong the mandate, change in a democratic society must be the result of consultation and consensus. Let there be no doubt that the Government has its views with respect to the aspects of this institution that are in greatest need of reform. Indeed, there are reforms that we could undertake on a unilateral basis. But reform without consultation is no reform at all.

Thus, the action that we take today reflects the Government's belief that real progress is achieved when, as the Prime Minister (Mr. Mulroney) has said, "First you listen, and then you act". The motion we are currently debating provides the proposed task force with the widest of possible mandates. The committee will have the authority not only to consider the rules of the House of Commons but will have the power to examine the role of the Private Member in the House of Commons and the funding, facilities and support services made available to Members.

The Government believes that it is important to ensure that the duly elected respresentatives of the people have a say in the

legislative process and that the views of all Canadians are represented in decisions which will shape the nation's future.

To ensure, therefore, that the process of reform is carried to both sides of the House and impacts upon all aspects of our deliberations, the Government is of the view that it is important that proposals for reform be the product of an all-Party review and that the opportunity is given for the widest possible consultation in the course of that review.

We have proposed the establishment of a task force because we believe that parliamentary task forces have proven to be of the proper size and flexibility to bring focused attention to the major issues on the public agenda. We are not insensitive to the fact that by creating a seven-member committee the Opposition Parties are limited to one member apiece on the task force. We have therefore taken the rather unusual step of providing for alternate members. It is our hope that the alternate members will take the opportunity to participate in the deliberations of the task force and that the task force will benefit from their input.

There may be some who feel that this task force will merely repeat the work done by the Special Committee on Standing Orders and Procedure during the Thirty-second Parliament.

• (1520)

It is true that the task force will have the authority to review the reports of the special committee and the operation of the provisional Standing Orders which were adopted on the recommendation of that committee. It is not surprising that almost two years to the day from the time the experimental rules were adopted such a review would be undertaken. However, this task force is expected to go much further. I was a member of the special committee, and it was a disappointment to me that that committee dealt with a fairly narrow range of matters. Its mandate was to review the Standing Orders and make recommendations for change. Unfortunately there were any number of Standing Orders that we did not have the opportunity to consider and which, because they relate to archaic procedures, are badly in need of review.

As well, the special committee was constrained to considering merely procedural issues. If our concern is to ensure that Members of Parliament and the House of Commons as a body perform a valuable function in the legislative process and in scrutinizing the affairs of government, then procedural change is but one means of achieving our objective. Equally important is ensuring that the institution runs on an efficient basis, has all powers necessary to do its job and that individual Members have the tools they require in order to make a genuine contribution.

These are the objectives of the Government, and that is why the task force will be empowered among other things to:

—examine the powers, procedures, practices, organization and facilities of the House of Commons, bearing in mind the balance between the respective constitutional responsibilities and roles of the House of Commons and the Government, such an examination to include, but not be limited to, the following matters:

(a) the Permanent and Provisional Standing Orders;

(b) the role of the private Member in the House of Commons;

(c) the accountability of Ministers to the House of Commons;

(d) the legislative process;

(e) the funding, facilities and staff support services made available to Members of the House of Commons;

(f) the administration and management of the House of Commons; and

(g) the procedures and powers of Committees of the House of Commons and the role and use of parliamentary task forces.

This is a very broad mandate and the task force will have a relatively short period of time in which to conduct its study. I am confident, however, that the members of the task force will bring their full effort to bear on this important study and that their deliberations will prove fruitful. Mr. Speaker, you will see by the names listed for that committee that we have asked among our number competent and dedicated Members of Parliament to serve, not only in terms of permanent members but, with respect to all Parties and all members, to serve as alternates to this important committee.

It is almost a truism to suggest that unless reform is undertaken early on in the mandate of a new government it will not be undertaken at all. Frankly, it is human nature that once patterns of behaviour are established they become rather hard to set aside. It is significant, therefore, that the pledge of reform took priority in the Speech from the Throne and that the establishment of this task force is one of the first initiatives undertaken by our Government in this Parliament.

Reform is not a new issue, nor is it the result of a sudden public dissatisfaction with the operations of Parliament. It is the nature of democratic institutions to be subject to public criticism, scrutiny and debate. The roles of Parliament and of parliamentarians have been the target of criticism for as long as Canada has been a nation. A couple of quotations from the last century serve to illustrate this point.

In *Canada: A Guidebook* in 1894, Karl Baedeker had the following to say about Members of Parliament and the institution they served:

Few of the speeches delivered in the House of Commons can be called inspiring. In fact, when not personal, they are prosaic. This can hardly be helped, for a Canadian Parliament, like Congress in the United States, deals, as a rule, with matters from which only genius could draw inspiration.

A more pointed criticism of the inhabitants of this place is to be found in an advertisement which was run by an Ottawa furrier during the 1870s. I present this for the edification of current members of the House of Commons. It reads:

Re the new government (having carefully perused the press)—it consists of: Anarchists, 17; Horse Thieves, 22; Burglars, 10; Would-be Burglars if they had the pluck, 31; Judas Iscariots, 19; Counterfeiters, 27; Forgers, 19; Highwaymen, 46; Murderers, 29; Arch-fiends, 1.

Under the circumstances it is needless for me to say that I decline to sell my new Spring Hats (by the way, they are just opened) to any Member of the new House of Commons.

It was signed by R. J. Devlin. How little times have changed! Even in the 1870s the press had full access to the secrets of government, as it does today.

We will never be able to please all the people all the time, but we have the responsibility to try to inspire Canadians through our actions here. Also we have the responsibility to ensure that Canadians can reasonably believe that their elect-

ed representatives are conscientiously working to advance the public interest.

If speeches in this place sometimes appear to lack inspiration, it may not be that the matters being considered are mundane or trivial but that Members of Parliament lack the tools or the motivation to get at the substance of the issues which are before the House. There are remedies for these conditions, and it is the mandate of the task force to outline those remedies.

If I might be permitted a personal observation, it often seems that everywhere but on Parliament Hill Private Members are important participants in Canadian public life. I believe that ways must be found to enhance and expand their role and importance in this place. The relevance of this institution and its continuing ability to provide the means for ordered and peaceful social and institutional change rest in no small measure on its ability to provide an important part in its functions and the exercise of its powers to as many representatives of the people as possible. I cannot overstate the importance of this aspect of the task force's mandate.

The emphasis on the role of the Private Member is also of interest when considering other aspects of the committee's mandate. For example, a review of the procedures and powers of the committees of the House of Commons is a specific part of the broad mandate of the task force. The increasing importance of the standing committees since their creation in the late sixties has been one of the most significant developments in the changing face of this institution. In considering the committees and the use of parliamentary task forces, of course the task force will be aware of the important part which Private Members have to play in these fora and will want to consider the mechanisms which can be used to enhance their role in committees.

The importance of the work done by committees in considering legislation should not be underestimated. However, the work of all committees has increased and the task force may want to consider the means by which this work can continue without conflicting with the other competing and legitimate demands placed upon a committee's time.

Respect for the institution of the House of Commons is independent not only upon the work of individual Members but also upon its organization, administration and structure. In recent years changes in the management of the House and the services it provides to its members have been undertaken. Many of these changes were the result of the excellent report of the Auditor General on the operations and management of the House. I am certain that these changes have resulted in certain cost savings and have caused the services of the House to be placed on a more regular and professional basis, which is more in keeping with practices in other public sector institutions. However, the task force may want to review these services and the changes made to ensure that they are meeting the needs of Hon. Members while at the same time ensuring that they are being delivered in the most effective and efficient manner possible.

The task force will realize that Parliament is unlike any other institution of government and must obtain and demand the highest standards of professional and discrete services to ensure its effective functioning. It is not always enough that the services available to the House and its Members meet or exceed the standards which exist in Canada's public sector because the demands which are placed on the servants of the House are often quite distinct from the demands placed on public servants.

I am sure the task force will be cognizant of these factors in its review of the services now being provided and in considering the changes which have been made to those services in recent years. May I say in passing that in my view those services are of the highest standard and are provided by a dedicated and thoroughly professional body of employees. This is a fact of which you, Mr. Speaker, can be justly proud.

• (1530)

In the event that the task force recommends changing or altering the services provided by the House or the organizational structure of the House, the members of the task force might also want to concern themselves with discovering the most cost effective way of delivering those services or instituting those changes. In this manner they will be able to ensure that the budget of Parliament is subject to the same restraints to which the rest of the public sector is now subject. By doing so, the task force will have done a great service, not only for the House and its Members, but for the taxpayers of Canada.

In that light, it is my hope that the task force will take the opportunity to spell out in one of its early reports to the House its anticipated budgetary requirements and its tentative agenda. I am sure that all Members of the House will be watching the activities of the task force with interest and would be grateful to be informed of the studies that the committee proposes to launch and the schedule that it intends to keep.

It will be of particular interest to the House if the task force determines that it will make use of its power to travel in Canada or abroad. As well, I am sure that Members will want to be kept informed if the task force decides to invite representations from the public or from past or current parliamentarians.

As I mentioned earlier, we have chosen the vehicle of a parliamentary task force to undertake this review because we believe that the small size of a task force lends itself both to the tackling of difficult problems and to the opening up of dialogue between Parliament and the public which it serves. In turn, the very use of task forces is a matter to which the committee will be asked to address its attention.

As the role of the standing committees changes, there may as a consequence be a changed mandate for task forces. For the time being, however, we believe that the smaller size of a task force encourages a greater spirit of co-operation among the members of such a committee. That fact is of considerable importance given the Government's objective of ensuring that whatever reforms emerge from the work of this task force they

do so on the basis of consensus among the members of all three Parties.

I would like at this point to address an aspect of the terms of reference of the task force which I have not previously touched upon. That aspect is the balance of the constitutional responsibilities between the House of Commons and the Government. There can be no doubt that the growth of government in Canada has placed considerable strains on the traditional relationship between the roles of the Ministry and of Parliament. As Arthur Beauchesne noted in the preface to the fourth edition of his *Parliamentary Rules and Forms:*

> Definite rules are necessary if Parliament wants to solve its two main problems: first, how to find time for disposing of the growing mass of Government business, and secondly, how to reconcile the Government's demands with the rights of the minority. The House cannot now carry on with wholly customary law—

It was 1958 when Arthur Beauchesne wrote those words, but that sentiment is, if anything, more valid and telling today.

The task force is not being asked to rewrite the Constitution. Quite the contrary. The task force is being reminded that the constitutional balance between the institutions of government exists for good reason and that reforms that affect the balance on one side of the equation require some form of compensation on the other side.

It is my view, and I hope that of the members of the task force, that the need of governments to gain passage of their legislative programs and the duty of Members of the House of Commons to hold the Government to account for its actions are not mutually contradictory. When the balance of responsibilities is working well, the result should be that legislation is improved rather than impeded by the House and that governments seek the advice and consent of Parliament when initiating new policies.

Within the context which I have just outlined, the task force is being asked to consider not only the legislative process and the role of the private Member but also the accountability of Ministers to the House of Commons. Needless to say, as a Government, we will commit ourselves to being as forthcoming and responsive in the House as possible. Nonetheless, Canadians have the right to expect that the proper functioning of their institutions of government rests on more than simple assurances of good faith.

The task force is being asked to bring forth recommendations in this regard and the House will have the opportunity to debate those recommendations. Even at this early stage, the Government is attempting to demonstrate that it is prepared not only to say the right words but to take the right steps.

My party, the Progressive Conservative Party, has long been the Party which has stood for reform of the institutions of government. For example, it was this Party which was instrumental in pushing for access to information legislation. It was this Party in 1979 that established parliamentary reform as one of the early priorities of our administration.

Nonetheless, constructive ideas which lead to real reform are not the sole preserve of any Party or any small group of Members of this House. It is with that fact in mind that the Government has chosen to place the question of reform before a committee of Members and has given that task force a broad far reaching mandate to examine all areas of the powers, practices and organization of this place. It is my hope that working together, Members from all Parties will be able to propose workable solutions to the challenges facing this institution.

As Arthur Beauchesne noted, changes in the demands placed upon the institutions of government have required that we step beyond the mere evolution of customary laws and practices. Novel problems require novel solutions, and that is why we have decided not to restrict the task force to a simple review of the Standing Orders. I look forward with great anticipation to receiving the recommendations of the task force, as do all Members of the Government. As recent members of the Opposition, we are well aware of some of the systemic obstacles to the full participation of private Members.

It is my hope that as a result of the work of this task force we will be able to banish from our vocabulary once and for all the term "back-bencher". It is our objective to ensure that in this Parliament there are no back-benchers. All Members must feel that they have a full voice in the proceedings and decisions of the House. I admit that our motive is not entirely selfless in this regard. We believe that a better, more effective House of Commons will lead to a better, more responsive style of government than Canadians have become accustomed to over the years.

For all of the reasons which have been outlined in my remarks, I would simply like to close by wishing the task force the best of success in its deliberations and by inviting all Members to give their input and support to this very important committee of our House.

[*Translation*]

Mr. Speaker: The Hon. Member for Saint-Jacques.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, are we allowed to ask questions at this stage?

Mr. Speaker: Yes, there is a 10-minute period for questions and comments.

The Hon. Member for Sudbury (Mr. Frith).

[*English*]

Mr. Frith: Mr. Speaker, my question to the Government House Leader, perhaps in a very circumvented way, hinges upon the desire of his Government and of all Members of the House to undergo parliamentary reform. Whose advice was it to each of the committee chairmen this morning and yesterday afternoon in the area of reduced quorums to allow the requirement that only government members need be in their place in order to hear evidence? There has been a long tradition in this House, going back some two decades, I believe.

In 1980, with a Liberal majority government, when these motions were established in committee, they were worded in such a way as to recognize the right of the Official Opposition to be present when evidence was heard. I cannot speak for

other committees. I can only explain what happened in the health and welfare committee. A motion was presented by the Government side which stated that for a reduced quorum for the purpose of hearing evidence, only four members of the committee need be present. I put forward a motion to amend that motion to read that a member of the Opposition as well as the Government side be present before any evidence could be heard.

I recognize that nowhere in the Standing Orders, which are the rules and procedure which we use in the standing committees, is there anything to the effect that a member of the Opposition need be present in order to hear evidence. However, there has been a long-standing practice in this House that was broken this morning by members of the Government. I would like to know if it was the Government House Leader's instruction to those committee chairmen to follow through with that abuse of my privileges in committee or if it was done by the Deputy Prime Minister (Mr. Nielsen).

● (1540)

Mr. Hnatyshyn: Mr. Speaker, let me try to put this in some perspective. I think the Hon. Member for Sudbury (Mr. Frith), who has worked on many committees during the time he has been a Member of Parliament, will know that the premise upon which he bases his proposition is simply not correct. Each committee determines its own rules of procedure subject to Standing Orders which indicate the rules respecting a quorum. Once the quorum is met, each committee can consider, for the purpose of hearing witnesses, who often come long distances at some considerable personal expense, the circumstances under which evidence may be received.

As the Hon. Member knows, there is a system of transcription of all the evidence that is received. This involves the receiving of documents in support of the work of the committee. I fully acknowledge that in some instances arrangements have been made whereby a quorum will be reduced for the purposes of receiving evidence.

I have been here for 10 years and most of that time, unfortunately, has been spent in the Opposition so I know of what I speak. In some instances, there has been some provision that a member of the Opposition will be present in a reduced quorum for the sole purpose of receiving evidence and hearing witnesses. In other instances, that has not been the case at all. The arrangements made within the committee have been silent with respect to any lesser quorum, and in some instances, I am informed, there have been provisions whereby a reduced quorum has been available without any specification as to the political affiliation of any of the members on that reduced quorum.

I have heard what the Hon. Member has said. I think we will have to carry on with the committees on the basis of a mutual respect between Parties. It is a matter of concern to me that if there were to be such a provision, it is conceivable that an opposition Party could hold up the process by simply not appearing on a parliamentary committee. I would not suggest that that would be the case.

The matter has been raised. I am going to look into the situation to see what has been transpiring there. I am glad to take the matter under advisement for the Hon. Member.

I believe that under the provisions of our rules, Hon. Members receive sufficient notice of meetings. In some cases, that notice is 24 hours by agreement within individual committees. After this matter was brought to my attention, I understand that in one committee at least, there was an arrangement made at the suggestion of a member of the New Democratic Party that there be a 24-hour notice given for committee meetings.

Why do we not look at what is happening and see whether or not we can work something out? That is the spirit which I would like to bring to the House and one which I think has been manifested by my responsibilities as Government House Leader up to this point.

Mr. Frith: Mr. Speaker, I realize that I will have an opportunity to speak on this entire matter some time later this afternoon. However, I would like to point out to the Hon. Government House Leader (Mr. Hnatyshyn) that the abuse that occurred this morning in the health and welfare standing committee has also been perpetrated in every other committee. Those committees use the same formula that was put forward by the government side. I do not understand for the life of me the paranoia of the Government in this matter.

In 1980, when there was a Liberal majority Government, a majority that was far smaller than the majority of the present Government, we allowed for reduced quorum purposes in committees the wording that a member of the Official Opposition had to be present in order to hear evidence. I did not even go that far this morning. I did not even ask that the Official Opposition be present to hear the evidence; I only suggested that at least a member of an opposition Party need be present in committee to hear the evidence. The Government used the tyranny of its majority to gun down that motion by a vote of 11 to 4. I am told that that occurred not only in my own committee but in other committees as well.

What is the Government's obsession or its paranoia? Is it fearful that the 70 Members of Parliament who sit in opposition will suddenly tie up the business of Government?

Mr. Hnathyshyn: Mr. Speaker, I am not suggesting that paranoia is the private preserve of any Member on any side of this House. It would be quite a different thing if we were suggesting that henceforth, the membership of only one Party would be allowed to participate in hearing the deliberations. I did say that I would be glad to take the matter under consideration. We are now suggesting that we define some reasonable rules under which evidence may be received by the committees.

Because the resources of the opposition Parties are somewhat limited in terms of numbers, I have taken a number of initiatives to try to make sure that the membership of these committees will be expanded. I worked toward making a concession of which I am proud. We were able to see that the Opposition was over-represented and the Government under-

represented on committees. We made sure the opposition Parties will have more members on each committee than should technically be available to them. We have tried to do everything we can to make sure that we will not be stretching the resources of the Opposition.

We have gone along with every suggestion with respect to the composition of these committees. However, I think the Hon. Member will have to admit that there are instances in which a reduced quorum may be advisable in order to get information before a committee. If we can resolve this matter through some form of mutually satisfactory arrangement, that is well and good. I believe it is a matter of balance and I am glad to discuss it further.

I am glad that the Hon. Member raised this issue with me because he is a Member for whom I have a great deal of respect. I know that he would not be spurious in his observations and that he would not try to make a mountain out of a molehill. I am sure he is not trying to do that in this instance.

I am sure that we can arrange our affairs to make sure that the committees co-operate in a reasonably effective manner, that all Members have reasonable notice of the meetings, and that full opportunities are made available to all Members to participate in votes. We would like to make sure that people who come before the parliamentary committees of Canada are not being unduly inconvenienced in terms of time and money. We would like to try to find some reasonable consensus in terms of this small problem.

I appreciate being afforded the opportunity of speaking to this problem, and I appreciate the fact that the Hon. Member for Sudbury raised the matter. I see that he wishes to say something further.

Mr. Deputy Speaker: The period for questions and comments is now over. We will resume debate.

[*Translation*]

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, aside from the, in my view, rather unorthodox and unfair manner in which our Members have been treated in the committees, hardly the way to treat an Opposition that has been reduced to almost symbolic numbers in this country's Parliament—and I shall get back to this—but in case the Government House Leader should leave during my comments, not that I expect to be particularly boring, but he may have other work to do in his office, I would like to point out to the Hon. Member that although he said earlier it was up to each committee to establish its own rules and procedures, although he repeated one of those adages so often used in Parliament, he will have to admit it is a strange coincidence that in every single committee, there was this same uniform resistance on the part of Government Members. In one of the other committees where I was sitting this morning, we had to argue for forty-five minutes and we had to retreat before a vote. I must say all this is very odd, and I think it is more than a coincidence.

As your backbencher mentioned earlier, this also happened on the Committee on Communications and Culture. Another coincidence, of course. If the Government House Leader intends to look into this matter, as he said, I wish he would examine the coincidence factor as well.

Mr. Speaker, I would say that aside from this unfortunate incident on which I intend to elaborate later on, in principle we have no objection to the creation of a special committee or task force on the reform of the House. We believe it is essential, and in fact it has been done at regular intervals. Your humble servant who has been sitting in the House since 1968 has seen a succession of such committees, which have examined the Standing Orders of the House and parliamentary procedure with a great deal of competence and made many recommendations, all of which has helped to make this institution what it is today.

● (1550)

We cannot but wholeheartedly agree with this Government's decision to take the same route as its Liberal predecessor and in turn establish a task force to examine the Standing Orders and procedures of the House.

Hon. Members will recall that in the previous Parliament, a very active committee chaired by the Member for Pontiac-Gatineau-Labelle, Mr. Tom Lefebvre, who can now be referred to by name since he is sitting in the other place, sent several reports in succession to this House reflecting the work done by his committee.

We owe them our congratulations and we can only hope that the new committee will show as much zeal in dealing with the various problems that await it and that it will be able to submit to the House a series of recommendations that are as sound as the work done by the committee I just mentioned.

However, Mr. Speaker, I may say that much has already been done, especially during the last two or three years, and I hope that the new committee will not try to re-invent the wheel. It would, on the other hand, do well to take a closer look at some of the Standing Orders that require clarification.

I have had the pleasure of sitting in the same chair as you, Mr. Speaker, and trying to interpret the Standing Orders in the course of the debate, as situations arose. I must admit that over the years, the Standing Orders have been clarified and are becoming easier to understand and generally speaking, easy to interpret, but . . . and I am afraid that is the extent of my euphoria with respect to the Standing Orders. There is often a regrettable lack of precision, and I imagine committee members will do well to consult the Clerks at the Table, who are well versed in the intricacies of the Standing Orders and could certainly point out to the Committee some of the points that have created problems for your predecessors in the Chair, Mr. Speaker. I think you yourself as well as the new Speaker should be asked to appear before the Committee. The only problem is, of course, that you, Mr. Speaker and your col-

leagues may have to spend some time reading up on past procedure and precedents to be able to understand what was wrong with the Standing Orders.

In any case, the Clerks, whose position in Parliament is less precarious than that of an elected Member, would certainly be able to make a contribution if asked to take part in the Committee's proceedings.

I hope the Committee will be an active one that will make specific recommendations, and without wishing to be nasty, Mr. Speaker, I hope the Committee will not spend its time studying and meditating, because I would not want it to follow the Government's example, which since the beginning of this session has had only one answer to the problems that have been put before it: We will study the matter.

In any case, I hope that after the short time the Committee will be allowed to study the various issues, it will be able to report to the House next June with some specific recommendations.

Personally, I have a few suggestions to make concerning the Committee's mandate. I noticed that one of the first points the Task Force will be expected to deal with is an examination of the Permanent and Provisional Standing Orders. I would recommend that the Task Force do everything in its power to maintain the new parliamentary calendar, which is established on an annual basis so that all Members know where they are with respect to leave periods and when they can be in their ridings.

Hon. Members who have been sitting in the House for a number of years will remember that it took many Members years of crusading to get this permanent parliamentary calendar. If I had only one recommendation to make to the Committee, it would be to maintain this practice, which is a great convenience to all Members.

Another point which I feel should be brought to the attention of Task Force members is the body of measures concerning the consideration of the Estimates, both in committee and in the House of Commons. Hon. Members who are now on the government benches will recall—and I heard them when I was on the other side of the House—that they were forever complaining about the way the estimates were considered in committee and in the House of Commons. For instance, they had a lot to say against the fact that the committee was forced to refer the estimates back to the House by a given date, whether its study was completed or not, so Members of the then Opposition, now sitting across the floor, can still remember that they were left fuming.

I also recall that, on the last supply day when the House is called upon to vote huge amounts in a hurry, the Hon. Member for Edmonton West, Mr. Marcel Lambert, would invariably rise on a point of order to tell the House how ridiculous he thought that practice was and how he would have liked to change it. Now that all those who used to criticize that practice for the consideration of supply are on the other side with a majority, perhaps we can expect that changes will indeed be made to the manner in which the estimates are examined, and that is something we will be watching closely in committee.

Mr. Speaker, I notice as well that one of the points which will come under the scrutiny of the committee is the role of private Members, those whom we commonly call backbenchers. For years now, both here and outside on city streets, everybody has been saying that we must upgrade the role of Member. Those of my colleagues who have been here for a few years and were never appointed to Cabinet readily understand that the role of a Member has to be something more than being only a messenger between the electorate and the government. Unfortunately, often as a result of the limited resources at the disposal of Members, quite a few of them did very little besides acting as messengers. Now that we have many new Members sitting on the other side of the House, hopefully the committee will make sure that backbenchers on the government side will be given adequate means to be more than rubber stamps called upon to support government policies. To do that, we will have to enhance the role of Member and make it more challenging, keeping in mind the fact that this year there are . . . I am told that nearly 134 new Members sit in the House for the first time in this Parliament.

I would also suggest that the committee consider the fact that a long time ago—my God, more than 20 years, we have to go back to 1958 when the parliamentary Opposition was practically reduced to a rump, as it is now. It seems essential to me that the Members who will examine the Standing Orders realize that the Opposition will find it more difficult to discharge its responsibilities, and that the committee Members do everything in their power to give the Opposition adequate means to defend the views of those who do not necessarily endorse every government initiative. We believe that the government Members will do their best to introduce good legislation over the years. That is exactly what we in the Liberal Party did when we were on the opposite side of the House. Still, time will undoubtedly come when the Opposition will have to stand up and oppose. As I recall, it was Mr. Winston Churchill who said that the role of the Opposition is to oppose. We have no intention of acting inconsiderately, but should we ever have to show our opposition, we would like to have the proper tools at our disposal.

I am thinking of adequate research budgets as one example. Another example would be a guaranteed quorum for the Opposition on standing committees of the House, which would solve the problem we had this morning and yesterday when the committees were struck. It seems to me that the Task Force should be able to provide a satisfactory solution to all these problems.

I would now like to discuss another aspect of the mandate given this special committee, and it concerns the accountabili-

ty of Ministers. I feel that even in this pristine Parliament, it may be one of the areas where there is the most room for improvement. Our brand new Cabinet already seems to have trouble answering questions. This Government is certainly not at its most accountable during question period. I remember that when our Conservative friends were on this side of the House, they often accused the Liberal Ministers of not answering the questions and of being evasive. However, if I compare the situation then with what it is today, I think the previous Government certainly has a better record. Ministers will have to start answering questions and providing the information the public is demanding, instead of hiding behind a veil of secrecy. This is also something the Committee could examine. Ministers will also have to stop gagging civil servants. They will have to lift this veil of secrecy.

With only a few minutes left, I would like to get back to the point that concerns us most, namely part (g) of the Committee's mandate which says that the Committee will be asked to review the procedures and powers of Committees of the House of Commons. Well, a lot of changes will have to be made, considering the mood in the Official Opposition yesterday and today. I can also inform my hon. friend the Government House Leader that the New Democratic Party Members are not very happy either. We are very concerned about the government's attitude to committee membership. Refusing to guarantee the Opposition membership on a minimum quorum smacks of dictatorship on the part of a Government with this kind of massive majority. We think it should be a matter of principle, and I think Hon. Members will have to admit that this is one of those unwritten rules. We feel perfectly entitled to demand that the Government guarantee the Opposition a place on minimum quorums in committees, because when we were on the other side of the House, the Official Opposition had that privilege, and moreover, Mr. Speaker, in committee it was always customary to recognize as the lead-off speaker a Member of the Official Opposition. It was said:

• (1600)

[*English*]

We said that lead-off speaker will always be from the Official Opposition. That is the way the Liberals used to treat the Official Opposition and the New Democratic Party when we formed the government. At no time were we heavy-handed in striking committees.

The most ludicrous arguments were used this morning, for example, by a large majority in the Standing Committee on Communications and Culture. One Hon. Member—and I will excuse him because he is a new Member of Parliament—said, "We do not want to grant you this post because we do not want to run the risk that the Opposition would boycott a meeting". Can you imagine, Mr. Speaker, that he was afraid we would boycott? Certainly, the Hon. Member shows an ignorance of what has been happening here. I have never known the Official Opposition to boycott a committee meeting in which it would hear witnesses. Who would gain when witnesses come from both ends of this country, spending taxpayers' dollars to do so, if we, as the Official Opposition, boycotted the meeting? We would look silly. We could not win in the eyes of the public. No Official Opposition, not even the Tories, would dare do that. Why would these motives be imputed to us? Why should we do such a silly thing?

We thought it strange that government members of that particular committee this morning had that sort of inferiority complex, being such a giant majority with 211 Members of Parliament. It is amazing that they would be afraid of being defeated by one or two opposition Members.

[*Translation*]

Mr. Speaker, we even felt that Government Members on several committees were showing a kind of siege mentality, as though they were afraid the tiny number of Opposition Members on committee might gang up on them!

I was astonished to hear one excuse proferred by Members who voted down guarantees that have always existed for the Opposition—it was for the sake of efficiency. The thought behind this was, of course, that the Opposition might stay away from a number of committee meetings, which would delay the proceedings, I imagine, and for the sake of efficiency, they had to make sure the Government could proceed.

I still think this shows a certain contempt for the democratic process. Let Parliament be efficient, but let us not expect the Government to be as efficient as the private sector. God forbid!

An Hon. Member: Why not?

Mr. Guilbault (Saint-Jacques): The newly elected Member says: Why not? When he has been in the House for a while, the Hon. Member will realize that this is not the place to engage in bulldozing. The House is an exponent of democracy. And maybe he will understand some day when he is on this side of the House, that what is left to the Opposition is the right to speak and the right to be heard.

We can assume that the Official Opposition will not win many votes in this Parliament. In think that is pretty obvious. However, the Opposition must have the assurance that it can express here in the House the views of those who do not agree with certain Government policies.

I think that this desire to take away the Opposition's traditional rights and guarantees for the so-called sake of efficiency shows contempt for the democratic process.

They said: Well, it is about time changes were made. Traditional rights or not, out they go. They said: In the last election, Canadians voted for change, and the Opposition does not seem to understand that. Well, I disagree!

The kind of change Canadians wanted was certainly not a change from the generosity we showed the Opposition when we were in power. I am sure that is not the kind of change Canadians wanted. They may have wanted change in other areas, and we shall see whether the Government can deliver,

it, but they certainly did not want any changes in the democratic guarantees that were always maintained by the Liberal Party of Canada when we formed the majority in the House.

I also found appalling the refusal in many committees to let the lead-off speaker be a Member of the Official Opposition.

[*English*]

In conclusion, Mr. Speaker, may I say that in no way are we going to accept this situation. We are happy that the Government House Leader has indicated he is going to look into it. We hope he comes up with a more reasonable proposal. In order to show our deep dissatisfaction with what has happened over the past few days, on behalf of my Party I would like to move an amendment to the motion which was put forward by the Hon. House Leader. The amendment is as follows:

That the motion be amended by adding the following words:

"And that it be an instruction to the committee that it shall include in each report its assessment of the effects of its recommendations on the role and the rights of the Opposition".

Mr. Deputy Speaker: Questions or comments?

● (1610)

Mr. Foster: Mr. Speaker, I wanted to comment on the Hon. Member's speech because he has sat in the chair of this House and I think it is very appropriate that he has put forward this amendment. When the Conservative Party was the Official Opposition, they always demanded that there be at least one member of their Party present in committee even for the taking of testimony. Yesterday, they smothered both opposition Parties and rejected the requirement that there must be an opposition member present for the taking of testimony. I assume from what the Hon. Member has said, that the same thing happened in many other committees.

Obviously we do not have too many Members on this side of the House. If it is not possible for us to be in a committee meeting, if meetings are called on short notice, then you end up with only Conservative Members in the committee. People are making a formal presentation to a formal committee of the House of Commons and there may be no representation from the Opposition there. The brief is presented to the committee as if it were an all-Party situation, when in fact it is not. When we put forward a motion to have representation from the Opposition at those times, we ended up with its being voted down.

I was glad to see that the Government House Leader suggested that this was not an organized matter, and the Parliamentary Secretary indicated as much in committee today, and that it was being done in every committee. In fact, in every committee of which I have heard they actually did that. So it seems to me that the instruction was either sent out by the Government House Leader or by the Deputy Prime Minister (Mr. Nielsen), who is supposed to be the enforcer of this Government. I really wonder what is taking place over there.

Even more disconcerting is the question of a quorum. Whenever a vote is being taken or whenever a Bill is being studied clause by clause, a quorum is required, which in our committee would be eight members, but not necessarily including an opposition member. I have been around here for 16 years and I have never seen a vote taken in committee when there was no representative from the Official Opposition. Yet when the motion was put in our committee that there be present at least one opposition member from either Party, it was voted down. The Government House Leader says, "Well, just don't show up and the committee will not go on". That will not happen in the Standing Committee on Agriculture because they already voted it down, saying there did not have to be an opposition member present. I think this matter really has to be dealt with by the House Leader, otherwise the whole committee procedure just becomes a committee of the Tory caucus.

Mr. Frith: Dictatorship.

Mr. Foster: I know that the Hon. Member who is going to chair this committee, had he been on this side of the House when we were in government and had we tried to muzzle the Opposition like this, would never have accepted it. He would have been a very strong opponent. That is why I think the amendment of the Hon. Member for Saint-Jacques (Mr. Guilbault) is a good one. It defends the rights of the Opposition.

I hope the Government House Leader will review this situation and send instructions to parliamentary secretaries and various Ministers who enforce the Government's position on these committees not to proceed in these areas without a member of the opposition being present. The bells rang night and day for two weeks in this House because the Speaker would not take a vote without opposition members being present. If that is not the most glaring example of the need for opposition members to be present for a vote, I do not know what is. The Government has to back down on the procedure it has adopted and be more concerned about the rights of the Opposition as they were when in Opposition. We cannot move ahead with legislation in committee without adequate representation from the opposition Parties.

The Hon. Member for Saint-Jacques has had broad experience in this place; he has been a Member since 1968. Has he in that time ever seen the kind of procedure I have described carried out here?

Mr. Guilbault (Saint-Jacques): Mr. Speaker, it is very evident that at no time over the 16 years I have been here have I ever seen anything like this. The Government House Leader was right when he said it is up to each committee to set up certain rules. The rules governing each committee are not all the same. They vary slightly one from to the other. But one thing is certain: we have never seen a move like this to keep the Opposition from having any power in committee.

This morning in the Standing Committee on Communications and Culture we went into the background of the motion to set up the minimum quorum in the last Parliament. We found it was a very simple motion which said that the committee is authorized to hear witnesses when there is no quorum.

Mr. Hnatyshyn: That is exactly what this is.

Mr. Guilbault (Saint-Jacques): No, I remember having chaired this committee years back and there was a requirement for a minimum quorum of five members including one from the Opposition. There was even a rule that the Opposition was always the lead-off speaker. So it varies from committee to committee. However, one thing that has not varied in the past two days, is the voting down of every attempt by every Member who has tried to put forward something in each of those committees. That has not been varied, it has been constant from one committee to the other. It is a very funny coincidence, a very heavy coincidence. If there had been some variance from one to the other, I could live with that because it has been the practice. But we have seen uniformity in looking down at the Opposition. That is what I do not like.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order. It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Mississauga South (Mr. Blenkarn)—Financial Institutions—Existence of committee study; the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand)—Employment—Youth Training Option Program. (b) Government's position; the Hon. Member for Gander-Twillingate (Mr. Baker)—Unemployment Insurance—Newfoundland fishermen—Request for Assistance.

GOVERNMENT ORDERS

[*English*]

HOUSE OF COMMONS

MOTION TO ESTABLISH TASK FORCE ON REFORM

The House resumed consideration of the motion of Mr. Hnatyshyn:

That a Special Committee of the House of Commons to be composed of Mrs. Bourgault and Messrs. Blaikie, Cooper, Ellis, Friesen, McGrath and Ouellet, be appointed to act as a Parliamentary Task Force on the Reform of the House of Commons to examine the powers, procedures, practices, organization and facilities of the House of Commons, bearing in mind the balance between the respective constitutional responsiblities and roles of the House of Commons and the Government, such an examination to include, but not be limited to, the following matters:

(*a*) the Permanent and Provisional Standing Orders;

(*b*) the role of the private Member in the House of Commons;

(*c*) the accountability of Ministers to the House of Commons;

(*d*) the legislative process;

(*e*) the funding, facilities and staff support services made available to Members of the House of Commons;

(*f*) the administration and management of the House of Commons; and

(*g*) the procedures and powers of Committees of the House of Commons and the role and the use of parliamentary task forces;

That the Committee have the power to retain expert, professional, technical and clerical staff;

That the Committee and members of the Committee have the power, when the committee deems it necessary, to adjourn or travel from place to place inside and outside Canada and that, when deemed necessary, the required staff accompany the Committee or members of the Committee, as the case may be;

That all the evidence adduced by the Special Committee on Standing Orders and Procedure and the reports of that Committee as tabled in the House of Commons during the 32nd Parliament be referred to the Committee;

That notwithstanding the usual practices of this House, if the House is not sitting when an interim or final report of the Committee is completed, that the Committee shall report its findings by depositing its report with the Clerk of the House and that it shall thereupon be deemed to have been laid upon the Table;

That the Committee be authorized to include in its interim and/or final reports drafts of proposed permanent or temporary Standing Orders drawn to give effect, if concurred in by the House, to any permanent or temporary change or changes proposed by the Committee;

That the Committee be authorized to include in its interim and/or final reports recommendations as to the implementation of any reforms proposed in the reports of the Committee;

That Messrs. Penner, Binns, Comeau, Duguay, Jardine, Ravis and Young be appointed as alternate members of the Committee;

That changes in the membership of the Committee be made only pursuant to Standing Order 69(4)(*b*); and

That the Committee shall report to the House finally no later than June 28, 1985.

And the amendment thereto of Mr. Guilbault (Saint-Jacques) (p. 508).

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I want to deal with three matters, two of them quite briefly, and the other I think is really the question before us.

Let me begin by saying that this morning at eleven o'clock I raised the problem which has taken up much of the attention of the House this afternoon. I did so because I feared it would cause Members to develop a sense that would result in less co-operation. When we started this session, the Government said it wanted co-operation, and I can well understand why. I think it is fair to say that the public of Canada was sickened during the last Parliament by the actions of the Conservative Party. I can well understand that the Conservatives, now in Government, do not want to have happen to them what they inflicted upon the Parliament of Canada during the previous Parliament. I must say that I cannot recall in all of my parliamentary experience, which goes back a long way, an example which comes close to the night that the Tories charged the Speaker's chair.

● (1620)

An Hon. Member: Awful.

Ms. Mitchell: Shameful.

Mr. Riis: A black day.

Mr. Deans: I say that in sorrow because I felt at the time that it set a mood in the House of Commons that resulted in rancor and bitterness which lasted through much of that Parliament. I said so at the time and I say it again. I did not support it and I will never support such a thing. We in this Party will deal with the Government in the appropriate ways with an eye to improving the conditions for people in Canada, but never in such a way as to create a scene that will result in Parliament suffering in the eyes of the public. I can appreciate that the Government wants now to set that behind us and go on from here. The Government House Leader said that he does not look back. He is looking forward to better things, and so am I.

Having said that, I was therefore disappointed this morning when I was informed of the mood that had developed in the committees. I want to make it quite clear that it is not my view that what went on in the committees is a direct breach of the rules of Parliament, because the rules of Parliament are set up in such a way that there is latitude and leeway afforded to committees, as is afforded to the House of Commons. That is necessary in order that changing times and conditions can be accommodated. However, what happened in the committees, as I understand it, was more a breach of the confidence of the committees. It was a misunderstanding, I hope, on both sides. It was not intended to be the heavy hand of the Government coming down on the Opposition, although I can well appreciate that those who were there could have interpreted it that way given that, as my colleague, the Hon. Member for Humboldt-Lake Centre (Mr. Althouse), has just indicated, it was a consistent act through every committee. One could not help but come to the conclusion that somewhere in the background someone had orchestrated, or at least advised the Government membership on the committees that that would be an appropriate way to act.

I do want to see the kind of co-operation that others want to see. We will get that kind of co-operation if we are assured that the way in which committees will conduct themselves will be consistent with the way that committees have conducted and deported themselves in the past. My colleague, speaking on behalf of the Official Opposition, has quite clearly set out what some of the problems were. I felt anxious when I was told of those problems and I raised them, both in the House and subsequently with the House Leader privately, in an effort to try to come to grips with them. I am confident that, if the House Leader has any sway over the Deputy Prime Minister (Mr. Nielsen), and I am sure he does, he will be able—

Mr. Hnatyshyn: What does the Deputy Prime Minister have to do with this?

Mr. Deans: That is what I am worried about. I am not sure what he has to do with it.

Mr. Hnatyshyn: Don't presume the worst. You are too good natured for that.

Mr. Deans: I will presume the best, that by tomorrow this matter will have been resolved and that the membership of the committees will be prepared to deal, as we have always dealt, in a spirit of co-operation and good humour. I will assume that the committees will work effectively together and that the Official Opposition, followed by members of this Party, will be able to participate as we have participated in the past. I will assume that there will be a recognition that, notwithstanding the numbers required for a quorum, the committees ought not to sit on matters of extreme importance without both sides of the House being represented.

I can assure the Government House Leader, and I say this on behalf of my colleagues, that we will not abuse that. We have not abused it in the past and we will certainly not abuse it in the future. We will be there to do our job as we always have been. I would like to say in addition that it is not always the Opposition that is to be blamed when things do not work well. There are times when the government is to be blamed. In the last Parliament, for example, on one occasion in the Agriculture Committee, it was the government members who decided not to show up, therefore thwarting the committee's attempts to hear evidence from the Canadian Dairy Commission on a matter of urgent importance. It was a matter the government did not really want to have heard or to discuss. I think these things must be viewed in perspective. I am confident that by tomorrow morning this matter will be resolved. If it is resolved, as I think it will be, we will go on to develop a better relationship.

With regard to the amendment to the motion, I have sympathy with the intent. However, to be honest, I am hesitant to support it. I am not suggesting that I will not, because I will think about it over the course of the afternoon. I am hesitant to advise support on this matter. It sets out the committee in a "them and us" type of atmosphere. I do not really want to see that happen. I would like to see this committee operating as the last committee operated. We should all work together for the same general good of the institution and the public. If we structure the terms of reference in such a way as to require the committee to take into account in a particular way the effect on the Opposition, rather than the effect on the Members, then I think we may, in one way or another, undermine the ongoing good work of the committee. I suggest that the Official Opposition should consider that.

I think this committee will operate on behalf of all Members. I have the utmost confidence in the chairman to be named. I think the chairman of the committee will prove to be a man of considerable insight, as he has always proven to be. I anticipate that he will make sure that he gives the kind of leadership which will pull the committee together to ensure that the committee will deal fairly, openly and reasonably with the problems of Members, not only in the operation of the House itself, but also in terms of how they can best serve the public they are here to represent. Therefore, I am opposed to any inhibition being added to the terms of reference.

As to the task force itself, there is no perfect system. When I spoke the last time we set a committee such as this, I said quite frankly that the parliamentary reform that was most needed at that time was a reform between the ears of the Members. It

was not necessarily structural change that was going to alter the way Parliament worked but attitudinal change. To a large degree, that is part of what I said just a moment ago about the committee structure and the way committees can be set up. If we are going to require that this committee study matters as wide-ranging as the terms of reference will permit, we need an understanding from the Government, which we did not get from the last government, that if the committee sees fit to recommend unanimously that certain things should occur, the Government must undertake the obligation to implement those things.

• (1630)

There is no point in our going through the exercise over and over again in an attempt to find that Utopian situation that will make everything work. It will never be that way. However, if those Members appointed to this committee do their job well and offer unanimous or near unanimous recommendations to the House which represent the views of both Government and Opposition, then there must be a clear understanding that the Government will not place those recommendations on a shelf to gather dust and become fodder for yet another study after the next election. I say that on my behalf and I hope that of the chairman and members of the committee, because I am sure that that is what they want.

Let me also say a few words about the 11 reports that came from the previous committee. That committee worked extremely hard. At one time I was the vice-chairman and we worked very hard in trying to find a compromise that would satisfactorily recognize the different roles between Government and Opposition while also guaranteeing equal access to all Members of Parliament to the institution itself. I believe that we did a very good job on that committee. Quite frankly, those 11 reports represent many hours of work and input from all sectors of the economy and the public of Canada as well as from the Members themselves.

Perhaps it will be necessary for the task force to review those recommendations in light of the new parliamentary experience. However, I hope it will not be necessary, nor can I imagine its being of any use for the task force to go back over all the old ground again. It has been gone over a number of times, the last time being only a couple of years ago.

Perhaps after a relatively speedy review of those recommendations has been made—even if that is necessary—the task force can indicate whether implementation, appropriate or otherwise, can be made. It could then tackle the new areas that need to be considered.

I suggest that there are two matters that must be dealt with if we are going to improve the operations of Parliament. First, we must ensure that Members of Parliament do in fact have access to all of the structure of Parliament and that they are able to assure themselves and their constituents that they are functioning on the most up to date and best possible information base. It may be necessary to review that sometimes attempted but seldom successful process of requiring the Crown to place more of the documentation and background material respecting the decision-making process before Parliament. I know that the Government House Leader probably shares with me the view that it is important, for the purpose of having the public understand what we do, that that access be readily available. It should not be necessary for there to be a requirement to use the freedom of information process to get information that should be made available to us in any event. I hope the task force will consider that as it conducts its deliberations.

I also believe that it should bear in mind that in order to ensure an orderly process in the affairs of the country, that the system of Parliament must be protected.

In spite of what the public may think as a result of viewing us from time to time, Parliament works quite well and does provide the checks and balances. While it does not always provide all the information, it does afford an opportunity for checks and balances to exist.

Recently I spoke at a conference at which I was describing the role of the Opposition. For many people, the role of the Opposition is somewhat of an enigma. It is a role that is not easily understood. I was attempting to explain that the role of the Opposition is in fact to oppose, albeit constructively wherever possible, but by whatever means available.

Although the Opposition may be seen to be obstructionist from time to time, it is absolutely necessary to ensure that a government, particularly one with a large majority, does not proceed at a rate faster than the public is able to absorb. Its role is to ensure that as change is proposed, there is ample opportunity for input not only from Members of Parliament or through Members of Parliament but from the various groups and individuals who have a concern for what is happening. Therefore, it is the Opposition's role from time to time to stall the government in order to make sure that the information that is necessary for those who are not in Parliament to reach learned decisions is able to reach them. Once the Opposition is able and has the time to review that information, it can place those concerns back into the process or state caveats that it feels are necessary from time to time.

I know it frustrates the Government when its measures are held up for reasons that are not immediately evident. But that right and obligation to be able to slow the process down is a vital part of the parliamentary system.

I have said to some people that there is no doubt that they may get angry when we delay legislation which they want passed, but they should remember that as they want that legislation passed, there are others in society who want it held up at least temporarily because it may be of some detriment to them. Frequently the shoe fits on the other foot. People must recognize that. I hope that the task force, through its chairman, will take this into account as it contemplates changes either to the Standing Orders or to the procedures of Parliament.

It should remember that there are times when it appears that the Opposition is delaying a measure that is of very little consequence. While the explanation for that delay may not be

readily understood, there is a reason. A reason for this delay in the past has been that the next piece of legislation or one further down the list is particularly contentious in nature. Therefore, it is an attempt to allow time for more input into the contentious legislation.

This is all part of the planning in the day-to-day operations of the House of Commons. It is an example of the collective planning we do in this caucus and what was done collectively in the Conservative caucus when they were in Opposition. No doubt, it is an example of what is done in the Liberal caucus. This process must be understood by Members on both sides so that we do not undermine Parliament by leaving the impression that such a delay tactic is destroying the parliamentary process, when in fact it strengthens it.

The problem as I have seen it in my time here is that parliamentarians—next to certain jaundiced journalists perhaps—are our own worst enemy. We do not defend the system. We do not defend Parliament from the criticism that is unjustified and unwarranted. While we can be justifiably criticized for a number of things that we do, I do not think it serves us well as Members of Parliament to become part of the uneducated, carping criticism that is unfounded.

I say to new Members in particular, but also to some Members who have been here before, that it is you and I who are the custodians of the process. We must understand and learn the process. We must understand how it works and why certain things are done so that when we are challenged with questions about why there are delays or problems within the process, we can at least understand how the process works and why it may be necessary for Members to use that process on various occasions to make sure that everyone in Canada can have proper access to Parliament and to the Government.

• (1640)

I have sat here on many occasions when members of the last government—and I have sat in Queen's Park under Conservative governments—wanted to ram things through. I can remember saying on numbers of occasions that it would be wrong, that a gestation period was required, that there were people who had not yet become aware of the importance of the legislative change, and that as they become aware of it they would want to have input into it, and that time must be taken in reviewing and considering it. Yet government members went ahead and pushed it through anyway because they had a narrow view. I am not necessarily suggesting that they were wrong, but they had a somewhat narrow view and could not see the broader implications of what they were doing. And it was not six months before they were back changing it. I urge upon Hon. Members, particularly those who sit on the committee, to keep this in mind as they go through the processes of deciding what ought to be and what ought not to be allowed within the parliamentary process here.

I see Mr. Speaker indicating that I do not have much more time remaining. I happen to know that the Hon. Member for Humboldt-Lake Centre will ask me a question, which will permit me to complete my remarks.

Mrs. Finestone: Mr. Speaker, I was listening to what the Hon. Member said about how the process works. His concern reflects very much the concerns which I felt as I went as a first-time participant to a meeting of the organizing committee for the Standing Committee on Health, Welfare and Social Affairs. I should like the House to understand what a sense of sadness I felt as a first-time participant when I realized I was both a participant and a witness to an absolute mockery of the democratic process.

There is a statement indicating that a democracy is measured by the way it treats its minorities. I sincerely hope that the Government will take into consideration the question of whether in this instance the minorities are the judge of how the Government will handle its legislation.

Here in what I have been calling, as I watch it unfold, the theatre of the absurd, I thought that was one thing and that it was a good public show. However, I was really anxious to participate in what I consider to be real democracy at work and the real role and responsibility of government. I was looking forward to meeting my colleagues in a spirit of collegiality and to addressing pressing issues in today's society with a sense of fairness and equity, with the knowledge that justice would be heard and that we would be together acting in the best interests of all Canadians. It is a sad day when I stand here to say that I was dreadfully disappointed. I sincerely hope the matter will see some redress from the Leader across the way. I believe it was Talleyrand who said that it is not a crime, it is just a mistake. I sincerely hope he looks at this as a genuine mistake, because I did not find it a farce and I would like very much to see the whole situation rectified.

Mr. Deans: Mr. Speaker, the Hon. Member for Mount Royal (Mrs. Finestone) has said very elegantly and eloquently what I frankly felt about it. I think it posed a problem. There is no doubt about that. I said that at the beginning of my comments. However, I would suggest to her, through the Chair, that not all the real work of Parliament is done in committees. I want to make that point, which I hope is important. Some of the real work of Parliament is done in committees, but not all of it. It is in this Chamber that Members have an opportunity to discuss *en masse* their concerns. I do not want ever to shift the focus of responsibility so totally from the Chamber of the House of Commons to the committee system. The committee system is good, and if allowed to work well—and I hope it will be after this misunderstanding is corrected—it will serve the public in the way it was intended. I believe the Chamber itself is an important part of the democratic political process and must be maintained with opportunity.

I should like to add one comment, which I know the Hon. Member is interested in hearing although she did not raise it directly. I am concerned about another aspect of Members' work, that is, operations within the constituencies. It has been clear to me over the course of what is nearly the last five years that the work-load of Members in their constituencies has risen dramatically. The requirements of Members to find ways to solve sometimes difficult and sometimes not so difficult

problems have grown by leaps and bounds. As the committee deliberates I would ask it to look at the problems now confronting those who work on our behalf in our constituencies. I know the committee intends to look at the problems of those working on our behalf on Parliament Hill, but I beg it to spend some time looking seriously at the problems in constituencies to know how we can better serve our constituents and ease the work-load of constituency assistants.

I never cease to be amazed that my constituency assistant stays in that job. It has to be the most onerous of tasks. It is heart-rending. It requires tremendous physical, mental and emotional capacity. It is paid pitifully. As well, that single individual, particularly in urban areas, is required to work countless extra hours without any additional help. The chairman of the committee in his early deliberations should ask it to look at this situation which has been allowed to arise to see if there is a way to give assistance to the assistants so that we do not overburden very dedicated individuals who are underpaid and overworked and who are the front-line troops in the ongoing service of constituencies. They are the ones who five, six and seven days a week, ten twelve and fourteen hours per day, are meeting and dealing with the problems face to face. While we may have some oversight responsibility in many of them, we do not have to see the agony as much as constituency assistants do. I ask the chairman to consider that too.

Mr. McGrath: Mr. Speaker, I have a question for the Hon. Member for Hamilton Mountain (Mr. Deans). He was a very distinguished member of the last special committee. Indeed, he was vice-chairman of that committee. He will be aware of the matter I am about to raise, although he omitted to include it in his remarks. The special committee in the last House was always very careful or very diligent to resist any suggestion that it set itself up as a judge of how its own recommendations were working. It felt that that was the role of the House or of the Standing Committee on Procedure and Organization. The Hon. Member for Saint-Jacques (Mr. Guilbault) who moved the amendment did not have the advantage of being a member of the committee. If he had been, he would have known that the committee, quite rightly and quite wisely, resisted any attempt—and there were suggestions that it do so officially and unofficially—to judge how its own recommendations were working over that two-year period. I would suggest with great respect that the Hon. Member for Saint-Jacques who moved the amendment should take that into account.

• (1650)

Mr. Deans: Mr. Speaker, I will be very brief. I agree with the Member for Saint-Jacques, (Mr. Guilbault). If I understood it correctly, the amendment was drafted more in frustration over the events of yesterday and today than with the intention of being an inhibitant. I feel confident that if the Government said that it will make things work as they always have, this would not be necessary. The Member is absolutely right in saying that the committee was not, nor should it be, the judge of whether its recommendations are right. That is up to the House. That is up to us once they are in place. That is why there was an opportunity provided in the report for a debate on the recommendations, a debate which will not now take place, but which nevertheless has been pre-empted by the debate we are having today.

Mr. Kaplan: Mr. Speaker, I can certainly agree with the concerns expressed by the Hon. Member for Hamilton Mountain (Mr. Deans) about the importance of taking proper interest in the work of assistants in our constituencies. I wonder if he is aware, on the subject of the amendments put forward by members of my Party, of the erosion of the rights of the Opposition that has already begun in the short life of this Parliament with the policy of government members to change the longstanding traditional rules for quorums in committees on hearing witnesses. It has been the practice in all the Parliaments that I can remember, at least the last six, that when a full quorum is not present, the committee can sit with fewer members provided that opposition Parties are represented.

I have just come from a meeting of the Justice Committee in which that traditional and longstanding right of the Opposition has been removed. The Committee can now meet without a quorum in the absence of members of opposition Parties. I do not know if the Hon. Member was aware of that because it just happened while he was on his feet. I would like to ask him how he feels about that.

Mr. Deputy Speaker: The Hon. Member should not mention what goes on in a committee unless it is at the report stage.

Mr. Kaplan: I am not calling on the House to act on what happened in the Committee. I recognize that the Chair would not presume to do that. I am talking now about a practice of a Government with so large a majority that it should comfortably be prepared to recognize the traditional rights of the Opposition in the same way that they have been in the past. It is in fact taking steps at each committee to exclude the Opposition and to upset traditional rights. Does the Hon. Member know that?

Mr. Deputy Speaker: Could I ask the Hon. Member to be brief in his answer, please?

Mr. Deans: As you know, Mr. Speaker, I am always brief. I was aware of that in other committees, although I was not aware of it happening in the Justice Committee. I just know that the Government House Leader is going to rise and say that it has stopped.

Mr. Deputy Speaker: The time for questions and comments is now over. We shall now resume debate on the amendments.

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I am very pleased to see that the Hon. Member for St. John's East (Mr. McGrath) has taken the opportunity to remain here this afternoon to listen to the viewpoints put forward by members of the Opposition. I know he has just briefly gone out for refreshments. As chairman of the committee that is being struck here today, he will have to defend not only the rights of

Members on the government side, but, more important, we will have to take into consideration the rights of members of the Opposition.

There was a time when Members of Parliament could arrive on the Hill with special interests, which in some cases did not lie within parliamentary procedure. I must confess that I was one of those individuals. During my years as a Member on the government side, my interests were taken up largely with my duties as a parliamentary secretary in addition to my role as chairman of a parliamentary task force on pension reform. As a result, in my confession here today, I have to admit that I did not take much time to learn the rules that are outlined in this little book called *Standing Orders*.

I was fortunate because I was part of a political Party that respected the rights of every individual Member of Parliament.

Some Hon. Members: Oh, oh!

Mr. Frith: Over those four to five years in committee—

Mr. Dick: Even you are laughing.

Mr. Frith: I might be laughing right now, but I can assure Members opposite that what happened to me this morning in the Standing Committee on Health and Welfare was no laughing matter. As a matter of fact, it struck at me. Most Members of this House realize that I rarely lose my temper. If I am not mistaken, this was the first time in my five years in Parliament that I have ever lost my temper in committee. I felt that my rights had been abused so badly by the majority presence of the Conservative Members of Parliament on that committee that I had no recourse but to stomp out of the committee.

I mentioned before that there was a time when you did not have to become a procedural expert. After the happenings of yesterday and today in various committees other than the Health and Welfare Committee, everybody on the Opposition side will have to become well versed in the rules and procedures of this House. This is mainly because there seems to be a concerted attempt being made by the Conservative Government.

I respect the attitude that the Government House Leader has always taken toward this House. I am not sure that it was a directive issued by him. Certainly I suspect that the Deputy Prime Minister (Mr. Nielsen), as in fact is evident, issued directives to each of the committee chairmen to remove one of the essential rights that we have always had in committee, that when evidence was heard there had to be a member of the opposition. Parties present to preserve the right of democracy.

I want to read something because since this morning I understand that, from a procedural standpoint I have been on very weak ground. The Standing Orders do not indicate that there is any rule that would require the presence of an opposition member when evidence is to be heard. I want to have placed on the record the fact that at this morning's committee meeting, I read into the record the same motion that was presented to that committee in 1980 when it was being formed. In that motion the then government recognized the requirement that a person form the Official Opposition needs to be present in order to hear evidence. This morning I did not even ask for the right that the Official Opposition be present. I just asked for the right that a member of the Opposition be present for the hearing of evidence. The majority Conservative Government, for whatever reasons or whatever paranoia, decided on a unanimous vote of the committee to reverse that long-standing tradition in this House.

I want to read something into the record that was aid by a former Member of this House, Mr. Stanley Knowles, who now sits at the Table. Here is what he said about the role of an Opposition:

> It is the opposition's right to insist at all times on the full protection of the rules of debate. The government is entitled to that same protection, but in addition it has its majority with which to establish its will.

A majority of 211 seats is a pretty powerful weapon. It is powerful enough in its own merit not to go the added step of removing the rights of a minority, namely, those of the Official Opposition. He went on:

> The opposition has only the rules for its protection, hence the authorities on parliamentary procedure emphasize the great importance to the opposition of the only protection it has, the protection of the rules.

I want to talk a bit about those rules. I have learned a lot in the last three and a half hours. I went to the Library and picked up a book by Erskine May. This should be informative to the newer Members of Parliament, and it was an interesting exercise for me today. I wanted to find out exactly how these rules and regulations come about that dictate the manner in which we operate this Parliament. Here is what Erskine May had to say about the parliamentary rules. A lot of it is written and even more is what is called unwritten procedure. I quote from page 209:

> On its smaller scale, the study of English parliamentary procedure presents the same difficulty as the study of English law in that its rules are not covered by any comprehensive and authoritative code. It is true that in both Houses one portion of procedure—private business, which is concerned with local and personal legislation—

On the whole, a great many of the procedures which dictate the conduct of Members of Parliament, whether here in the House of Commons or in committee, are based on what is called unwritten procedure. Let me read into the record a passage from page 215 of that same book. This passage deals with the historical relation between practice and the Standing Orders. It reads as follows:

● (1700)

> It cannot be denied that there is a marked contrast in spirit between the historical practice of the House of Commons and its modern standing orders. That practice dates from a time when the Commons regarded themselves as in opposition to the Crown and the executive, and their forms and rules were largely devised to delay and temporise.

It goes on to indicate that over the years, the executive has tended to enhance its role in the parliamentary process and therefore it became even more important that the rules and procedures be adapted so that we as Members of Parliament could ensure that the rights and the voices of minority groups could be heard in Parliament.

I would like to recount to Hon. Members opposite something that was said by a man for whom I had a great deal of respect in the last Parliament, a man who passed away. He was the Hon. Member for Nepean-Carleton, the Hon. Walter Baker. When he was the President of the Privy Council and Leader of the Government in the House, he put forward in November 1979 a position paper entitled *The Reform of Parliament*. About the committee structure, he said that the following proposals were intended to give committees some investigative initiative, provide more staff resources and stabilize memberships by reducing them. A mild restraint was placed on the process of initiating investigations to prevent a multiplicity of studies at any one time.

He went on to say that it should be noted that the committees' role is expanded to improve the accountability of Government—that was one concept that he had in mind—and not to give committees executive functions. He went on to indicate that committees may hold serious investigations that are against the will of the Government. This is not at present possible.

How can a Party, which, some five short years ago, had in its midst a man with that kind of vision of what parliamentary procedures should be all about, reverse itself completely in the last two days and, through its parliamentary majority, impose its will upon the Opposition in Parliament? I might want to remind Hon. Members that the Opposition numbers only 70 Members versus 211 government members. If we are looking at parliamentary reform, surely some of the first things that should be looked at are changes to the Standing Orders that would prevent the abuse of my rights as a parliamentarian, such as the abuse which occurred to me in committee today.

The Government House Leader indicated earlier today in response to a question that I asked of him that he would be willing to investigate this matter. I do not think an investigation will be enough. What will be required is a complete reversal of the passage of those motions which were passed not only in the standing committee which I represent this morning but in all standing committees, with one exception. I understand that one committee bucked the trend today at 3.30 p.m., probably as a result of the pressures put on its committee chairman and the cries of outrage that have been heard since the meetings at 9.30 this morning. I understand that this afternoon, the Employment and Immigration Committee refused to pass a motion which would have allowed the committee to sit without representation from opposition Parties. I think the Member of Parliament from Calgary deserves credit for having bucked the directive of the Hon. Member for Yukon by allowing Members of the Opposition at least the privilege of being heard.

I would like to return to the government position paper written in 1979 by the then President of the Privy Council. He said therein that a mild restraint would be placed on these reforms by putting a caveat limiting the number of committees that could be struck at any one time. That the motion was put that committees could hear evidence without the presence of an opposition member means in essence that every one of those committees can now strike up a committee of four members of the Conservative Party to travel across the country.

In essence, we have created a system in which abuse is now possible. There could be a whole series of Conservative task forces travelling across the country hearing evidence without any representation by a member of an opposition Party. I am not suggesting that the Government would be crazy enough to try that. The point is that we should never allow motions to be placed on the minutes of committees that would allow that to happen.

Surely, one of the primary functions that will be required of you, Mr. Speaker, and of others in the chair, will be to protect the minority rights in this Parliament. The Chair surely understands that when there is a massive majority of 211 government Members of Parliament facing a puny Opposition of only 70 Members, it will be required that the 70 of us spend most of our time in this House, or at best 200 yards from this House, working and doing the job that an Official Opposition member should be doing in committee. If this motion is allowed to stand, I think we will see an abuse of the system by the majority Government. There will be very little opportunity, I can assure you, for members of the Liberal Party to travel outside of Ottawa to hear evidence.

I would also suggest, Mr. Speaker, that I know that no one Government has a monopoly on its members. The Hon. Member from British Columbia had the pleasure of being the vice-chairman of one of our task forces. When we were a majority Government, there were times when we invited members of the Opposition not only to be there to hear evidence but to be vice-chairmen of some of these committees. During this morning's procedure, I entertained no thought of suggesting that one of us might want to be a vice-chairman of a standing committee. I knew, simply by seeing the gleam in the eyes of government members caused by what they were about to do to me, that there was no sense in even advocating the elevation of an opposition member to the position of vice-chairman of a committee.

The Hon. Member for St. John's East has the respect of Members of Parliament on all sides of the House. I would hope that one of the things he would do as Chairman of this committee is to ensure in even more detail the right of the minority in Parliament to establish itself. I expect the Hon. Member to do that.

As I mentioned earlier, I have no intention of taking up the full 20 minutes. However, I hope that the Government House Leader, and if not the Government House Leader then the Prime Minister (Mr. Mulroney), will issue a directive to each one of those committee chairmen to reverse the decisions that were made today and return to the opposition Parties the right to be present when evidence is heard.

In an esoteric sense, this is not a prime concern of only the Official Opposition. I am not concerned only because I am worried about what that decision means to the Liberal Party or to the New Democratic Party. My concern is for the groups that will appear before our committees.

Let me use a very absurd example. I notice that the Hon. Minister of National Health and Welfare (Mr. Epp) has left the House. However, let us assume that the Government is following some of the directions that were outlined in the economic statement made by the Minister of Finance (Mr. Wilson). Let us assume that the Government desired to make cut-backs to the social service programs of the country. As a result of that, let us say that a committee was empowered to hear evidence. It is quite possible that some poor person who would be adversely affected by those kinds of cuts would come before the committee, and because the rule states that no member of the Opposition need be present to hear the evidence, find himself being questioned by only four Conservative Members of Parliament, none of whom would solicit viewpoints from him that would tend to embarrass the government position. That is the abuse that becomes possible when motions are passed like the one that was passed in the committees this morning.

This is not going to go away, Mr. Speaker. I do not know how long it will take, but that motion must be rescinded and reversed.

Mr. Deputy Speaker: The Hon. Government House Leader on a question or comment?

Mr. Hnatyshyn: Mr. Speaker, I listened with great interest to the speech of the Hon. Member. In the course of his speech, he pointed out that even as we sit here, one committee on which the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) participated has now put forward a motion which calls for a reduced quorum with a member of the Opposition represented. Even as we speak now, committees are passing resolutions like those to which the Hon. Member for Sudbury (Mr. Frith) has referred.

The Hon. Member for Saint-Jacques pointed out that he was a member of the Communications and Culture Committee and that before the last election, that Committee did not have a requirement for opposition members to be present when evidence was being given. Therefore, the Hon. Member complains that the tradition in the committee continues. I understand that opposition members are concerned that evidence can be taken even if they are not present. I am not concerned about the proposition which has been put forward. It is one which we could easily live with. If that is a matter of such concern to opposition members, I would once again demonstrate that we in this Party are receptive and understand the position which is put forward by an opposition Party or Parties, regardless of the numbers in the House.

● (1710)

I have given chapter and verse of the times when I have attempted to accommodate the opposition Parties. I indicated to them, in terms of the numbers on the committee, that they were asking for trouble. With the 120 positions which they have asked for in the committee system, the 40 members of the Official Opposition will have a hard time fulfilling their obligations.

The committees do not want to shut out anyone, including opposition members. Indeed, that is not the purpose of the rules which committees establish at the beginning of their mandates. Committees are only saying that they have a responsibility to carry out committee business. They try to allocate the membership in accordance with the numbers in the House. In addition, the committees are saying that, if people are attending to give evidence, then they want to try having reduced quorums for the purpose of hearing the evidence. It is not a matter of excluding anyone.

I would put this proposition to the Hon. Member. The Standing Committee on Labour, Manpower and Immigration, of which the Hon. Member for Notre-Dame-de-Grâce-Lachine East is a representative, would have the proposition that we in the Government would have no rights, because there would have to be at least one opposition member of a reduced quorum of four members. There could be four members of the Opposition in attendance and the Government would be without any recourse. There would only be opposition members sitting in the committee taking evidence. The argument could be taken from one extreme to the other. I am quite concerned about that. There was no instruction about that. There has been an unfortunate suggestion that the Deputy Prime Minister (Mr. Nielsen) somehow—and it makes for interesting rhetoric and is a lot of fun—

Mr. Deans: It makes a lot of sense.

Mr. Hnatyshyn: No, it is absolutely not true. The Deputy Prime Minister is an honourable servant of the people. This is an allegation made against an honourable person, one which is without any foundation whatsoever. It is the kind of suggestion which I know Members would want to withdraw. I know they would want to say that they were wrong and had made a false accusation and that, having respect for this institution, they would not indulge in flights of accusation which are simply non-existent.

I hope this will set aside any apprehension which opposition members may have, that we will have committees with reduced quorums for the purpose of hearing evidence. i will have an opportunity to speak with members of the committees with respect to their organization. I take the words which were articulated by the Hon. Member for Hamilton Mountain and with which the Opposition agreed, that there will be good faith shown on the part of the Opposition that members will be in attendance at all meetings and that the Opposition will not prevent the committees from hearing evidence by not being present at meetings when they are called. I expect to see the committee work carried on with camaraderie. The committee system will only operate if there is a spirit of co-operation. When that spirit is not present, the whole institution suffers. I hope I have specifically stated the position. The committees are in charge of their own destiny.

I hope that we can get on with the business of dealing with this very important resolution. I understand the concerns of opposition members, but I would like them to address the content of the terms of reference of this important task force.

It is a task force which will operate on the basis of consensus and co-operation. It is a task force which has an opportunity to address all matters, not only the matters which were raised by the Opposition today. I look forward to this legislation being passed to enable the task force to address the wide-ranging examination of this institution.

With regard to the composition of the task force, I am sure that it will be made up of people of honour, competence and ability who will bring forward a report of which we can be justly proud.

Mr. Allmand: Mr. Speaker, I rise on a point of order. I did not want to raise this matter while the Hon. Member was speaking, but it is one which I raised the other day, and I believe that the Chair must give direction to the House on it.

The provisional Standing Order which deals with the 10 minute period following the 20 minute speeches, clearly indicates that there can be questions or brief comments and that the Speaker must attempt to distribute the comments and questions among Members of the House. That provisional rule was never intended to allow long speeches. It indicates very clearly "brief comments".

When I raised this matter the other day, the Speaker indicated that he had not seen another Member rising to ask questions or make comments, and therefore he allowed the Hon. Member who was speaking—I believe it was one of the Ministers—to continue. I do not expect a direction on this immediately, but I think it is important and should be addressed. In the 10 minute period the comments and questions should be brief. Members on any side of the House should not be allowed long speeches.

I admit that the Hon. Government House Leader was making some points in his rebuttal, but the 10 minute period is not meant for rebuttal. That period is meant for brief comments and questions. I think the House must have some direction on that particular point.

Mr. Hnatyshyn: I only tried to respond to your concerns.

Mr. Deputy Speaker: The Chair recognizes the concern of the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) on this matter and will shortly report to the House with a directive.

The Hon. Member for Sudbury (Mr. Frith).

Mr. Frith: Mr. Speaker, I understand the difficulty that the Hon. Government House Leader has in this matter as he has no direct control over committee chairmen. It takes no stretch of the imagination to maintain that the direction—because it should never have happened that the 27 committees of the House of Commons all had the same motion on the Order Paper—

Mr. Dick: Twenty-three committees.

Mr. Frith: It was done by design. Whoever is responsible for the design of that motion—whether it was the Government House Leader or the Deputy Prime Minister or whoever—should go to those committee chairmen and outline the concern that the Privy Council has with respect to the abuse by the majority in those committees, and indicate that they would have same preference for the reversal of the motions which were placed before the committees yesterday and today. I would welcome that. In addition—and I can only speak for the committee which I represent—as a member of the steering committee, I hope we can have a steering committee meeting shortly at which I could outline my concern about the passage of that motion. I also hope that the chairman of my committee will reverse his position.

I think the Government would be foolhardy to continue using its majority in this manner. It will only upset opposition members and delay the implementation of new legislation.

Mr. Deputy Speaker: The period for questions and comments is now over.

• (1720)

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I attended the organization meeting this morning of the Standing Committee on Indian Affairs and Northern Development. I must say that after attending that meeting I was infuriated. It was my intention to come here this afternoon and let this House know how I felt about what took place there. I calmed down this afternoon after attending the meeting of the Standing Committee on Labour, Manpower and Immigration because in that committee, after some discussion, the Conservative members were willing to put forward a motion that, for purposes of hearing evidence, there need only be three members of the committee present, two from the government side and one from the opposition side. The fear of the Hon. House Leader, therefore, that three or four members of the Opposition could meet without the Government was not well-founded. The proposal which was accepted was one, by the way, which we tried to make in the Standing Committee on Indian Affairs and Northern Development this morning. We tried to amend the motion which was put forward by the Parliamentary Secretary. We felt that out of four members of the committee, at least one member should be from the Opposition. That was voted down and the motion was rammed through to the effect that only the chairman or vice-chairman, with four members, need be present on the committee, and no opposition member had to be present.

With the exception of what happened in the Standing Committee on Labour, Manpower and Immigration, all the motions in all the committees yesterday and today were handled in the same way. In every case amendments allowing opposition members to play some role in the quorum were refused. I was particularly upset with the Standing Committee on Indian Affairs and Northern Development because that is a committee which, over the last five or six years, has operated in a very non-partisan way. As a matter of fact, it has been an innovative committee, one which has served as a model for parliamentary reform in this House. It was the first committee to invite *ex officio* members to work with it in the Indian

self-government study. It was a committee in the last Parliament where we used to work together.

In answer to some of the points which were raised by Hon. Members opposite, in the last Parliament, when the Liberals had the majority and were asked to give place to the Opposition in the quorum, we did so. We could have rammed through motions as the Government did this morning and yesterday, but we did not do so. We respected the rights of the Opposition. As a matter of fact, in the Standing Committee on Indian Affairs and Northern Development in the last Parliament, the Official Opposition had to be represented. That was accepted by the Liberal majority of that committee. The Official Opposition had to be represented, not just the New Democratic Party or any other opposition Party. In the Standing Committee on Indian Affairs and Northern Development in the last Parliament we met together and drafted a report condemning the then Minister of Indian and Northern Affairs on his handling of the James Bay situation. Committee members both from the Government and the Opposition, after listening to evidence and discussing it among themselves, drafted a report taking to task a Minister of the Crown, even though he was a member of the Government. The same thing was done with respect to the Conne River incident, the fact that the Conne River Indians had not been granted status after years of lobbying to that effect.

What has taken place in most of the committees up to this time, with the exception of the Standing Committee on Labour, Manpower and Immigration, is unacceptable. It is unaccetable that the Government with its great majority would crush the rights of the Opposition.

I would like to point out to the Hon. House Leader that there is another situation where this is happening as well. Perhaps, the Hon. House Leader is not aware of it. I do not know if anyone has raised the matter thus far in the debate. In the motion to set up this task force on parliamentary reform, there is no provision for minority reports. I can recall very well when we set up the task forces in the last Parliament—and I was Chairman of the Task Force On Employment Opportunities for the 80s—the Opposition insisted that written into the reference should be the right to have minority reports included in the majority report, printed, and given as much space as was necessary to express its views. That right is not included in this motion today, and I do not know why it is not included.

Mr. Hnatyshyn: I do not know either, because I gave a copy to your House Leader some months ago.

Mr. Allmand: It could be an oversight and I would hope, because of this debate, that provision will be made, as was made on several occasions on task forces in the last Parliament, for minority reports to be printed in the volume setting forth the full report. With respect to the Task Force on Employment Opportunities for the 80s, two Conservative opposition members filed minority reports on three or four recommendations and the New Democratic Party filed them on other recommendations. They were allowed to write those reports themselves. The same thing was done on several other task forces, and I cannot see why anyone would be opposed to that being done now.

I know that with respect to standing committees, minority reports are not allowed. However, in task forces during the last Parliament this had been allowed, and I would hope that some change could be made to permit minority reports, because we are dealing with a wide range of matters.

With respect to reform of the House, the Speech from the Throne said that Members of the House of Commons will be asked to approve the appointment of a parliamentary task force on reform of the House. The central focus of this task force would be the enhancement of the role of the private Member. From that perspective, the task force will examine and make recommendations concerning the powers, practices, organization and resources of the House of Commons. I listened to the speech of the Hon. House Leader and his intentions are fine, but Government Members are doing exactly the opposite in committees. They are reducing the rights of private Members. They are doing the very opposite to what was stated would be done in the Speech from the Throne and in the resolution which was put before us today.

The Hon. House Leader, for whom I have a great deal of respect, said that no order came down from him or elsewhere. However, it is very odd that in every committee, the Parliamentary Secretary put forward motions which deliberately excluded opposition members in the formation of a quorum. As my colleague, the Hon. Member for Sudbury (Mr. Frith), pointed out, this would allow these task forces to go on the road without any opposition members. It is going to be difficult for Hon. Members on this side if government members decide, because of their majority, to travel throughout the country, or throughout the world, as this motion would allow them to do. We have no way of preventing that because Hon. Members opposite have the majority. What we, in fact, will see are Conservative task forces travelling throughout the country and throughout the world—probably throughout the country because that is better politics—but not at their own expense. The Conservatives had some very good task forces during the last Parliament, for instance, the task force on national revenue which examined tax problems. There was as well an earlier task force on some other matters. That is fine. It was financed by that Party. However, to manipulate the orders of the House and the rules of the committees so that that can be done flies completely in the face of what is stated here today and what was stated in the Speech from the Throne.

I was with the Hon. Member for St. John's East (Mr. McGrath) on a committee on reform. We worked very intensely. We heard a lot of witnesses and put out ten reports. Seven of those were substantive reports and dealt with every item which is in this motion from (a) to (g) except for item (e). Item (e) states that the task force should study:

> the funding, facilities and staff support services made available to Members of the House of Commons;

We did not study that. But we did study item (a), namely, the permanent and provisional Standing Orders. Of course, we

studied them intensely. Item (b), the role of the private Member in the House of Commons, was dealt with in reports Nos. 3 and 10. Item (c) concerning the accountability of Ministers to the House of Commons was dealt with at great length in report No. 7. Item (d) regarding the legislative process was dealt with in report No. 3. Item (f) on the administration and management of the House of Commons was dealt with in report No. 9. Item (g) reads:

the procedures and powers of Committees of the House of Commons and the role and the use of parliamentary task forces;

That item was dealt with in reports Nos. 3, 5 and 6 of the last special committee. Therefore, there is a lot which has already been dealt with. Ten members of the present Conservative caucus worked with that special committee at one time or another, and those Hon. Members are still sitting in this House. Three members of that special committee are now Ministers: the Government House Leader, the Minister of National Health and Welfare (Mr. Epp), and I believe the Minister of State responsible for the Wheat Board (Mr. Mayer). The Hon. Member for St. John's East was on the committee, and most of our reports were unanimous.

• (1730)

Mr. Dick: All.

Mr. Allmand: They were all unanimous. I did not want to say "all" because it sounded so absolute, but they were all unanimous.

Mr. McGrath: All on consensus, no minority reports.

Mr. Allmand: Right. We all agree that that committee worked very well. We went at the work of that committee from our base of experience in the House of Commons, and I think not in any partisan way because the reports we ended up with provided a balance between the rights and the powers of the Opposition and the right of the Government to get its business through. Even at that time the members of the Conservative Party anticipated they might be the government shortly and they did not want to overload the report too much in favour of the Opposition.

Mr. Hnatyshyn: I had no idea.

Mr. Allmand: But it was a good balance.

Members of this House and the public will know that most of the things in the third report, which was the first substantive report, are now part of the provisional standing orders, and we are dealing with them right now. It dealt with such things as the parliamentary timetable, the length of speeches, the fact we now have a 20-minute speech with a 10-minute period for questions and comments. It dealt with the committee system, the fact that reports tabled under Acts of Parliament are automatically referred to committee, not by special order. It referred to Private Members' Business and so on. All this was done by agreement among the Parties at that time, and today those recommendations are in effect, but on a provisional basis.

Of the other reports that we agreed on unanimously, the fourth report dealt with the election of the Speaker, but it was not followed. I do not say that in any way to criticize any of the Speakers of this House, but the fact was that we agreed unanimously on a new way of electing the Speaker, but it was not carried through.

The fifth and sixth reports deal with committees and their power. Nothing in those reports has been implemented.

The seventh report deals with the financial control of the Government by Members of Parliament. A lot of time was spent on that report and a lot of credit is due to two former Members of this House, Ron Huntington from Capilano and Claude André Lachance from Montreal. Both of them did a lot of very good work which led to that report.

The ninth report dealt with the Commissioners for Internal Economy and it attempted to give more power to Members of Parliament, including the Opposition, in controlling matters which affect all Members of this House, such as offices, secretaries and support services. Again that report was ignored by the Government when it appointed the Commissioners for Internal Economy in the same way as has always been done. I realize that the law says that the Commissioners for Internal Economy must be Privy Counsellors, but it does not say that all those Privy Counsellors have to be on the government side of the House.

The tenth report dealt with statements by Ministers, questions of confidence in the Government, how to deal with Ways and Means motions, what happens when we have votes on Friday, the recognition of Members in the House, Private Members' Business, and a new and more effective way of voting.

In a period of time of over one year that committee dealt with nearly every item which is going to be dealt with here.

It seems to me that the Government could show its good faith with respect to reform of Parliament if the Government House Leader were to meet with the House Leaders of the other Parties and discuss with them how to implement immediately some of those recommendations that had been unanimously agreed to. If the Government did that and did not carry on the kind of skulduggery we saw in the committees this morning, then we in the Opposition and maybe other private Members would be able to say that the Government is serious, that it is acting in good faith and wants to do something about the reform of Parliament. But we become a bit dubious when there is no attempt to implement the recommendations made unanimously in the last Parliament by that special committee. Then we have the sort of thing that went on today. I also point to the fact that in the resolution before us there is no provision for minority reports.

It is my firm belief, Mr. Speaker, that we will not see drastic reform in this House until we do something about the question of confidence. We discussed this at great length in the last Parliament. The fact that any vote can be considered a vote of confidence inhibits private Members in committee and in the House from putting forward amendments to criticize, even in a

constructive way, because they feel that to vote against their own Party when in government, or to be in opposition with their own Party, might lead to a question of confidence which would defeat the Government and cause an election. That is hard to imagine in the present circumstances, but that parliamentary tradition affects the House in that way. In the tenth report, I believe, we made a recommendation that on Opposition Days, when a vote is attached to an opposition motion, it should not be considered a confidence vote unless it is expressly set out in the motion. If the motion drafted by the Opposition said that the House expresses a lack of confidence in the Government because of whatever, then it would be considered a want of confidence motion. But if it does not do that, then every motion put forward for a vote on an Opposition Day should simply be dealt with on its own merits.

Last year we had a motion put forward by the New Democratic Party to reject testing of Cruise missiles. There was nothing in its motion that expressed lack of confidence in the Government, but the NDP wanted the House to express itself on that very important point. At that time, six Members on the Government side abstained altogether because they were against the testing of Cruise missiles, but they said they did not want to vote with the opposition motion because they did not want to precipitate an election. They were caught in the dilemma of being in agreement with the opposition motion but they did not want to precipitate an election. I personally voted with the Opposition because I thought the question was serious, and in any case I did not think the Government would call an election on that.

I think the new Members of the House, especially those on the government side, will find as they work in these committees that there will be times when, after listening to the evidence, they will want to amend the Bill. They will feel deep inside that that is what should be done. But unless we can change the rules that will allow them to do that without expressing a lack of confidence in their own government, they will not do it. I can understand that this large number of Conservative members would prefer their own Government to any other government, but they may differ with the Government on certain points from time to time. They should have the right to vote against those Bills or amend them without expressing lack of confidence in the Government. Until we do something about that, Mr. Speaker, I think we will not change radically what happens in this House.

If committees are going to be meaningful, we have to give them more support services. If you are going to be a counterbalance to the great power the Government has with large Departments, advisers and counsellors and so on, if you are going to take issue with some of the proposals put to you, you need at least some expertise on economic and social matters, statistics and so on, to help you question and put forward alternatives. I think that is extremely important and goes to the very base of parliamentary reform.

I came to this House today originally to oppose this motion with all the force I had. I am a bit encouraged by the statement made just a few moments ago by the House Leader that he is willing to reconsider what was done in some of the committees today and correct it. If that is the case, I think he shows good faith. We will be waiting for him to act on that. I would also ask if he would try to make provision for minority reports in this task force and other task forces that will be set up. That is what was done in the last Parliament and it was done at the request of members of his Party. They insisted on it and the Government agreed to it. It was agreed upon through consultations.

• (1740)

Let us have reform of Parliament. It is essential. Let us have it in a way in which all Members of the House participate, even those of us in the Opposition. Give us a chance to participate too. Many of us have something to put forward.

Mr. Tobin: Mr. Speaker, I rise on a point of order. I would like to ask the Hon. Government House Leader to clarify a statement he made a few minutes ago in the House. I was not here for the full statement. I just returned from the Standing Committee on Fisheries and Forestry where a motion was passed by the Government majority giving the committee the right to hear evidence and to—

Mr. Deputy Speaker: I am sorry to interrupt the Hon. Member but I do not believe that is a point of order.

Mr. Tobin: Mr. Speaker, may I suggest to you that I think it would be in the interest of both the Government and members of both Opposition Parties if the point that I wish to raise with the House Leader were clarified. It would perhaps put an end to some of the acrimony—

Mr. Deputy Speaker: The Chair rules that that is not a point of order. Are there questions or comments on the Hon. Member's speech?

Mr. Kaplan: Mr. Speaker, I would like to ask the Hon. Member who just spoke whether he understood the Government House Leader to have suggested, while he was speaking, that members of the government Party would be prepared to reconsider the rule, passed in so many of the committees that have had their organizational meetings already, reducing the rights of the minority. I ask the Hon. Member that question because of the emphasis that he placed on the rights of private Members and the importance, as the Government launches a task force into parliamentary reform, that is not be a task force that will lead to measures to reduce the rights of private Members contrary to what was said in the Speech from the Throne, but that in fact the spirit of the enterprise will be as as stated in the Speech from the Throne. Is that the understanding that the Hon. Member has?

Mr. Allmand: Mr. Speaker, in listening to the Hon. House Leader when he was making comments after the last speech, I found that he gave hints to the effect that he was willing to reconsider. However, as my hon. friend from Newfoundland has pointed out, it is not absolutely clear. It would be helpful to this debate if he would be very clear as to whether they are

willing to put forward the kind of resolution that was passed in the Committee on Labour, Manpower and Immigration and was attempted to be passed in all the other committees, including the standing committees on Fisheries, on Health, Welfare and Social Affairs, and on Justice and Legal Affairs, but was voted down. If that could be reconsidered I think it would show a certain amount of good faith. It is not clear in my mind whether that is what he intended, but I thought he was hinting at changes in that direction.

Mr. McGrath: Mr. Speaker, I would like to make a comment. The Hon. Member expressed concern that the reference contained no provision for a minority report. The Hon. Member knows full well that if this task force is to succeed, it must have a unanimous report. Otherwise, if there is a minority report, it has failed to bring in any meaningful recommendations for any meaningful parliamentary reform. That is precisely why no provision was made for a minority report in the last reference setting up the special committee. There is nothing to stop Hon. Members from bringing in a minority report if there is a very serious difference of opinion on any single aspect of any single report of the committee.

Second, the Hon. Member knows full well that when the special committee, in its second report, which is now a part of the provisional Standing Orders, addressed itself to committees, it referred specifically to parliamentary task forces. It made no reference whatsoever to parliamentary task forces being empowered to bring in minority reports. I refer the Hon. Member to that recommendation. It refers to membership and the usefulness of the task forces. It recommends that they be an ongoing part of Parliament. However, it makes no reference whatsoever to minority reports.

I agree with the Hon. Member on the outstanding reports of the special committee. There are six of those and one which merely deals with unsubstantive changes in one of the previous reports. I agree that it is a pity that these reports did not go on. But I would remind the Hon. Member that there is a special reference in the order referring the outstanding reports of the last committee to this committee. In other words, the Government is serious about getting on with the recommendations of the last committee and has in fact used this committee as a vehicle to get them back before Parliament again, if the committee so decides. I am surprised that that fact escaped the Hon. Member's attention. I would refer him to the order of reference where it states that all the evidence adduced by the Special Committee on Standing Orders and Procedure and the reports of that committee as tabled in the House of Commons during the Thirty-second Parliament be referred to the committee. The committee has to deal with the work of the last committee, including the outstanding recommendations of the last committee. It would seem to me that that would be the first priority of the committee.

Mr. Allmand: Mr. Speaker, I will be very brief. With respect to the Member's last point, of course, I was aware of the fact that the motion would refer the reports of the special committee in the last Parliament to this task force. I was critical of that. I do not think that is enough, although it is better than nothing at all. I still believe that it would be better if those reports were the subject of immediate negotiation between House Leaders to see if some of the points could be implemented. In my opinion, they were studied long enough. We took twice the time that is set aside for the task force which is now being set up. We agreed unanimously on certain things. Why must they be referred back to this committee? I am aware that they are referred to this committee. That is a good thing, but it would not be my first priority.

On the other point with respect to minority reports, I still believe that all task forces set up should have the rights to put out minority reports. One would hope they would not take place, but it was the Hon. Member's Party in the last Parliament, when we were setting up the task forces in 1980 immediately after the last election, that insisted on the right to minority reports. That was granted.

The Hon. Member is correct that if you have too many minority reports, the report of the majority loses its effect. You could have a situation, Mr. Speaker, where they may make 50 or 60 recommendations. There may be unanimity on 90 per cent of those recommendations.

Mr. McGrath: There were 107 in the last one.

Mr. Allmand: That is good, but I still think there could be a situation where, on certain recommendations, there may not be unanimity. I think then the public has a right to know in the body of the report that there are dissenting opinions. I would hope that that would not be the case, but I would refer the Hon. Member to the debates in the House when we discussed the task forces at the beginning of the last Parliament. Today I would make all of the arguments that were used on that occasion for including minority reports. I hope it would not be necessary, but the right should be there for opposition members, if necessary, to make minority reports. I use the same arguments which were made by the Conservative Party members at that time.

Mr. Hnatyshyn: Mr. Speaker, I would like to ask a brief question. In the course of presenting this order of reference, I consulted with representatives of each of the Parties. We looked over the terms of reference and I asked them for their suggestions and input. I consulted fully with respect to the form of this order of reference and received the approval of the respective House Leaders. I understand that the House Leader may not act on behalf of the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand). Maybe he does not feel constrained by that arrangement. I can say that I did everything within my ability to make sure that there was the fullest consultation with the Parties before we brought this resolution down.

• (1750)

First, that is not satisfactory to the Hon. Member for Notre-Dame-de-Grâce-Lachine East. Second, there is now an amendment before the House which strikes me as being incon-

sistent with the fact that I had fully discussed this matter. It has been in their hands now, not for days but for weeks.

All that I can say is that this is not an attempt to introduce something that was not first fully canvassed. I tried my level best to be open and above board with the opposition Parties. I appreciate the information and suggestions the Hon. Member makes, but he should consider that. I go back to the statements made by my colleague, the Hon. Member for St. John's East (Mr. McGrath) and the Hon. Member for Hamilton Mountain (Mr. Deans), who said that this whole process will work if there is consensus. I addressed that in the introduction of this motion.

I ask the Hon. Member if he will not now allow this matter, which has received the fullest consultation, to pass so that we can get on with the task and address it? The Member is an alternate on this committee and will be fully involved in terms of the whole process. I am sorry, he is not now an alternate, but he will have an opportunity to make representations to this committee. We have first-rate people on the committee. Will he not now let us get this matter to a vote so that we can get on with the job and make sure that we can make progress on this very important topic?

Mr. Deputy Speaker: The Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) on a short answer.

Mr. Allmand: Mr. Speaker, I will be as brief as I can. I do not accuse the Hon. House Leader of lack of good faith in consulting. I understand that he consulted with the House Leaders on this issue. However, this is what Parliament is all about. No matter how wise our House Leaders are, the fact is that we have 282 Members of Parliament, and the reason that we have Parliament is that government, the Cabinet, must submit its proposals to Parliament. If Parliament works properly, there should be discussion within Parliament about how to improve what has been put forward by the wise people in Cabinet and, in this case, the wise House Leaders.

Let me explain what probably happened. We have a number of Members, including our House Leader, who were Cabinet Ministers for a long time. The Hon. Member will find out that when you are a Cabinet member for a long time, you lose touch with the ordinary day-to-day happenings in parliamentary committees and in the House. You do not have to deal with them in the same way as a back-bencher or opposition member. Ministers are used to approaching the House in a different way than the rest of us. I have had experience on both sides—

Mr. Deputy Speaker: May I ask the Hon. Member to conclude?

Mr. Allmand: Despite the fact that he consulted and did a good job, improvements can be made, and that is the reason for debate in the House. It is so that improvements can be made.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I rise to discuss the motion to set up a special committee on House of Commons reform. It is a committee that our caucus and our House Leader have discussed and approved. We gave that approval on the basis of consensus and in a spirit of co-operation. I believe those were the guidelines set out at the opening of Parliament. They are very important principles to keep in mind in order for the House to function in its traditional way.

I believe that this motion would have passed in a matter of minutes had we not had the unfortunate experience in the committees yesterday and today. That spirit of consensus and co-operation was dashed when the Government used its very large majority in an attempt to change a parliamentary tradition around the world that recognizes minority rights whether they be those of the Opposition in Parliament or of groups outside of Parliament. That right has been a longstanding tradition of parliamentary practice.

That tradition was ignored and trampled on in the various committees in the past two days and has sent a very important signal to members of the opposition Parties. I believe it has set the tone, a very unfortunate tone, for future practice in the House.

Yesterday, when I left the committee which I attended, I discovered there was a breach of tradition. I thought it was an isolated case and recognized that, it being an agricultural committee, perhaps it had been overlooked somewhat. The government members of that committee had not attended committees in previous Parliaments and perhaps could be forgiven for not understanding the necessity of following the unwritten rules, procedures and traditions of parliamentary practice. That was my feeling when I left that committee. I was giving it the benefit of the doubt.

I was trying to maintain that sense of spirit and co-operation that is so necessary to the functioning of this place. However, after consulting with my colleagues from other committees I found that the practice in those committees was precisely the same. There was no recognition of the need for both sides of the House to be represented in minimum quorums for hearing of evidence. There was no agreement or recognition by the government side that both sides should be represented when major decisions are to be made with a quorum. There was no recognition of continuing that longstanding practice in the steering committees.

In our committee, the Chairman or the government members did not even concede that there was a recognized need for a notice to be given before a meeting is held. The Chairman informed us that all meetings would be at the call of the Chair, with no time set for an advanced notice of meetings.

There is really no guarantee of the rights of the minorities in the House, even to know when a meeting would be held. It leaves no chance for parliamentary traditions and practices to be recognized.

I think that is the reason for the Government's problem. We are having second thoughts about renewing a committee that will study parliamentary practice. A previous committee did a very good job in studying this issue, and some of its recommen-

dations have been acted upon. In fact, this particular debate is being conducted as a result of the implementation of some of those recommendations. We cannot feel comfortable about approving the establishment of such a committee when there has been such a recent and unfortunate indication from the Government about its thoughts on minorities and opposition Parties. It leaves us suspicious about hidden agendas. It leaves us insecure about what the Government's intentions are.

Until such time as the Government gives a clear indication that it has made a mistake with respect to these committees, I do no think it would be appropriate for us, in the interest of parliamentary tradition and practice, to proceed with a review of parliamentary practice. Until the Government rethinks its attitude with regard the parliamentary process, I think we would be loath to go into any further negotiations at this point in time.

May I call it six o'clock?

• (1800)

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. I just want to make it quite clear that the opposition Parties, notwithstanding the fact that they had agreed to this matter going ahead, are not prepared to have this motion come to a vote today and have called it six o'clock. Am I clear in that regard?

Some Hon. Members: Six o'clock.

Mr. Hnatyshyn: I thought I had made myself quite clear with respect to the questions raised. I do not want to waste the time of the House now, but the matter was discussed very briefly by the House Leaders, if they speak for their Parties at House Leader's meetings. I said that I would be glad to look into the whole question and make sure that we bring about some resolution of this matter. I repeated that on the floor of the House. If it is a question of passing this resolution—and that would be helpful—we could deal with the matter now and with the whole question of a quorum for the hearing of evidence in committees. I just want to know whether or not the Hon. Member is prepared to let the matter go to a vote at the present time.

Mr. Althouse: Mr. Speaker, I consider the practice of the last two days in committee a breach of faith and would suggest that until it is rectified we have some difficulty proceeding, even though we had an agreement. We consider some of the practices in committee to be inconsistent with the normal practices of the House. Until we have those rectified and returned to normal, I think co-operation will take some time to follow.

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

FINANCIAL INSTITUTIONS—EXISTENCE OF COMMITTEE STUDY

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the issue I raised with the Minister of State for Finance (Mrs. McDougall) on November 19 dealt with the appointment or alleged appointment—in fact there really was no committee—by the former Minister of State for Finance of a committee which was to deal with problems besetting the entire financial intermediary community.

Briefly it can be said that there are four pillars of financial intermediaries, or however one may want to describe them—banks, trust companies, security dealers and insurance companies. I think we should include the credit unions. That would be at least five pillars. Some people have suggested that perhaps lawyers, notaries and others dealing with assisting people in financing might also be included.

The problem has been that these various companies and organizations involved in the financial community are attempting and have been attempting over a period of time to take over the business of each other. For example—and I only use this as an example—the Royal Bank of Canada was heavily involved in automobile leasing. The Bank Act was altered and automobile leasing was specifically excluded from banks. Now the Royal Bank of Canada is involved in a program where it buys back automobiles. It leads a person money and at the end of the term the car can be sold to the Royal Bank to satisfy the loan balance. It is a form of leasing by the back door.

Apparently it was also involved, according to the latest release, in organizing equity financing in Canada for those who might want to invest in Canada. It is in the financial security business. It operates out of the Cayman Islands. That is another activity. We have the banks and security dealers taking money on deposit and selling treasury bills and securities of all kinds. We have insurance companies selling annuities for one year. Imagine a one year annuity. It is really a rolling over of a one year promissory note or guaranteed investment certificate.

• (1805)

We have a problem where the whole discipline in the financial market has gone. Organizations under one ruse or another are able to go beyond what was originally deemed the scope of their powers. We have developing the concept of a financial supermarket. This whole matter must be addressed by Parliament and must be addressed as soon as possible.

The former government knew this. Rather than have Parliament address the matter, the former minister appointed a little select committee. That select committee was supposed to be a task force. He went around the country telling people that he

had a task force deliberately looking at and studying the matter, and that it would make sure it made a report of some kind.

It turns out from the answer given by the Minister of State for Finance that there was no task force at all. A group of people were appointed from across the country. They were given free airline tickets. They came to Ottawa to discuss things with the officials of the Minister of Finance, had a "din-din" and a lovey in the hotels in Ottawa and then went back home. Rather than have Parliament and the people involved, we had people who were responsible perhaps, and perhaps not, to the insurance companies, banks, trust companies and credit unions discussing among themselves how they would divide up the laws and regulations that affect financial intermediaries.

I and other members of our party called on the then Minister of State for Finance and Minister of Finance to set up a parliamentary committee to inquire, study the matter and report to Parliament so that laws and statutes could be passed to amend the current law with respect to financial intermediaries.

I say again today to the current Minister that this group, which is now winding up its activities, should be dismissed. It was an interesting group, but it did not accomplish anything. It cannot accomplish anything. The matter should be immediately referred to the Standing Committee on Finance, Trade and Economic Affairs or a task force set up, if that is the pleasure of the Government, to study this issue so that we can come to grips with it.

Financial intermediaries are very important in the development of Canada. Our laws with respect to them have to be amended. They must be brought up to date. If not, our country will suffer. It will be more difficult to move money from one investment activity to another. It must be dealt with as soon as possible. I hope this Parliament will come to grips with that issue.

[*Translation*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, it is a pleasure to rise in the House to answer this question. I also wish to thank the men and women of the riding of St. Paul's and the Right Hon. Prime Minister (Mr. Mulroney) for having given me this honour.

[*English*]

No one is more aware of the confusion in the financial intermediary system than I am. I have spent 20 years of my life working the financial sector. In fact, I worked for three of the four or five pillars, depending on how one defines them. I am also, as all of us are, a consumer of financial services.

In response to my colleague's question, there is indeed a private sector Advisory Committee on Financial Institutions. It is probably not constitued as he would have constituted it, and probably not as I would have either, but let me just give some history of this committee.

It is chaired by William Dimma, the President of A. E. LePage, and is known as the Dimma committee. Its composition is mainly of senior executives from major private financial corporations with some consumer and academic representations. It was formed in January 1984 by the previous government. Its purpose was to provide the then Minister with a private-sector perspective on the structural changes in the industry, many of which were outlined by my colleague in his question. The Dimma Committee was also to comment on the Finance Department's working papers on the modernization of the legislation for financial institutions.

• (1810)

On behalf of the Government, I decided to allow the committee to convene for one more meeting. I believe it is important to allow the committee to continue to study the working papers of the Department of Finance and, more importantly, I believe it is important to proceed with legislation in this important area as rapidly as possible, and in that process to present papers to the House.

I will be furthering the consultation process in this important area in a very specific way to ensure that the harmonization of financial institutions legislation is complete. This consultation will be carried out in a very specific and limited time frame.

As the House knows, our Party had launched the most comprehensive consultative process of any Government in our history. With no disrespect to members of the Dimma Committee who are persons of distinction, I agree with my hon. colleague that this committee is a good example of the consultation process gone wrong. The financial institutions in our country have been in need of revised legislation for many years. Indeed, the Trust Companies Act and the Loan Companies Act have not been substantially revised since the early part of the century.

Instead of action, the industry leaders were given, as my colleague has suggested, a series of dinners and asked to comment on papers produced by the Department. I intend to speed up the process that my hon. colleague has outlined by way of better consultation and by proceeding to legislation.

EMPLOYMENT—YOUTH TRAINING OPTION PROGRAM. (B) GOVERNMENT'S POSITION

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, on Wednesday, November 7, I asked the Minister of Employment and Immigration (Miss MacDonald) how she justified the cancellation of the First Chance Program which was implemented to train and employ young people by replacing it with the Youth Training Option Program. First Chance was ready to begin on October 1. It would have provided $100 million in its first year to help young people train on the job, and it would have provided $1 billion per year over a five-year period. In 1985, it would have provided for 100,000 trainees.

I was extremely supportive of that program since it fell in line with certain recommendations made in the report of the Task Force on Employment Opportunities for the 80s, a report made by a task force of which I was chairman in 1980 and 1981. By the way, those recommendations were given unanimous support by all members of the task force.

The Minister cancelled First Chance and replaced it with the Youth Training Option Program, a similar but more limited program. Instead of providing $100 million in its first year, the Minister received only $27 million to carry out that program. Instead of it being a permanent program, it was to be a pilot project. This has happened despite all the rhetoric and promises made during the election campaign with respect to training and employment.

The Minister explained to me that she had an obligation to consult with provinces, business and labour. My answer to that is twofold, Mr. Speaker. First, the fact that the Minister had to withdraw the First Chance Program and put in place a pilot project and consult further was an admission that she and the Government had no plans or blueprints for training when they made these promises during the election campaign. They were going to start from scratch and develop a program through consultation.

Second, why was it necessary to consult all over again as if nothing had been done before? I would like to point out that since 1980 there have been approximately 10 task forces and commissions dealing with this very subject, eight of which have reported. I can refer to some of them.

There was the Task Force on Employment Opportunities for the 80s, the Dodge Commission Report, a Report called *In the Chips* which dealt with employment in the micro-electronics industry, two reports by the Economic Council of Canada on this subject, the Commission for Part-time Work, the Commission for Paid Educational Leave, the Major Projects Task Force, the Task Force on Employment Outreach Programs and the Michelle Jean Report from Quebec. Those reports were presented in the last five years and were all on the same subject. They involved much consultation with all the groups the Minister indicates she will consult.

• (1815)

In addition, the Conservative Party had its own task force in 1983-84 under the chairmanship of the Hon. Member for Calgary West (Mr. Hawkes). That task force consulted broadly and published a report which included recommendations with respect to training on the job.

Now is the time for action with respect to training on the job and employment programs for young people. It is not a time for further study. I strongly urge the Government to move ahead and provide hope to young people who are unemployed and need training. It should be done now, and we should not have to wait for further studies and consultation.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, on behalf of the Minister of Employment and Immigration (Miss MacDonald), I am pleased to explain to the Hon. Member why this government has introduced the $27 million Youth Training Option Program. This government has said on many occasions that it was committed to do something about the tragic lot of unemployed youths. The Youth Training Option is a new approach to the problem. The Hon. Member claims that this approach has been examined and tried many times. That is not true. A similar program is in force in the United Kingdom and has proved to be a resounding success. The Youth Training Option is similar to the British program, but the fact is that the idea has never been implemented in Canada.

When the Minister announced the program, she said that it was a pilot project. We would rather not spend too much of the taxpayers' money on a program which has yet to be tested. I might remind the Hon. Member that, last May, the previous government had announced a $30 million experimental program called Youth Training Option. In any case, during the election campaign that experimental program was suddenly replaced by another $1 billion program called First Chance, despite the fact that the original Youth Training Option never did get off the ground and that there were no consultations with the provinces.

As the previous government knew very well, the $1 billion was never made available. No one knew how that $1 billion would be financed in 1985-86. Our government would rather not follow that example. The Minister will meet with her provincial colleagues and consult them to make sure that any federal program aimed at reducing youth unemployment meshes with any proposed or existing provincial initiative. Businesses and unions will also be consulted so as to ensure their support and cooperation. The only way to find effective solutions to fight against youth unemployment is to work with all sectors of the Canadian economy.

The Youth Training Option will be launched immediately to provide training and practical work experience for 3,000 or 4,000 young Canadians. With the cooperation of the provinces, businesses and unions, we will be able to help more young men and women. We do not want to act irresponsibly nor promise something we as a government cannot deliver. Should we find out that the program does work, and once we know the provinces, businesses and unions agree, we will make a huge joint effort which will undoubtedly meet the requirements of the Canadian labour market and those of young Canadians.

Now, in answer to the Hon. Member who asked: Why consult? If we are to set up a joint and coherent program with the provinces, other federal agencies, municipalities, unions and what have you, consultation has to be the order of the day. In that respect, I must say that the previous government was not much in favour of consultation.

Adjournment Debate

[*English*]

UNEMPLOYMENT INSURANCE—NEWFOUNDLAND FISHERMEN—REQUEST FOR ASSISTANCE

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I am so pleased to keep hearing from government Members that the Government will have consultations. It has bothered me sometimes in listening to recent answers given by Cabinet Ministers in the House to learn that exactly the opposite is true. Exactly the opposite is true in the worst way imaginable.

I realize it is difficult for Ministers to know what the facts are, because they have a lot of work to do and they have to prepare for Question Period. However, we have reached the point in the House where we are dealing with primary producers who are forced to turn to welfare to live and who cannot feed their families, yet the Minister stands in this House, as she did on November 13, and says the following:

• (1820)

It is my understanding that in the last few weeks there have been sufficient fishing opportunities so as to permit fisher people to qualify for the ten weeks that would allow them to collect unemployment insurance benefits.

While the Minister was saying that, Mr. Speaker, she had on her desk a recommendation from the Federal Department of Fisheries with respect to instituting a special program so that fishermen could qualify for unemployment insurance benefits. In that report from the federal Department of Fisheries and in the report from the union in Newfoundland, it was said that there were 1,600 families affected by a poor fishing season in that province alone. I am not talking now about the other provinces in Atlantic Canada. Therefore, the Minister had that information on her desk the day before she stood up in the House and gave the answer she did to the question which was put to her.

In answer to my question in which I pointed out that the snow was falling and there were no longer boats out in the water she said she was waiting until the season was completed. She said:

We have made a commitment that we are prepared to go to the limit of $3 million for all constituencies so affected.

Here are the facts, Mr. Speaker. It was a poor fishing season. It was a poor fishing season last year as well, and the Liberal Government approved—throwing money at problems, as the Prime Minister (Mr. Mulroney) keeps reminding us—a special program whereby fishermen and fish plant workers could receive enough work to qualify for unemployment insurance. In that way they would not have to go on welfare, because they consider drawing welfare is really not right but that unemployment insurance benefits are a legitimate source of income. The Liberal Government approved that special program and the fishermen and the fish plant workers, as they received enough to qualify for unemployment insurance benefits, were laid off.

This year we have the situation where the fishing season was even worse. The Canadian Salt Fish Corporation—there is a measure presently before the House—states that its product is down 15 per cent to 20 per cent because it was a poor fishing season. The Minister, in responding to that question said that she will increase the allocations for Canada Works up $3 million without knowing that the very constituencies affected were already up to $3 million. She repeated in this House that she would not increase the Canada Works allocations any further and she would bring in a special program.

I would like to remind this Minister, Mr. Speaker, after deriding the former Government for doing what was legitimate, that even if she increased the Canada Works allocation to $3 million, there are rules and regulations in that program which prohibits fishermen from being hired.

I have listened to a lot of debate in this House recently. There was a report concerning women, handicapped people, young people and old people who could not get jobs. Yet a week ago in this House this very Minister tabled qualifications for getting hired on federal works programs which eliminated everyone who had not worked before it eliminated anyone who has been out of the work force for two years; and it eliminated anyone who had had enough gumption to go out and work for a week in the previous two months. That is outrageous, Mr. Speaker.

It is odd that the person writing the report did not discover, or perhaps just did not know, that the Minister would table the guidelines as she did. However, these very guidelines would discriminate against the very fishermen or fish plant workers for whom the Minister says she is going to increase the assistance allocation. To put it very briefly, Mr. Speaker, this Government has refused to bring in a special program in order to assist these poor, unfortunate people who could not afford to buy school books for their children in September of this year; those 1,600 families. That is amazing, Mr. Speaker, because most of them are in Tory ridings. Surely, there must be enough pressure on the Minister of Employment and Immigration (Miss MacDonald) to get her to change her mind.

The Minister has said she is going to increase to $3 million the allocation to take care of those people, at the same time realizing that the worst hit constituencies were already up to $3 million. The Minister said in this House that some of the fishermen have now received their unemployment insurance benefits. They received ten weeks, and I will tell you how, Mr. Speaker. They went out day after day in rough weather to get an $80 stamp. That is what they had to do because they knew no program was coming. They will live throughout the winter, those few fishermen, having their income supplemented by welfare. What a way to treat the primary producers of this nation. It is despicable, Mr. Speaker.

• (1825)

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, as indicated by the Minister of Employment and Immigration (Miss MacDonald), and I will repeat her words, we have been monitoring very closely the Newfoundland Fishermen issue. The most recent figures provided by the Department of Fisher-

ies and Oceans have been confirmed by the United Fishery and Food Workers' Union. They indicate that 1,100 fishermen might not—might not, I repeat—be eligible for unemployment insurance this winter. We will have more information in November when fishermen's unemployment applications are processed.

As the Hon. Member knows, funds have been allocated under the Canada Works Program. Electoral ridings are eligible for the $3 million in case of need and if the maximum amount has not yet been paid out. If the Hon. Member knows of any specific cases where fishermen continue to be ineligible for unemployment insurance, even after the Canada Works projects are set up, I would ask him to bring them to the attention of the Minister of Employment and Immigration.

Canada Works funds were also allocated last fall, to help fishermen become eligible for unemployment insurance benefits during the winter. However, the program to which the Hon. Member is referring was probably the special allowance provided in the spring for fishermen who were prevented from fishing during the normal fishing season because of ice conditions. Allowances were paid through the Canada Employment and Immigration Center but did not come out of the Unemployment Insurance Fund.

We feel that increasing Canada Works funds for Newfoundland will help many fishermen become eligible for unemployment insurance benefits this winter. If upon termination of the projects the number of insurable weeks is still insufficient, the Minister is prepared to review the situation.

[*English*]

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

At 6.28 p.m. the House adjourned.

HOUSE OF COMMONS

Friday, November 23, 1984

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

IMMIGRATION

GOVERNMENT POLICY

Mr. David Berger (Laurier): Mr. Speaker, I am sorry to hear that this Government, following the example of its predecessor, has decided to further reduce immigration levels for 1985. It is a tragedy for our country as a whole and for the thousands of people who would like to settle in Canada.

The present act and the immigration levels set each year are based on the false assumption that immigration ought to depend on the state of the economy. This is merely a pretext to close the gates. We are trying to stimulate the economy in every possible way, and Canadians should know that immigrants create jobs. They bring with them a very special genius which is their determination to succeed. They want to show that their adopted country was right to admit them. Since 1982, we have in effect closed our doors to independent immigrants who do not have pre-arranged employment and are not entrepreneurs. These people often have relatives in Canada but may not enter the country because they are over 20 or 21.

I hope the day will come when the Minister of Employment and Immigration will be worthy of her title and stop acting like a border guard.

* * *

[*English*]

HUMAN RIGHTS

CHILE—PLIGHT OF PSYCHIATRIST, DR. FANNY POLLAROLO

Mr. Dan Heap (Spadina): Mr. Speaker, the Pinochet dictatorship in Chile held its 11th anniversary in September, celebrating the blood-bath in which it drowned half a century of constitutional democratic government in Chile. Canada's ambassador joined in the celebrations, thus making Canada party to the vicious repression that Pinochet has renewed during the last three weeks of government terror.

Over 1,100 people have been arrested, and 467 people have been exiled internally. That means that they have been banished to isolated towns where they lack family, means of livelihood, and medical care. In other words, that is a sentence of slow death. Police have ignored habeas corpus orders made by the courts, have apparently killed one prisoner by beating, and have arrested 11 civil rights lawyers. Dr. Fanny Pollarolo, an internationally-known psychiatrist, was seized from a taxi and disappeared. In addition, 8,000 people have been arrested in police raids on the poor districts.

I call on the Secretary of State for External Affairs (Mr. Clark) to censure Canada's ambassador for implicitly endorsing such systematic terror and violation of human rights, and to demand information as to the whereabouts and well-being of Dr. Fanny Pollarolo.

* * *

[*Translation*]

TRANSPORT

LIFTBRIDGE MALFUNCTION AT VALLEYFIELD, P.Q.

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I would like to draw to the attention of the Minister of Transport (Mr. Mazankowski) and the House a serious incident that occurred in my riding a few days ago.

The liftbridge over the St. Lawrence Seaway at Valleyfield is now stuck half-way.

According to the St. Lawrence Seaway Authority, the bridge cannot be made operational again before the middle of December.

As a result, road traffic between the two shores of the Seaway is blocked as well as all traffic on a waterway that is extremely important to the Canadian economy.

Mr. Speaker, the economic repercussions are obvious.

However, there is also the social impact, because for all practical purposes, most of my riding is now cut off from the services it usually depends on, and especially the Valleyfield hospital.

Mr. Speaker, I would like to point out to the Minister that this problem is not a recent one. The bridge has been out of commission in the past, for more or less extended periods, and I am sure that unless the Minister intervenes this time, there will be another recurrence.

S.O. 21

Mr. Speaker, I therefore urge the Minister to take the necessary action as soon as possible with a view to finding a definite solution to the problem.

Solutions proposed in the past included building an elevated bridge or digging a tunnel. These proposals should now be made the subject of a serious and thorough study.

Finally, Mr. Speaker, I want to say that it is unthinkable that in 1984, users—

Mr. Speaker: I am sorry to interrupt the Hon. Member—

* * *

[*English*]

IMMIGRATION

POLICY STUDY—SIZE OF POPULATION

Mr. Alan Redway (York East): Mr. Speaker, according to the background paper released last Monday by the Minister of Employment and Immigration (Miss MacDonald), if our birth rate remains constant, then 35 years from now deaths will exceed births and Canada's population, which is presently 25 million, will decline over time to only 10 million. This will happen unless we have an annual net immigration of approximately 125,000 people. This presents us with the need to make a major policy decision. Just how large should our population and our immigration quota be?

Years ago we had an open-door immigration policy, but today there is a great difference of opinion in Canada on the subject of immigration. On the one hand the unemployed, their families and friends, quite understandably advocate restricting immigration at least until the economy improves. On the other hand, equally understandably, new Canadians want to reunite their families in this country.

The study of the immigration policy announced earlier this week by the Minister will deal with all of the immediate problems that concern Canadians. I urge the Minister to take the study one step further and to begin to address the larger and longer-term question of whether our population should increase, decrease, or remain stable, and what impact each of these options may have on the economy and on the delivery of government services.

* * *

[*Translation*]

TOURISM

GOVERNMENT POLICY

Mr. Fernand Robichaud (Westmorland-Kent): On many occasions during the last parliamentary session, Mr. Speaker, several Members of the Opposition took the former administration to task for failing to implement a coherent tourism policy for the various departments and organizations of the federal government. Specifically, I am referring to the Opposition Member who stated in this House last February 8:

[*English*]

There is a lack of co-ordination between the various government Departments regarding regulations which end up being detrimental to the tourist industry.

[*Translation*]

And another Member said this last March 22nd:

[*English*]

—but our message should be that we as politicans realize we cannot raise taxes without first knowing what effect they will cause.

[*Translation*]

The same day, another Member stated:

[*English*]

"We will ensure departmental co-operation so that all federal decisions are arrived at with the complete understanding of their effects on tourism."

[*Translation*]

Now that they form the government, Mr. Speaker, where is that coherent policy? It would seem that there has been no consultation whatsoever between departments. First, the Department of Energy, Mines and Resources increases oil prices, the Department of the Environment hikes user fees in our national parks, Transport Canada charges more for VIA Rail services, raises the air transportation tax and reduces ferry services.

The Department of Employment—

Mr. Speaker: Order, please. I regret to interrupt the Hon. Member, but the time alloted to him has expired.

The Hon. Member for Yorkton-Melville (Mr. Nystrom).

* * *

• (1110)

[*English*]

AGRICULTURE

FLOOD DAMAGE COMPENSATION FOR FARMERS IN NORTHEASTERN SASKATCHEWAN

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, last May, June, and probably July, there was considerable flooding in northeastern Saskatchewan. At that time the Prime Minister said that assistance would be provided for the farmers in that province and indicated that the assistance would be on a two-to-one basis from the federal Government. In other words, some $16 million would be provided by the federal Government.

There was an election campaign and the current Prime Minister (Mr. Mulroney) promised that he would keep that commitment. In fact the Conservative candidate, who is now the Hon. Member for Mackenzie (Mr. Scowen), said that it would not be on the basis of two-to-one, or $16 million, but that it would be on the basis of three-to-one, or $24 million.

A lot of time has passed and there has been no pay-out. The farmers should have received money in September, but they did not. They should have received money in October, but they did not. As yet, the farmers have not received the money in November. Where is that money? Why is there not a pay-out? The farmers are waiting. They are telephoning our offices to ask where is that money and what has happened to the promise which was made by the Conservative Party. The farmers were flooded out last May and June, now they are being frozen out by the Conservative Party.

* * *

PORNOGRAPHY

PRESSURE FOR INCREASED PENALTIES

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, in the last few weeks I have received a fair amount of mail from constituents concerning pornography and the necessity of passing meaningful legislation to help stamp out this cancer from our society. It is my opinion that we will never deal seriously with pornography until we have substantial fines and other penalties, such as loss of licence for those who profit from this scourge.

Recently there have been new initiatives to fight pornography in the United States. This is certainly welcome in Canada. A crack-down on pornography in the U.S. will have a positive reaction here, as the United States is the chief source of our pornography.

In the United States, increasing fines to a $100,000 possible maximum for a first offence and $200,000 for a subsequent offence will, I believe, take the profits out of this industry, and industry is what pornography is all about. In Canada, by comparison, the fines in recent cases have been at the level of a few hundred dollars—not enough to be a deterrent.

In the United States, federal and state authorities are working together to get offenders more speedily to court. This is not happening in Canada.

Some of us who were here in the last Parliament pressed the former Government, without success, to deal with pornographers more swiftly and with greater clout, by having amendments passed to the Broadcasting Act and to the obscenity provisions of the Criminal Code. It is my hope that the Government will soon bring the proposed changes before Parliament. I feel confident that, if appropriate legislation is brought forth, it will result in swift passage and will be supported by all Members of the House.

* * *

DISARMAMENT

ARMS VERIFICATION CONTROL TECHNIQUES—CANADIAN ROLE

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, the announcement that the United States and the Soviet Union will meet in January to negotiate an agenda for talks on

limiting nuclear arms gives Canada an opportunity for leadership in the cause of arms reduction.

In view of the American announced willingness to discuss all issues, Canada has an opportunity to recommend that items of special concern to this country be on the agenda. One should be to strengthen existing non-proliferation agreements. A second should be the reaching of a comprehensive test ban treaty. More important still should be an agreement on mutually verifiable reductions of nuclear weapons. Most significant in the long run should be a pre-emptive ban on satellite and anti-satellite weapons in high altitude orbits.

To show our commitment as a country, Canada should continue its current reasearch on arms control verification techniques and make no expenditure reductions in this area.

In view of the disappointing history of previous arms control talks, Canada can contribute to the potential success of these discussions by calling now on both superpowers to commit themselves to continue the negotiations until adequate agreements have been made.

* * *

EXTERNAL AFFAIRS

FAMINE AND OTHER TRAGEDIES

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, as we are all aware, the eyes of the world are focused on the tremendous tragedy that has evolved in Ethiopia and other parts of Africa.

As someone who spent a number of years living and working in East and Central Africa, I can testify to the unfortunate conditions that the vast majority of African peoples live with on a daily basis.

The contributions that Canada is making to assist the victims of the current crisis are remarkable. The people of my riding have also been extremely generous with cash donations, time, and services.

I ask the Government, however, not to lose sight of the many other human tragedies, acts of indiscriminate violence, and powerful discrimination in the world today. In particular, I refer to the murder and suppression of the Tamil people of Jaffra in Sri Lanka, and the untold horror which has taken place in recent months in the Hindu-Sikh conflict in Punjab state and other parts of India.

● (1115)

ORAL QUESTION PERIOD

[*English*]

UNEMPLOYMENT INSURANCE COMMISSION

TREATMENT OF OLDER WORKERS

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. There is a growing concern in the country with respect to plans of the Unemployment Insurance Commission to crack down on older workers.

The Minister knows that many older workers, male as well as female, do not have the physical capacity to accept any job which is offered to them. Many of them have spent their entire lives in certain skills and trades and it is difficult at a later age to transfer into a new type of work. Many older workers have spent the greater period of their lives in one community and find it difficult to relocate.

This Party is in favour of cracking down on abuses but, in doing so, it is important to consider the special situation of these older workers. Would the Minister assure us that she will bring the considerations I have mentioned relating to older workers to the attention of the Unemployment Insurance Commission and ensure that it will deal with older workers in a humane and compassionate nature under any new initiatives?

Hon. Flora MacDonald (Minister of Employment and Immigration): Obviously, Mr. Speaker, the answer is yes. The Hon. Member is right to be concerned about older workers. Too often their plight has been ignored. Programs have been developed for one group within society too often at the expense of others. I give the Hon. Member assurance that this Government is working on programs and new approaches which will be able to help workers who, too often, have crashed into the future of the new work world and have had no resources to help them.

[*Translation*]

EMPLOYMENT AND TRAINING DIFFICULTIES FACED BY OLDER WORKERS

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I have a supplementary question.

Recently, the Minister indicated that she was prepared to hold consultations with the provinces, business and labour concerning these new employment and training programs, and referred especially to youth related problems. Could the Minister assure the House now that during these consultations special consideration will be given also to the employment and training problems of older workers?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker I have already held meetings with representatives of both business and labour and I can assure the hon. Member that the issue of older people and workers is quite important to us.

* * *

[*English*]

EMPLOYMENT

APPLICATION OF CHARTER OF RIGHTS

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, in the spring of 1985, Section 15, the equality section in the Charter of Rights, will come into effect. That Section, first of all, outlaws discrimination on the basis of age, among other things. It also provides for affirmative action programs. Would the Minister assure us that, in re-examining the laws and programs of her Department, the provisions of the Charter dealing with discrimination against the aged will be respected? And would the Minister consult with the Minister of National Health and Welfare, the Minister of Labour, and other Ministers who are concerned with this problem, so that there will be fairness in the marketplace for our older workers?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I will tell the Hon. Member that a cabinet committee under the direction of the Minister of Justice has already begun to meet on those very critical issues. I can assure the Hon. Member, as can other hon. members of this Cabinet, that the lot of older workers will not be overlooked or ignored. The matter is very critical.

* * *

IMMIGRATION

1985 ENTRY LEVELS—REUNIFICATION OF FAMILIES

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is also directed to the Minister of Employment and Immigration. On November 21, when the Minister reduced the ceiling on immigration levels for 1985, she claimed in this House that family reunification would not be affected. I hope the Minister now realizes that this is only partly true and that the ceiling does include the vast majority of relatives, that is, older children, married children, nephews, and nieces. Would the Minister, in this time of economic recovery, recognize that immigrants to contribute to a recovery? They create jobs, they are willing workers, and are consumers and customers in the Canadian market. Will the Minister stop punishing families and raise the level to at least 100,000, as my caucus has been urging?

● (1120)

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I would have thought that the Hon. Member, having been in Cabinet, would have known how the immigration levels were arrived at and that there is no

ceiling on family reunification. He should know that. He should know that anyone who qualifies under the family reunification section of the Immigration Act is a top priority. He should also recognize that the Government that put restrictions on brothers and sisters, and other relatives, was the Government of which he was a member.

Mr. Kaplan: I hope the Minister recognizes that different considerations should apply to setting levels in times of economic recovery as opposed to the past few years of recession. All Members of Parliament have cases in their offices where the ceilings do apply and where we are talking about relatives, brothers, sisters, older children, married children—

Mr. Speaker: Order, please. Does the Member have a supplementary question, please?

GOVERNMENT POLICY

Hon. Bob Kaplan (York Centre): Mr. Speaker, since the Minister admitted in the House that she was having further studies done, will she, while waiting for these studies, at least ease up and not make it more difficult for the reunification of family members?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I do not know what the Hon. Member and the Government of which he was a part did in the past, but I can tell him that this Government will take a very humane, and very fair, and very compassionate approach to the question of immigration. One of the reasons why we are not going with the three-year projections that the former Government announced is that we want to see a review of the Immigration Act and immigration levels, so that the very problems he raises can be addressed. I look forward to his co-operation in this effort.

* * *

ACCESS TO INFORMATION

CONTENT OF GOVERNMENT GUIDELINES

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is for the Prime Minister and concerns the guidelines adopted yesterday by Cabinet on government communication with the public. These guidelines effectively make a mockery of the Government's commitment to openness and accountability. For the first time ever, these guidelines put a gag on public servants in their dealings not just with the media but with Members of Parliament as well.

How can the Prime Minister possibly justify this Draconian new rule which bars all off-the-record, background briefings, even on factual information, not just for the media but for Members of Parliament as well? How can he justify this massive denial of information to the media and Members of Parliament?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the answer is that we are not going to do what the Hon. Member says. His statement is silly, inaccurate, and he knows it. The reason he knows it is that he was at my press conference this morning.

The fact of the matter is that we have released guidelines which are designed to provide access to information in every reasonable circumstance consistent with our obligation to try to present government policy first of all in the House of Commons. It is intended to open doors to the media and Members of the House of Commons. It is designed, as well, to ensure that public servants who are called upon to comment on government policy are allowed to do so on the record, and in full freedom. It is designed to open the doors and windows of secrecy which have existed here for 20 years.

• (1125)

Mr. Robinson: Mr. Speaker, perhaps the Prime Minister should read his own guidelines which are effectively designed to ensure that one message, and one message alone, goes out from the Government and that is the one which the Prime Minister and his Deputy approve.

OFF-RECORD, BACKGROUND BRIEFINGS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, will the Prime Minister not confirm that, pursuant to Guideline No. 2 with respect to off-the-record background briefings, although these briefings were permitted up to the present time, they are not to be permitted in the future, either with the media or with the respect to Members of Parliament who are defined as members of the public in paragraph 1? Why on earth is it that Members of Parliament are being denied the basic right to off-the-record briefings with public servants who work on behalf of the people of Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the answer is that they are not. There are guidelines, but we circularized as well, this morning, a letter that I sent to Deputy Ministers and Ministers. As I indicated at the press conference, it is to be read concurrent with the provisions of the guidelines. On page 3 of the letter it states: "The guidelines also stress that all contacts with the media by public servants should be made in an open on-the-record basis. Off-the-record background briefings will be permitted in exceptional circumstances and must have prior ministerial approval."

That is entirely appropriate because it is entirely consistent with the oath of office of a public servant. The oath of office of a public servant is to make available information and to explain public government policy, not to criticize or defend it. That is the commitment of a public servant.

We want to ensure that the integrity and non-political dimension of the Public Service be retained at all times. We believe in the integrity and independence of the Public Service. That is why we are establishing what we believe are fair parameters which place them—

[*Translation*]

—beyond criticism or suspicion.

[*English*]

We are trying to take them away from partisan criticism so that they can feel free to speak on the record so that the Canadian people can feel comfortable with them.

ECONOMIC STATEMENT—REQUEST THAT IMPACT STUDIES BE RELEASED

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, the Prime Minister makes the Secretary of State for External Affairs look like the Apostle of Light.

In view of the Prime Minister's alleged commitment to openness in government, will he in fact confirm that background studies have been completed with respect to the impact on ordinary Canadians of the budgetary statement, the increases in sales tax and so on? In this spirit of openness and accountability to the public, will the Prime Minister not agree to table and make public the statements of the devastating impact that these financial cuts and increases in taxes will have on the people of Canada?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Secretary of State is not only an Apostle of Light, he is one of reason, thoughtfulness, and concern for the Canadian people.

Some Hon. Members: Hear, hear!

Mr. Mulroney: He is an outstanding Secretary of State for External Affairs as the Member for Saint-Henri-Westmount said, quite properly, this morning. I agree with what he said.

Some Hon. Members: Hear, hear!

Mr. Mulroney: All information with regard to the economic program, which has received wide approval—

Mr. Berger: What is this, a mutual admiration society?

Mr. Mulroney: What is wrong with that? The NDP have been holding hands with you fellows behind the curtains long enough. It is time they were nice to us.

Mr. Speaker: Order. Perhaps the Prime Minister would like to complete his answer.

Mr. Mulroney: Consistent with the guidelines and our philosophy, the Minister of Finance and the President of the Treasury Board set out various reductions in public expenditures first in the House of Commons. I hope they were detailed to your satisfaction. Ministers and governmental officers were made available to respond to any further inquiries you had.

VISIBLE MINORITIES

INTERNMENT OF JAPANESE CANADIANS DURING WORLD WAR II

Mr. Sergio Marchi (York West): Mr. Speaker, my question is for the Minister of Multiculturalism. Throughout, and immediately following the election, he promised that a formal apology to the Japanese-Canadian community would be forthcoming. He also favoured the establishment of a committee to examine redress. When will this apology be forthcoming? When will he establish and define the terms of reference, as well as the membership from the community and from Parliament, on this committee?

• (1130)

Hon. Jack Murta (Minister of State (Multiculturalism)): Mr. Speaker, the apology to the Japanese Canadian community is certainly uppermost in my mind and that of the Government. What happened to those Canadians during and after World War II is and was unforgettable and unforgiveable. The Government is determined to make changes in light of the grave injustices that took place. Hopefully there will be an announcement in the not too distant future.

DISCUSSIONS WITH JAPANESE CANADIAN COMMUNITY

Mr. Sergio Marchi (York West): Mr. Speaker, my grave concern is that there is no consultation with the Janapese Canadian community. In that respect will the Minister confirm that he has unilaterally proposed to Cabinet a chair for Japanese Canadian studies as compensation and, if so, will he immediately stop that proposal and first consult the Japanese Canadian community?

Hon. Jack Murta (Minister of State (Multiculturalism)): Mr. Speaker, I will tell the Hon. Member that his information is incorrect. That is not the case in terms of the chair for Japanese Canadian studies. There have been ongoing discussions with the Japanese Canadian community. My staff and I have met with them. I will be meeting with them this weekend.

The President of the Japanese Canadian Community is a good friend of mine. He lives in the City of Winnipeg. We have good relations, and we intend to keep them that way.

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EXTERNAL AFFAIRS

INFORMATION ACCESS—STATEMENTS ATTRIBUTED TO MINISTER

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. Given the new guidelines, is he now prepared to apologize both to the diplomatic corps and the journalists whom he maligned in recent statements, and in the guidelines that he set out within the last week, for what I consider to be

his somewhat intemperate and certainly impudent lack of respect for their good judgment?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I would not question the Hon. Member's status as an authority on impudence.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): I will take no such action, because no one was so maligned.

Mr. Deans: I studied impudence by watching the former Prime Minister who once thought that he had a majority.

GUIDELINES APPLICABLE TO DIPLOMATIC REPRESENTATIVES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, given the guidelines that were set out today, how does the Secretary of State anticipate that senior diplomatic officials abroad will be able to carry on their day-to-day functions which, out of necessity, require that they discuss not only the policy that is now in place but also how they anticipate policy will be developed? The guidelines set out today state quite clearly that public servants shall not speculate about policy deliberation or future policy discussion. How can they exercise their function abroad, given these guidelines?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, that has been in the guidelines of Canada for at least the last five years.

Mr. Deans: That is true, but they were never forced in this way.

Mr. Clark (Yellowhead): Canadian representatives abroad have been able to carry out their responsibilities with effectiveness in the past, as they will be in the future.

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[*Translation*]

MERCHANT MARINE

REQUEST FOR ANNOUNCEMENT OF GOVERNMENT POLICY

Mr. Louis Plamondon (Richelieu): Mr. Speaker, my question is directed to the Minister of Transport.

The people in my constituency and many others are eager to learn the intentions of the government with respect to the progressive establishment of a merchant marine in Canada.

I know that the matter was referred to a committee set up last May. If the government would rather wait for the report of that committee, will it,in the meantime, at least make a policy statement which would be a step towards a real maritime policy in Canada, especially concerning coasting vessels and those sailing under a convenience flag?

Hon. Benoît Bouchard (Minister of State (Transport)): Mr. Speaker, a committee on the merchant marine was indeed set up last year. Its terms of reference were extended to April 1985. We will of course wait for its recommendations before considering any future policy. I think that we will then evaluate the conclusions of the report and act accordingly.

* * *

EMPLOYMENT

REASON FOR TERMINATING INDUSTRIAL MANPOWER TRAINING PROGRAM

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, my question is for the Minister of Employment and Immigration.

She has just cancelled the Canada Manpower Industrial Training Program, which provided financial assistance to employers willing to meet the training needs of their employees. Nothing is more important during this critical period, especially for young people and women. I would therefore like to know why the Minister chose to cancel this program, on what criteria she based her decision, and even more difficult to understand perhaps, why she decided at the same time to cancel the Summer Youth Employment Program.

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I may say that an analysis of that program showed that it was not working effectively. I wish the former Government had taken a hard look at it. It was not working effectively because it was not leading to permanent jobs. Too often it was offering short term subsidies only to businesses, and was not reaching its desired goals. Therefore, we have undertaken a whole new approach to training which will lead from school, to work, and into permanent jobs. Let me also say that one of my concerns about that training program was that fewer than 25 per cent of the training places were allocated to women.

STUDENT SUMMER EMPLOYMENT

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, that is good rhetoric when we talk of permanent jobs, but one program about which I asked the Minister was the summer program for students. During this critical period students depend upon summer employment to finance their educational costs. This program is being terminated—

Mr. Speaker: Order.

Mr. Johnston: —with no replacement. Why did she do that?

Mr. Speaker: Order. The question came after I rose. Perhaps the Hon. Member would like to put his question now.

Mr. Johnston: I am sorry, Mr. Speaker, I missed that.

Mr. Speaker: I rose because the Member was making a long preamble before his supplementary question, which he knows is not our practice. Perhaps he would now repeat his question.

Mr. Johnston: My question is: why was this Summer Canada Program terminated so abruptly?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I regret that the Hon. Member has not been in the House when this question has been raised on a number of other occasions.

Mr. Gauthier: We never got an answer.

Miss MacDonald: I will tell him and other Members that we have allocated $1 billion for new job opportunities and training programs.

Mr. Johnston: Summer programs?

Miss MacDonald: I can assure him that there will be summer job opportunities for young people in place in time for next summer.

* * *

CANADIAN BROADCASTING CORPORATION

IMPLEMENTATION OF BUDGETARY CUT-BACKS

Mr. Jim Fulton (Skeena): Mr. Speaker, my question, which is directed to the Prime Minister, concerns consultation. The Prime Minister and his Minister of Finance have said that they intend to consult with the rich before moving with any kind of a minimum tax. Would he comment on the double standard that is being applied here? Why is there not consultation with those groups that have now gone public to say they want to know and be involved in the kinds of slashes that will be applied to the CBC before the process of program cuts in the CBC proceeds?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, perhaps it is endemic to the NDP personality, but I do not know why he would make inaccurate statements by way of prefatory remarks. At no time did I say we were going to consult with the rich; I said very clearly that we were going to introduce a minimum tax in the tax system to assure fairness for all Canadians.

Some Hon. Members: Hear, hear!

Mr. Mulroney: The President of the CBC is quite properly responsible not only for the running of the CBC but to make determinations as to where cut-backs could most properly be made. He is conscious of the wish of the Government that they be least hurtful in regard to individuals, and he is conducting himself in that spirit, as he always does.

When he and his colleagues have decided, pursuant to their consultations across the country, where they believe these decisions can be made in the best interest of the CBC, he will be advising the Government and we shall impart that information to you.

Mr. Speaker: Supplementary.

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ENVIRONMENTAL AFFAIRS

BUDGETARY CUT-BACKS

Mr. Jim Fulton (Skeena): Mr. Speaker, the day before yesterday the Minister of Finance, whom, I assume, the Prime Minister supports, told *The Globe and Mail* that the tax will not be imposed without the Government first hearing from those who would be affected. That seems to me to mean that the rich will be contacted in some way for some kind of consultation before the tax is introduced.

• (1140)

Mr. Speaker: Can I be absolutely clear to the Member? I have already cut off one Member for trying to use a long preamble prior to a supplementary question. If the Member persists in a preamble this time, he will not be recognized for a supplementary question. The Member for Skeena.

Mr. Fulton: Mr. Speaker, my supplementary question is in terms of consultation. Would the Prime Minister explain to this House why, in terms of the environment cuts, there was no consultation whatsoever with environmental groups who have roundly, soundly, and properly condemned those cuts as being the most inappropriate that could possibly occur in the environment field?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, even though we are fundamentally committed to the process of consultation I do not claim perfection in that area or any others inasmuch as, and I think the Hon. Member will agree, it was proper that Parliament receive the first advice, on the floor of the House, of the intention of the Government. Within those constraints and because of that requirement, we were, prior to the filing of the documents here in the House, somewhat limited in the extent to which the consultative process could be on-going. I want to assure the Hon. Member that if there are deficiencies, as I am sure there are in our consultative process, this in no way diminished the genuine commitment that we have to involve all sectors of society in the evolution of governmental policy.

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[*Translation*]

TRANSPORT

LIFTBRIDGE MALFUNCTION AT VALLEYFIELD, P.Q.—MEASURES TO BE TAKEN BY GOVERNMENT

Mr. Michel Champagne (Champlain): Mr. Speaker, my question is for the Minister of State (Transport). He is certain-

ly aware of the situation involving the bridge over the St. Lawrence Seaway near Valleyfield. The mobile section of this liftbridge is now locked at midlevel, with the result that both highway and maritime traffic will be paralysed for at least two weeks at a time of the year when shipping is at a critical stage. Can the Minister tell the House whether he intends to take immediate action to prevent a recurrence of such an incident?

Hon. Benoît Bouchard (Minister of State (Transport)): Mr. Speaker, we are indeed aware of the incident involving the Valleyfield bridge. This incident causes the bridge to be too high for road vehicles to travel on and too low for maritime traffic to go under. We took the necessary action to correct the situation immediately, but the information received suggests that it will be at least two weeks before the situation is back to normal. We are perfectly aware of the consequences for shipping on the Seaway. However, it is impossible to act more quickly. As for future policies in this regard, we shall have to look into the matter.

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BILINGUALISM

STANDING COMMITTEE ON NATIONAL RESOURCES AND PUBLIC WORKS—MOTION TO TABLE UNILINGUAL DOCUMENTS

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, I have a question for my honourable friend, the Government House Leader.

Earlier this week, the Leader of the Official Opposition questioned the Deputy Prime Minister and brought to light the conspicuous absence of French-speaking members on the powerful committee advising the Government on budget cuts. The Deputy Prime Minister recognized his error, saying it was an honest error, and on this side we trusted him. Now, Mr. Speaker, for the second time in the same week, there was another honest error committed against French-speaking citizens and their rights in this country . . .

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

Mr. Guilbault (Saint-Jacques): I am stating the facts, Mr. Speaker.

Yesterday, during the setting up of the Standing Committee on National Resources and Public Works, the Parliamentary Secretary to the Minister of Energy, Mines and Resources put forward a shameful motion to allow on grounds of efficiency the tabling of unilingual documents in that committee. Can the Minister indicate whether this is a new Government policy aimed at retroducing unilingualism through the back door in the House of Commons committees? I put this question to him particularly in his capacity as High Commissar in charge of committee organization.

[*English*]

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): The answer to that question is no, Mr. Speaker.

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[*Translation*]

RESEARCH

NATIONAL RESEARCH COUNCIL—BUDGETARY CUT-BACKS AFFECTING TOXICOLOGICAL AND ENVIRONMENTAL RESEARCH

Mr. David Berger (Laurier): Mr. Speaker, I have a supplementary to the question put by the Hon. Member for Skeena to the Right Hon. Prime Minister.

In his answer, the Prime Minister seemed to indicate that because of parliamentary constraints, he may not have been able to make all the necessary consultations on cut-backs concerning the National Research Council, and more specifically, its toxicological and environmental research.

Would the Prime Minister be willing to allow a committee of this House to meet with officials of the National Research Council and see whether there is a more effective way to implement these cuts?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if my hon. friend has any suggestions as to which approach would be most effective, we would be pleased to hear them.

The Minister and his colleagues proceeded with the budgetary cut-backs in close co-operation with the scientific community, believing, and I think rightly so, that it was the best they could do in the circumstances.

I am sure we can learn more on the subject from the Hon. Member and other colleagues, and we are prepared to listen and to take note of any information you may have received from the scientific community.

However, we do feel that the cuts were done properly and objectively.

* * *

[*English*]

ACCESS TO INFORMATION

CHURCHILL ROCKET RANGE—MEMBERS' APPROACH TO DEPARTMENTAL OFFICIALS

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is for the Prime Minister. Yesterday I asked a question of the Minister of State for Science and Technology. In his answer to me with regard to the Churchill rocket range and the Gimli testing site, he said that the closing down would be phased in over three years. In talking with departmental officials I found out that the Minister was wrong and that the shut-down will occur on March 31, 1985.

Mr. Deans: And he had permission to do it.

Mr. Murphy: Under the Prime Minister's new guidelines, would it be possible for me to find out from the departmental officials when the Minister is indeed wrong?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member is quite capable of making that determination because, according to the Member's honourable tradition, the Minister is never right.

Some Hon. Members: Oh, oh!

Mr. Mulroney: In point of fact nothing in the guidelines precludes honest and open communication between a Member of Parliament and a member of the Public Service. They encourage it. We invite the Hon. Member, as indeed we all have the privilege and the right to do, to communicate with public servants in that area. I want to assure the Hon. Member that I view his observation seriously and nothing should be read into these guidelines—because it does not exist—that would do anything other than try to be helpful to the free and proper flow of information.

Mr. Deans: The free flow of proper information.

APPLICATION OF GUIDELINES TO DEPARTMENTAL OFFICIALS

Mr. Rod Murphy (Churchill): Mr. Speaker, the Prime Minister's guideline No. 2 says that off-the-record statements can only be given in exceptional circumstances with the Minister's prior approval. In this case the Minister did not approve. I went directly to the source and found out—

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

Mr. Murphy: Mr. Speaker, under the new guidelines would departmental officials be able to come to Members of Parliament and say: "No, my Minister is wrong"?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the guidelines, I think, I hope anyway, properly cover it. If the Hon. Member refers to paragraph two it reads:

> Public servants should be prepared to openly provide factual information to the public and the media within their areas of responsibility that describes or explains programs and policies that have been announced or implemented by the Government.

Indeed, we invite the public servants, in the interests of openness and to avoid unfair accusations against the Public Service which would affect their integrity, consistent with the spirit of openness we believe they should be on the record. We encourage them to be on the record and to be identified, without any fear of reprisal of any kind. We think this is part of an important new step toward openness.

Some Hon. Members: Hear, hear!

Mr. Deans: Even Ministers are afraid to say something in fear they will be cut down.

[*Translation*]

THE CENSUS

ESTABLISHMENT OF AFFIRMATIVE ACTION PROGRAM—ACQUISITION OF NECESSARY DATA WITHOUT HOLDING 1986 CENSUS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, in the absence of the Minister of Supply and Services, I will direct my question to the Right Hon. Prime Minister.

Answering my question last Wednesday, the Minister said that Statistics Canada will be in a position to gather the data required for the establishment of an affirmative action program, without the 1986 census. Considering that an internal Statistics Canada report, which I have here, indicates that the census is the only source of detailed information on professions in the labour force, how can the Prime Minister explain this obvious contradiction?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I did not have an opportunity to read the full report, part of which was published in an Ottawa newspaper this morning. But I can say that government officials have given us the opposite advice, and it was on the basis of that advice that the Minister has made the decision of which you are aware. I will be pleased to take a closer look at the report and attempt to reconcile the facts; should there be a contradiction, the appropriate measures will be taken. However, we did receive objective advice to the effect that we could proceed this way without undue concern.

• (1150)

AUTHOR OF OBJECTIVE ADVICE RELATING TO CENSUS

Mr. Don Boudria (Glengarry-Prescott-Russell): I have a supplementary question, Mr. Speaker.

Could the Prime Minister tell me and the House who gave him that objective advice, because all the information we have had so far from all interested parties in government, in the public at large, in social groups and in industry is the exact opposite?

Right Hon. Brian Mulroney (Prime Minister): The committee of Deputy Ministers which had been established on the basis of our analysis; a fair amount of the data referred to this morning can be found in monthly reports of the Department of Labour. Other data is available elsewhere on a monthly basis. The collation of this data is an important responsibility of the Minister and some of his Cabinet colleagues. I should think that the Deputy Ministers did consider those facts before providing us with the data in question. I can assure my colleague that I will again look into this matter and discuss it with the Minister who will certainly get back to the Hon. Member.

[*English*]

AGRICULTURE

FLOOD DAMAGE COMPENSATION FOR FARMERS IN NORTHEASTERN SASKATCHEWAN

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, during their unsuccessful invasion of Prince Albert the Conservatives promised that they would relieve all of the farmers' financial problems. My question is directed to the Minister of Agriculture. Last week the Minister of Agriculture indicated that the request for aid to the disaster-ridden farms of northeastern Saskatchewan was before the Treasury Board. Since his Government and the Hon. Member for MacKenzie have promised this aid, will the Minister tell the House the present status of that proposal? Will he confirm that the amount to be paid will be $16 million, which is what the legislative level would be in provincial pay-outs of that kind?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I welcome the opportunity to respond again to that question. It was put to me last week, at which time I indicated that I had been to western Canada. I discussed the matter with my provincial counterparts, particularly with the Minister in Saskatchewan. I indicated in my response last week that we had prepared a submission and that it had gone to Treasury Board. When I met with my provincial counterparts, we agreed that perhaps we should enter that project on a 50/50 cost sharing basis. The minister from Saskatchewan agreed. That is exactly where we are at the moment.

Mr. Hovdebo: The promise was three to one.

* * *

WESTERN GRAIN STABILIZATION ACT

PAYMENTS MADE TO FARMERS

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, my supplementary question is directed to the Minister responsible for the Wheat Board. When can we expect payments from the Western Grain Stabilization Fund, which should have been made already? Also, when can we expect a change in the formula which would allow further payments from the Western Grain Stabilization Fund?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I thank the Hon. Member for his question. If he goes home this weekend he will find that the cheques for the final payment are in the mail. They were put in the mail on Wednesday. I am sure that some of his neighbours will have them by the time he gets home.

Some Hon. Members: Hear, hear!

Mr. Mayer: This leads me to address the concern that all of us have over providing enough financing for farmers to get their crops in the ground next spring. We intend to do everything we can to have an interim payment in their hands prior to next spring. We will not be fooling around like the previous Minister did. We will get some action.

Some Hon. Members: Hear, hear!

* * *

ENVIRONMENTAL AFFAIRS

UNITED STATES SULPHUR EMISSIONS—CHEMICAL POLLUTION OF NIAGARA RIVER

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Minister of the Environment or whomever wishes to reply in her place. It has to do with a meeting that is to take place in a very short time with her U.S. counterpart, William Ruckelshaus, the head of the Environmental Protection Agency. What arguments will be used by the Government to convince the U.S. administration of the necessity of cutting millions of tonnes of sulphur that are being dumped by the Americans on Canadian lakes and forests? Also, what arguments will be used to persuade him to take immediate action to halt the flow of chemicals into the Niagara River and Lake Ontario?

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I thank the former Minister very much for his question. I assure him that the Minister has had discussions regarding this very important question. I am pleased to take his very specific question to the Minister for her response on her return to the House.

* * *

DISARMAMENT

ARMS CONTROL VERIFICATION TECHNIQUES—CANADIAN ROLE

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, I wish to address this question to the Secretary of State for External Affairs. In view of the Canadian people's hopes for limiting nuclear weapons being raised by the announcement that the United States and the Soviet Union will return to the bargaining table, and in view of repeated disappointments over the years with previous arms control talks, will the Minister consider calling on both superpowers to commit themselves to continue their negotiations until adequate agreements have been reached and, to show Canada's good faith, will the Minister assure the House that the Government does not plan to reduce its current expenditures on researching arms control verification techniques?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I can give the assurance that the Government of Canada intends no reduction in our current level of expenditures on arms control verification techniques. I welcome this opportunity, and I am sure all Members of the House of Commons join with me in urging both superpowers to pursue the discussions and negotiations, which have been so recently renewed, relentlessly and with the knowledge that the

people of this country and the people of the world are waiting and looking for some break in the deadly buildup of armaments on both sides.

Some Hon. Members: Hear, hear!

* * *

MEDICAL CARE

GOVERNMENT'S FINANCIAL CONTRIBUTIONS TO PROVINCES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. As the Canadian Health Coalition is meeting this weekend regarding health concerns in Canada, will the Minister guarantee that federal financing to the provinces for health care will not be chopped by his Conservative Government?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I assure the Hon. Member that this Government, and the Prime Minister has stated this many times, views health care as a program that is not only a sacred trust but one that we will maintain. It is a universal program. We have no intention to follow the suggestion made by the Hon. Member in her question.

PREVENTATIVE COMMUNITY HEALTH DELIVERY SYSTEM PROPOSAL

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, what initiatives will the Minister take to begin to move into a preventative community health delivery system for health care, which would be far more cost effective in the long run?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member is correct in putting forward that proposal. There are many areas that we can work on jointly. There have been reports in recent days in terms of tobacco and its effects both on smokers, and secondary smoking, the question of alcoholism, and the question of fitness. Obviously the long term preventative health care benefits are a great quality of life and a return in terms of the Treasury, short term or not, in terms of financial aspects. I welcome the Member's encouragement. We are obviously moving in that area as quickly as we can.

* * *

PENITENTIARIES

INSTALLATION OF CABLE TELEVISION AT MATSQUI PRISON, B.C.

Mr. Benno Friesen (Surrey-White Rock-North Delta): Mr. Speaker, my question is directed to the Government House Leader, who is answering on behalf of the Solicitor General today. While the unemployed see the world coloured in grey, the inmates at Matsqui prison will see it in living colour because the Government is installing cablevision there. Is this an expenditure that was allocated by the previous Government, or is it a more recent one? If the country is supposed to face cut-backs fairly across the land, would it not be good to include this as an element of fairness?

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, in response to the Hon. Member's question, this installation took place before the last election. There is a provision, though, with respect to the installation of cable into the prison whereby the inmates will pay for their own television sets and bear part of the cost of this installation.

• (1200)

If the Hon. Member wishes any further information, he can direct his question to the Solicitor General who will be returning this weekend and will be able to give him specific details with respect to costs.

* * *

CLERK OF PETITIONS' REPORTS

REQUESTED AMENDMENT TO FORMER BILL C-47

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Richelieu (Mr. Plamondon) on Thursday, November 22, 1984, meets the requirements of the Standing Orders as to form.

NUCLEAR-WEAPONS-FREE ZONE

Mr. Speaker: The petition presented by the Hon. Member for Winnipeg North (Mr. Orlikow) does not meet the requirements of the Standing Orders as to form.

* * *

[*Translation*]

PRIVILEGE

EVENTS OCCURRING IN STANDING COMMITTEE ON NATIONAL RESOURCES AND PUBLIC WORKS

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, yesterday's occurrences in the Standing Committee on National Resources and Public Works, to which I referred earlier during the oral question period, were a breach of my rights and privileges as a Member of this House.

Mr. Speaker: I have a bit of a problem here, because the Hon. Member is now referring to something that happened yesterday in committee. No, no, no. He referred to it during the oral question period, I agree, but he was referring to something that occurred yesterday. I assume the Hon. Member is aware he is entitled to give me notice of a question of privilege, but I must be given one hour's notice, and I think the question of privilege he is raising now does not arise from events that occurred during the oral question period.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I shall do as you suggest. In any case, you now have been advised verbally of my intentions. I will make sure you are sent notice in writing, and I reserve the right to raise a question of privilege on Monday.

Mr. Speaker: The Hon. Member knows he has that right.

ROUTINE PROCEEDINGS

[*English*]

PETITION

CAPITAL PUNISHMENT—PAROLE PROCEDURES

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): Mr. Speaker, I have the honour and duty to present to this House a petition from the residents of Napanee and area who call upon this House to address the issues of capital punishment, mandatory supervision release and parole procedures.

* * *

BORROWING AUTHORITY ACT, 1984-85 (NO. 2)

MEASURE TO ENACT

Hon. Barbara McDougall (Minister of State (Finance)) moved for leave to introduce Bill C-11, an Act to provide borrowing authority.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, I would ask that all questions be allowed to stand.

Mr. Speaker: Shall all questions stand?

Some Hon. Members: Agreed.

Supply

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—FINANCIAL NEEDS OF CANADIAN FARMERS

Mr. Vic Althouse (Humboldt-Lake Centre) moved:

That this House urges the Government to take immediate action to address the financial needs of Canada's farmers by immediately:

(1) declaring a moratorium on bankruptcy and foreclosure proceedings;

(2) establishing a debt review agency to act as a neutral third party between borrower and lender with power to change repayment schedules and to reduce the accumulated interest; and

(3) setting out a clear mandate for the Farm Credit Corporation in order that it can make viable, low-interest loans through Agribonds or other means for farmers, including such financing for operating credit over the first five years of the loan,

and further, that a farm incomes policy based upon a guarantee of production costs for domestically used farm products be implemented to provide parity pricing for Canada's farmers.

He said: Mr. Speaker, I rise in support of the Opposition motion that has been put today. Our motion recognizes the extreme hardship in which Canadian farmers have been placed over the last several years.

This is not a situation that has suddenly faced us. It has taken years for this situation to develop. It has taken years of neglect by the public sector and, I suspect, years of neglect by the consumers of Canada as well. At any rate, right now in November, 1984 we are faced with a situation in which one in five of the viable farms of this country is facing severe financial hardship. For most of these farms, the situation will end in either bankruptcy or foreclosure.

The information that we have now departs radically from the information that we were being fed through official sources during the past year. A year ago the banks pooh-poohed the circumstances of Canada's farmers. Bankers said: "Oh, it is not so bad as all that. Perhaps only 5 per cent of farmers are in trouble". Even the then Minister of Agriculture suggested that perhaps the banks' estimate was just a bit low.

We now have a report prepared by the Farm Credit Corporation which did a fairly thorough survey of farms. The Farm Credit Corporation reports that in fact a total of some 39,000 or almost one in five farmers are indeed in severe financial distress. The report defines that by pointing out that a farmer is in severe financial distress when interest payments exceed 40 per cent of a farmer's total sales revenue or when the net worth of the farm is less than 15 per cent of its total assets.

That criterion is not particular stringent, Mr. Speaker. I am sure a great many farmers whose interest payments exceed 30 per cent of their total sales revenues are also having great difficulty surviving and I am sure that farmers whose net worth is 20 per cent or 30 per cent of their total assets are also facing great difficulty. However, using that criteria, the Farm Credit Corporation has arrived at a figure of nearly 20 per cent of farmers who are in difficulty.

As of October, there were 465 official farm bankruptcies. That is up almost 20 per cent from the same period last year. More important, the total debt load of farmers continues to increase. It is now in excess of $21 billion, an increase of $1 billion over last year. In addition to that, the assets farmers have to place against that debt load have been reduced by $4 billion, indicating that machinery is depreciating and not being replaced but mostly indicating that land values are going down in response to the economic realities facing farmers.

I have been raising this question in the House for the last four years, ever since I became a member of the House of Commons. I must repeat again something I have repeated many times in this House because there has been no change in the situation. In 1974, 10 years ago, the net income of Canadian farmers was $3.5 billion. This year, in spite of inflation and in spite of the fact that the cost of running a farm has gone up by more than three times, we are looking at an expected net farm income of $3.4 billion. While the rest of the economy has been able to keep up with inflation to some extent by keeping incomes in line with costs, farm net income has taken a real cut of 300 per cent. Farmers have one-third the net income they had in 1974. No wonder farmers are in great difficulty.

I submit that knowing that, Hon. Members must take quick and immediate action. For that reason, we have proposed for debate and I hope for the serious consideration of Government members today the immediate declaration of a moratorium on bankruptcy and foreclosure proceedings. There should be a moratorium on not only those proceedings that are under review by the Farm Credit Corporation. The Minister has already placed a moratorium on those few hundred bankruptcies until January 15, 1985. After that point in time there is no clear indication from the Government where those particular farmers will go. The Government will have seen them through Christmas and have avoided the embarrassment of pushing farmers off their farms during the Christmas season. However, there is no indication what the Government is proposing to do after January 15.

• (1210)

We feel it is time for the Government to take immediate action and establish the debt review board, which was often mentioned during the election campaign. The Government should establish the debt review board to act as a mutual third party between borrowers and lenders. The Bank Act, which was passed in 1981-82 with the concurrence of both the Liberal and the Conservative Parties, no longer gave consideration to farmers. Banks decide when a bankruptcy should occur. The banks place the receivers into position. In effect, the receivers are working for the banks. Therefore, farmers feel that there is no recourse. There is no third party in the process, which is mutual. The farmer is always short-changed.

To begin with, farmers do not have enough money. They cannot afford to hire a lawyer—if a lawyer can be found who will act against the banks. In addition, lawyers could not be certain of payment and are therefore loath to take on such cases. It is clear discrimination, which has placed great pressure on farmers and their families. I think it is time that we recognized the pressure which has been placed on the people in rural areas.

The people who are isolated are the farm wives. They are the partners in the farms. In many cases they have no one to talk to other than their husbands. Over the last four or five years, some of them have recognized the great pressure which they and their families are under. Some of them have set up network groups which have become prominent in various parts of Canada. There is a group in Prince Edward Island, one in eastern Ontario and another in the Grey-Bruce area. In addition, some have developed on the Prairies. The National Farmers Union has a special women's group which has looked into these problems over the last number of years.

The problems which emanate from the financial pressures show themselves in several ways—many of which are predictable. Those pressures often result in drinking and family squabbles which may involve the beating of spouses and children. There is no place for these people to turn for help. Often the pressures result in murder and suicide.

The amount of income available to farm families has been reduced from the 1974 period, when over 40 per cent of the sales which the farm made resulted in net income. At the current time, approximately 15 per cent of total sales may result in net income. There is great pressure to produce more and to sell more. Meanwhile, the costs have increased three to four times since 1974. Essentially, farm families are being asked to live on the same income which they had ten years ago.

This situation is not forced on any other group, yet the Government and the provinces—because the provinces have some jurisdiction in this area—have not taken proper account of the terrible pressures under which we have placed these people.

As the resolution indicates, immediate action must be taken to put in place a moratorium which will provide a third party to review cases in order that they can be dealt with clearly and fairly. There must also be a clear mandate given to the Farm Credit Corporation, hopefully before January 15, in order for it to be able to handle these cases and provide the means to set out repayment schedules that will make it possible for farmers to remain in business. Otherwise, Canada will lose 20 per cent of its rural population over the next year and we will no longer have viable organizations in rural Canada.

This resolution also calls for the Government to set out immediately to attack the whole farm incomes problem by implementing a system of guarantees for production costs on domestically-used farm products. Steps have been taken in this regard with several products. Eight or ten years ago guarantees were implemented for dairy farmers. Dairy farmers receive a guarantee on the cost of production of an efficient unit for their milk and the milk that goes into other dairy products. A similar arrangement has been established for products which are included in national marketing plans with supply management. Egg producers receive a guarantee on their basic production costs as part of their pricing formula.

Poultry producers, who produce broilers or turkeys, also have a similar set of guidelines and rules for establishing their prices. However, for the remainder of the commodities produced in rural Canada, the market has produced very low returns for farm families.

The inadequacies of the market indicate that immediate stabilization programs are required to recognize the cost of production as a base for the pay-outs, rather than an inadequate market, which is the current method of deciding whether pay-outs under stabilization should be made. There must be either a change to the stabilization programs or a change in the marketing systems to ensure that producers will be guaranteed the full cost of production for the products which will be sold.

I have outlined the resolution quite briefly and succintly. I could spend all afternoon discussing the way this situation has been affecting farmers and their families. However, I will only mention one very typical case. There are many more cases listed in the Farm Credit Corporation's study which are very similar to this case.

This case is not as emotionally telling as some, because the young farmer involved is not married and has no dependants. However, it will give an idea of the kind of pressures that have been created and the kind of giving that has occurred in farm families. In this particular case, the parents provided a security of a half section of land for their son, along with $130,000 to enable him to buy additional land. The irony is that he had the assistance of an agriculturalist from one of the banks helping him set up his operation. They took the half section of land and the $130,000 and purchased nine quarter sections of land in northern Saskatchewan. It was agreed that he would pay approximately $75,000 twice a year as payment and interest. Why an agricultural specialist would make that recommendation I do not know. It is virtually impossible to generate those kinds of funds with that size of operation. However, the farmer and his parents were told that it was a viable operation.

● (1220)

Predictably, after having run the operation for two and a half years, and having paid this extra $400,000 to the bank, they are now losing everything. There goes a lifetime of work for the mother and father who have no retirement funds because their land and money were given as security in order to help their son. That family has now lost everything it had for two full generations. That is just one of the less unfortunate stories we could tell here.

Action must be taken immediately, Mr. Speaker. I urge the Government to declare a moratorium not just on Farm Credit Corporation cases which are in front of it, but an immediate moratorium on all bankruptcies and foreclosure proceedings until such time as an incomes policy can be brought forward which will ensure that farm families can survive in this country of ours. If something is not done, about 20 per cent of them will be forced into bankruptcy within the next year.

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

Ms. Mitchell: Mr. Speaker, I was very interested in the comments of my colleague, the Hon. Member for Humboldt-Lake Centre (Mr. Althouse), regarding the situation of farm women, having talked to a number of these women in my contacts with women's groups across the country. The Hon. Member referred particularly to the isolation of women who are living in rural areas and carrying a very heavy work load. I am told that with the increasing economic stress, it is not unusual for farm women not only to carry on the traditional role of wife and mother and help with the farm work in peak seasons, but to carry another load, either part-time or full-time work in town, in order to pay off debts or to provide cash flow during tough times.

Could the Hon. Member indicate whether or not this is becoming a fairly general situation? This is more evidence of the stress rural families face, particularly rural women. Could the Hon. Member also indicate whether there is any trend now to provide more financial recognition of the contribution of farm women? I am particularly thinking of the situation where farm women have an income as, perhaps, a member of a company, or an employee. Is there a trend towards splitting pensions as well?

Mr. Althouse: Yes, Mr. Speaker, I can report that the number of farm wives who have off-the-farm jobs has always been fairly high and has increased substantially over the last number of years. I do not have accurate data in front of me but I do know that there is a statistically significant increase of off-the-farm jobs for farm women. This creates further pressure within the family.

It attempts to alleviate some of the financial pressure but it means that child care has become the responsibility of the family. Often times in rural areas there are no day care facilities available. It is quite common for pre-school children, in particular, to accompany their father around the farm as he does his farm work. They ride in tractors and occasionally get hung up in grain-moving or haying equipment. There are reports virtually every harvest season of children being killed or maimed in that type of equipment. This happens in part because one of their parents has to work off the farm and the remaining spouse is left to do the farm work and look after the children at the same time.

Facilities for day care in rural areas are virtually non-existent unless there is a grandmother or an in-law to help look after the children. In many cases, however, the financial situation has reached a point where most of these persons are putting their shoulder to the wheel as well, trying to keep the farm operation going by doing farm work.

Mr. Hovdebo: Mr. Speaker, would my hon. colleague comment on one part of his motion, which is the reduction of accumulated interest and the change of payments. This accumulated interest appears to be a major problem. Does the Hon. Member have any comments as to what can be done?

Mr. Althouse: Mr. Speaker, I believe this is one of the key powers which a debt review agency must have when it sets itself up between the lender and the borrower. It must be able to extend the repayment schedule, but even that is not enough power. It must also be able to set aside some of the accumulated interest.

The reason most of these farmers are in financial difficulty generally goes back to the extremely high interest rates which existed in 1981 and 1982. Some of these people were paying 22 per cent to 24 per cent interest. That interest accumulated and they had to borrow in order to keep paying the interest on the interest. The banks, in my opinion, have been fairly adequately compensated with those interest rates. I feel that in the interests of keeping the Canadian agricultural economy going, a debt review agency should have the power to reduce some of that accumulated interest as part of the repayment scheduling which is set out as an answer for the particular problem with which it is dealing.

The Acting Speaker (Mr. Charest): If there are no other questions and comments, we will move on to the next speaker.

[*Translation*]

Mr. Gauthier: Mr. Speaker, it is customary and almost a tradition that in a debate of this kind, the Official Opposition is entitled to present its comments; the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) was ready. However, I understand that the Minister of Agriculture (Mr. Wise) has an important engagement this afternoon, and we agree to allowing the Minister to rise in the House before the Member for Glengarry-Prescott-Russell.

The Acting Speaker (Mr. Charest): Thank you. The Hon. Minister of Agriculture.

[*English*]

Hon. John Wise (Minister of Agriculture): I would like to express through you, Mr. Speaker, my appreciation for the co-operation given to me by the Hon. Member for Ottawa-Vanier (Mr. Gauthier) and, particularly, to my long time friend and acquaintance, the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria). Indeed, we are not setting a precedent. I acknowledge on the record that I am speaking second only through the kindness and courtesy of my colleagues across the floor. I appreciate their co-operation because it will allow me to keep my commitment to meet with some farm organizations later this afternoon.

I would like to congratulate the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) for bringing forth his motion today. It provides us with, I would say, one of those all too few occasions in the past, when we can discuss important issues in this Chamber and bring these problems to the attention of other areas across the country. I think we would all have to agree that, if past records were looked at, it would be found that the occasions were all too few when we could bring to the attention of the House, to the Government and, indeed, to the country, the serious problems which we face in the agri-food industry.

Having made those comments, Mr. Speaker, I would like to say that as Minister of Agriculture I represent roughly some 318,000 of the most important businessmen and women in this country. These 318,000 persons make a significant contribution to the Canadian economy. They are Canada's 318,000 farmers.

• (1230)

Together our farmers form the basis of an agricultural industry that generates about one-sixth of all economic activity in Canada. It is a giant industry with a huge growth potential. It is also an industry with some very, very serious problems, the most serious of which is low and declining farm income. Out of 318,000 farmers it is estimated that a relatively small but very significant number, perhaps as high as 17 per cent, are experiencing serious financial problems. This fact, revealed in a recent survey by the Farm Credit Corporation, is distressing, particularly so because these financially troubled farmers tend to be younger operators. They are bright young people who started or expanded their operations during the optimistic 1970s. The FCC survey also showed that generally these farmers, the ones with low equity and a high debt burden, are among the most productive, indeed the most efficient, producers that we have. These people we will depend on for abundant supplies of food in the future. As a matter of public policy we cannot afford to lose tomorrow's farmers to today's high production costs.

The federal Government recently announced a number of steps to help strengthen the farm sector. First we have the three cents per litre fuel tax rebate for gasoline and diesel fuel purchased for off-farm highway use. In addition, a further rebate of 1.8 cents per litre will be given to offset the increase in the petroleum compensation charge. These rebates will put between $90 million and $100 million into the hands of Canadian farmers next year. This will help a great deal to lower farmers' production costs and improve their profit margins.

Secondly, Mr. Speaker, Parliament will soon be considering several major agriculture taxation issues. Hopefully the Government will be able to act on the results of the parliamentary study for the next fiscal year. The third priority is the establishment of a new voluntary stabilization plan for red meat producers, a plan that would help the producers remove the peaks and valleys in their income and help them raise cattle with greater assurance of longer term profitability.

More important than all these initiatives is the Government's commitment to deal with the immediate financial difficulties of this nation's farmers. This has been the focus of most of my work since being reappointed as this country's Minister of Agriculture some two months ago, and it will continue to be at the top of my priorities in the coming weeks.

It was suggested by the Hon. Member for Humboldt-Lake Centre that the federal Government should declare a moratorium on bankruptcy and foreclosure proceedings. I am afraid he

is a couple of weeks late with that suggestion because two weeks ago I instructed the FCC to suspend loan foreclosures until early next year. This action gives the Government time to take a closer look at the farmers' problems and, more importantly, decide what programs would offer reasonable solutions and be affordable at this time when our resources are extremely limited. To extend such a moratorium beyond the FCC so as to apply to all bankruptcies and foreclosures would require an Act of Parliament. Moreover, it could very well have the effect of jeopardizing the private farm lending market.

I remind the Hon. Member of the moratorium on farm bankruptcies more than 50 years ago during the great Depression. That action drove away virtually all private sources of farm financing and eventually resulted in the establishment of the FCC. It was not until the 1970s, some four decades later, that the banks again became active in long-term lending to farmers. Insurance companies, I might add, were so soured by this experience that they still have not returned to the farm financing market. That is a lesson we should not forget.

At the same time I point out that the Canadian banks deserve credit for their efforts to be accommodating in at least those cases where the lender believes there is a promise of good management to rebuild farm equity. The banks are not getting much publicity for these actions but every week private lenders are writing down farm loans, believe it or not, and some of us who are involved in cases between our constituents and the lending institutions will have to face that. Not everyone is cut out to be a farmer, Mr. Speaker. Nor can all farmers facing bankruptcy and foreclosure be saved. Let us face the facts. A farm is a business and must be able to compete. There are potentially good operators who just need some time to get on to firmer financial footing and there are others who will always keep sliding backwards.

I have met with the provincial Ministers of Agriculture to discuss the alternatives for helping those farmers who can be saved. On November 7 and November 8 we met in Toronto to review the report of the task force on farm finances. A number of proposals came out of that meeting and they include extending the FCC's special Farm Assistance Program to provide debt consolidation loans and interest reduction to farmers in difficulty; expanding the advance payments for crop legislation to areas beyond that covered by the Canadian Wheat Board; establishing a registered farm investment fund; extending the Small Business Bond Program to 1989; permitting farmers with bonds coming due to negotiate new bonds; and amending the Farm Improvement Loans Act to allow for fixed rates of interest on intermediate term credit. We discussed a number of proposals that would involve changes to the Farm Credit Act and we discussed ways of improving co-operation with our private lenders.

Although a number of other proposals were considered, the common thread running through all of our discussions was the need for co-operative action. The solution to the farm credit problem in Canada does not lie solely with the federal Government or the provinces or the lending institutions. We must all work together co-operatively to ensure the future of Canada's food supply.

During the election campaign a number of commitments were made to the farmers of this country and I have already discussed the action which has been taken on several of them. The 4.3 cents a litre rebate on farm fuels will offer Canadian farmers about $100 million next year in tax relief. We promised tax relief on farm fuels and indeed we have delivered. In the Minister of Finance's economic statement there was reference to Section 31 of the Income Tax Act, the capital gains tax, and the subject of agri-bonds, all of which were referred to a parliamentary committee for study. It should be noted, however, that any changes to these tax measures will be retroactive to the 1984 tax year. Again, we are moving along on our commitments.

As well, the Hon. Member for Humboldt-Lake Centre has called for the establishment of a debt review agency. During the election campaign my colleagues and I recommended the establishment of a farm finances review board to act as a neutral third party between the borrower and lender. However, to establish such a review board legislation is required. I would also caution the Hon. Member that the establishment of a debt review board agency would have to be done carefully and responsibly. If not, we could run the risk, as in the case of the broad moratorium, of scaring private lenders out of the marketplace.

We have, Mr. Speaker, taken several other actions towards the fulfilment of our commitment to improve the financial situation of the Canadian farm community. My colleague, the Minister of State responsible for the Canadian Wheat Board (Mr. Mayer), has announced a final payment of $123 million under the Western Grain Stabilization Act, bringing the total payment for the 1983-84 crop year to $223 million. This payment was welcomed by western farmers and is a positive step towards relieving some of the financial pressures which they are experiencing.

• (1240)

We have announced assistance in the order of $60 million under the Canada-Alberta-Saskatchewan-Manitoba Prairie Livestock Drought Assistance Program. This federal-provincial program will help producers maintain their livestock herds in the face of serious drought problems experienced this year. By assisting the farmers in these areas to maintain their existing herds, we have made the coming years more secure for many farmers.

During the election campaign we promised to include tobacco in the National Farm Products Marketing Act to allow farmers in the tobacco industry a marketing board with supply management powers if they so choose. Yesterday I was happy to see that all Members of the House were co-operative in giving the Canadian tobacco producers that option. I hope that the Senate will act in the same manner.

Another commitment which we are fulfilling is the one made to the Ontario grape producers. In concert with the Province of Ontario we are working toward fulfilling the

commitment to purchase Ontario grapes. During the election campaign we spoke of the need for fair and equitable treatment of all commodity groups across Canada. We pointed out that in the case of advance payments the previous government doubled payment levels for western grain but neglected commodities in the other parts of Canada. As I indicated earlier, we are moving through the normal channels to introduce amendments to the Advance Payments for Crops Program.

We have also recognized the deficiency of the Agricultural Stabilization Act and have recognized that tripartite stabilization offers the best opportunity for improvement. Again, we are moving ahead with that commitment and I hope soon to be able to bring this legislation forward. When I say soon, I mean within a matter of days.

With a $35 billion deficit hanging over our heads this year, it is important to recognize the fact that the manoeuvring room of the Government is severely limited. For this reason, it is incumbent on all of us, as responsible representatives of the Canadian public, to ensure that any expenditures are carefully weighed and considered. We are committed to developing fiscally responsible methods of assisting the agricultural community.

I have only touched on a number of the areas in which we have made significant progress in the very short time that I have been in office. With regard to some of the suggestions that were raised by my hon. friend, the Member for Humboldt-Lake Centre, I can assure him that in the very near future we will be in a position to make some very major and significant decisions as to what we can do with and without legislative authority and what we can do in the best interests of Canadian agriculture with the resources we have available to us.

Mr. Benjamin: Mr. Speaker, the Minister of Agriculture (Mr. Wise) is such a thoroughly nice and decent man that I can hardly get over his being so hard-hearted. There was a previous 1.8 cents a litre refund on farm fuel tax. The Minister's Government has raised that by another three cents which will be collected from the farmers. As I understood it, the Government is then going to pay rebates of $90 million to $100 million, unless the Minister plans to give all the farmers a blanket exemption from paying the tax in the first place.

Is it not correct, Mr. Speaker, that that is not new money for farmers? They are either not going to pay a tax or they are going to get a refund on a tax they have already paid. Therefore, there is no additional money there.

My second point is about the grain stabilization pay-out of $123 million or $130 million. Once again, that is the farmers' own money. The farmers have already contributed over $300 million into the grain stabilization fund and the Government is not going to give them even that much back. What is the Government doing with the farmers' money? There is nearly $1 billion in the grain stabilization fund and the Government is going to give them back $130 million. That is not additional money from the Government. It is not costing the Government anything. Why is there such a low pay-out from the grain stabilization fund? At least give the farmers back their own money, which amounts to more than twice as much as the Government now proposes to give them.

Mr. Wise: Mr. Speaker, I cannot assure the Hon. Member that my response will be completely accurate with reference to his first question regarding the farm fuel rebate tax. However, it is my understanding that that tax is taken off from the source so it is in fact of significant benefit to Canadian farmers. A number of people have made representations that it would be better to do away with the rebate process as well. However, if one looks at the mechanics involved one will see that we can hardly get out of the rebate business and ensure that the tax savings will flow to the primary producers, the people in mining, fisheries, or forestry. At the moment that appears to be the only tax method which can be utilized by the Government to ensure that some $100 million will flow to the benefit of Canadian farmers.

The Government is determined to maximize every opportunity, with the financial resources which are available to it, to ensure that every possible benefit does flow to primary producers. In the opinion of the Government this is the best way to approach the matter. If this were tallied up, I believe it would show a benefit to Canadian agricultural producers in the vicinity of 25 cents or 26 cents a gallon.

Mr. Benjamin: It makes them no better off.

Mr. Wise: The Hon. Member says that it makes them no better off. I cannot agree with him because if we had made a decision not to carry on with the rebate program or not to introduce these two new measures, then they would be worse off by about $100 million. That is not what we want.

The Hon. Member said that the western grain stabilization plan is a very good plan, as we all know. We know that farmers contributed one-third into the plan. One-third of any payments made out of the fund would be producers' money. However, I well remember the debate which took place last June during the committee hearings. An amendment was made last year to allow an interim payment to be made. I attended that committee hearing and my colleagues and I introduced an amendment which indicated that that amendment should not be only a one-shoat deal but should become a permanent feature of that Bill. All the members on the committee agreed that it should not be a one-shot deal but should authorize the Minister to make an interim payment in years thereafter.

Even though we were united in that the government of the day rejected it and we are now back in the situation—

Mr. Benjamin: Will you bring it in again?

Mr. Wise: You have heard me talk about it in earlier speeches. You have heard my colleague, the Minister of State for the Canadian Wheat Board, give a very positive indication. We are looking at every possible way in which we can provide financial benefits to Canadian farmers. Given the limited resources that we have, we must look at the western grain

stabilization fund as a way to deliver additional dollars to farmers in the spring of the year to enable them to improve their financial position to buy—

Mr. Hovdebo: Is Eugene Whelan back in town?

Mr. Wise: He turned it down. We are not turning it down. We want to enable the farmers to buy fertilizer and seed and to enhance their position to secure operating credit from traditional lending institutions.

• (1250)

The Acting Speaker (Mr. Charest): The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria). I remind Hon. Members that there are approximately four minutes left for questions and comments.

Mr. Boudria: Mr. Speaker, I will be very brief in my question to the Minister. It concerns agricultural issues in eastern Ontario.

Could he enlighten us about the state of the new Canada-Ontario agreement which I understand is under negotiation between himself and his colleagues in the Ontario Government? The previous agreement expired earlier this year and it had serious repercussions on improvements in the area of tile drainage for farm land in eastern Ontario.

The Minister has just related the cordial state of relations between himself and Mr. Timbrell of Ontario. Perhaps he could explain to the House the status of the new Canada-Ontario development agreement. Has the subsidiary agreement for agriculture been signed yet? What is the status of those projects?

If and when the agreement is signed, will it include a component to improve farm drainage? In eastern Ontario, I believe that the key to improvements in agriculture is the improvement in tile drainage. That is really the only way that we can become competitive with farmers in other parts of the province and the country.

The Minister, being an Ontario farmer himself, will be knowledgeable about this issue and perhaps he could enlighten the House as to the progress in this respect.

The Acting Speaker (Mr. Charest): I would remind the Hon. Minister that he has approximately two minutes.

Mr. Wise: Mr. Speaker, I appreciate the Hon. Member's question. I have some appreciation for his concern, particularly with reference to the part of this province that he represents. I am aware of the importance of the agreement because I can recall travelling to Kemptville when we were in government in 1979 and indeed signing the agreement.

As an old municipal politician, I have an appreciation of the importance of farm drainage. I must apologize to the Hon. Member that I cannot give him an exact, accurate update as to where we now stand with reference to the agreement or the subagreement. However, I would invite him to call my office where my officials would be very happy to brief the Hon. Member on the status of the eastern Ontario agreement. That is, whether or not a subagreement has been signed.

I think something must have progressed because when I met the farm leaders of eastern Ontario last Tuesday, I believe, in their documentation one of the members applauded us for taking immediate action in providing funding for that agreement. They were extremely appreciative, so we must have made some type of progress.

The Acting Speaker (Mr. Charest): The ten-minute period for questions and comments is now over.

Mr. Boudria: Mr. Speaker, I would simply ask you for some guidance. Since there are only five minutes left, and in the same spirit of co-operation that we demonstrated approximately half an hour ago, I wonder if you could call it one o'clock. At the resumption of the House this afternoon, I would be able to make my remarks in full instead of their being split up.

The Acting Speaker (Mr. Charest): Is it agreed?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Charest): We will consider it one o'clock. It being one o'clock I do now leave the chair until 2 p.m.

At 12.54 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Charest): When the House rose at one o'clock the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) had been given the floor.

[*Translation*]

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I notice that you had some trouble recalling the rather lengthy name of my constituency. I can assure you you are not alone, since even some of my colleagues have the same problem. I am sure that in time, all Hon. Members will find it a bit easier to remember.

[*English*]

It is a pleasure today to speak on behalf of our Party in this debate on the state of the agricultural industry, and more particularly on the need to act urgently in revising certain procedures, such as imposing a moratorium on Farm Credit Corporation interest rates, debt review and other issues involving the agriculture sector.

Before we discuss those issues, I think it important for us to reflect on what has happened in the agricultural industry and elsewhere over recent years. Of course, some of the problems we have in agriculture relate to the high interest rate cycle that we have had recently, but there are other causes as well. For instance, I am sure you will agree, Mr. Speaker, that the

very low commodity prices to which farmers are subjected and have been subjected in recent years are certainly cause for great concern. Much of the cause for low commodity prices relates to the international situation and the subsidies other countries provide for their agricultural products.

In this respect one can look to the European Economic Community and to the United States of America, both of which have created downward pressure on farm commodity prices in Canada because we live in a global village.

How do we solve the dilemma? The previous government attempted to have price stabilization programs, market sharing quota systems and so on. By and large, where those systems exist they have had a meaningful impact on assisting farmers through the very difficult situations in which they live. But more has to be done, particularly now that we are picking up after the economic recession.

We notice that agriculture is much slower to recover than other industries but there are reasons for this. Agriculture is a very capital-intensive industry. It has often been said in the past that farmers live poor and die rich. A new variation of that is that in recent years farmers lived poor and, unfortunately, died poor even though they have all the riches of the farm, the implements and everything that goes with the farm operation. This has created a very difficult situation.

● (1410)

In an attempt to redress some of this, during previous elections the former government enumerated a few select programs which we felt could be achieved in the reasonable future. We felt those programs, if adopted, would assist this country's agricultural community.

The present Government has made quite a few promises. Those promises were not only in the area of agriculture. There were 331 promises made, out of which 20 were in the area of agriculture. I could read them all into the record today, but I am sure Members do not want to be subjected to having to listen again to all those promises which obviously will not be fulfilled by this Government. However, we should think of the few promises which the Government is bound to realize in the very near future and concentrate on those.

I congratulate the Minister of Agriculture (Mr. Wise) on his appointment. He obviously has a very strong feel for the agricultural community, coming from that community, unlike his provincial counterpart in the Ontario Government who has very limited qualifications in that area. I am being generous when I say that because many people argue that the Ontario Minister of Agriculture is totally devoid of any qualifications for such a position.

It is the hope of Members on this side of the House that the Minister of Agriculture will succeed in mustering the clout required to obtain from the Minister of Finance (Mr. Wilson)—"Mike the Knife", as I referred to him a few days ago—the funds required to fulfil the 20 election promises made by the Conservative Party during the election campaign.

When we talk about the in depth review process and the moratorium Bill, we are obviously dealing with very important issues. One of my Party's Members in the last Parliament introduced a Bill on farm foreclosures. Unfortunately, that Bill was not passed. We promised to reintroduce similar legislation if elected as the government. With the present Government in power, we hope it will introduce such legislation in the very near future.

There is another aspect to the Farm Credit Corporation that we should talk about today. I do not believe it has been addressed in the motion presented by the Hon. Member for Humboldt-Lake Centre (Mr. Althouse). Nevertheless, it is a very significant issue. I refer to the delays in processing Farm Credit Corporation applications. As Hon. Members know, justice delayed is justice denied. Of course, a benefit delayed is also a benefit denied, in my opinion. A farmer applying for a Farm Credit Corporation loan may be refused six, eight, ten or twelve months later and then has to go through the whole process again. That does not constitute justice, in my view.

With your indulgence, Mr. Speaker, I will take a few minutes to make Members aware of some of the hardships that have been created by delays in the Farm Credit Corporation in my constituency.

[*Translation*]

Mr. Speaker, one of my constituents wrote to tell me she had applied to the Farm Credit Corporation on April 16, 1984. She said she handed the papers to the Farm Credit Corporation officer ten days later, and that at the time, she expected to get a loan at a rate of 13.25 per cent. It seems that on June 7, 1984, when she went back to the FCC office, she found that the rate had gone up from 13.25 to 14 per cent. She was told the application she made several months previous could no longer be "entertained" and that she would have to wait. So she waited a few weeks and then applied at the Ontario regional office—I am told the office is located in Guelph—and there was more delay. A week later she phoned again and was told the officer concerned was on holiday. You can appreciate that in late June or early July farmers have a lot of other things to do besides standing by the phone and waiting for a government official to call them. They are quite busy bringing in the crops and working the fields.

Finally, it seems that she got an answer from the Farm Credit Corporation on July 16, 1984 telling her that some information was missing. Hon. Members will recall that the whole show began in April. The two allegedly missing documents had been sent to the Farm Credit Corporation on May 31. Apparently they got lost. Anyway, the documents were found two days later on July 18. We are already several months later, Mr. Speaker. And so it went on and on—I will spare you the details—until September 1984 when my constituent still had not been told by the Farm Credit Corporation whether she was eligible for a loan or not.

I am told that she has now received that answer, that she has been turned down and has now initiated the appeal

procedure. And we wonder whether the Farm Credit Corporation will provide a final answer in time for next spring. Such delays are unreasonable in my view. If for instance the farmer has to ask a bank to wait for refund payments, I am sure the bank would not wait until next spring. Nobody can afford to wait that long. Certainly if another industry was waiting for a Government loan, it would go elsewhere if it was unable to get grants within a reasonable timeframe. It is my view that farmers also should be entitled to government service within a somewhat more adequate time period.

Mr. Speaker, being from Eastern Ontario, I find it hard to discuss farming without referring to the poultry farm situation in our area. They are faced with very special financial difficulties because the various levels of Government, especially the Ontario Government and its chicken marketing board, but also the federal marketing board have cut their production on the grounds that they have not reached their quotas in the past. That matter has been dragging now since 1978 before all sorts of administrative courts, courts of justice and so on and so forth, and has not yet been settled. However, producers still have to go on making payments on their facilities, and they have to live like everybody else, without their problems being solved and without their being able to find someone to help them so they can keep on operating their farms.

This is another example of a delay which creates great hardship for the farmers of the Glengarry-Prescott-Russell area.

In closing, Mr. Speaker, I would like to draw the attention of the House to an issue which was mentioned yesterday morning by the Hon. Member for Algoma (Mr. Foster), the Liberal critic for agriculture, namely the problems of Canadian hog producers. As we all know, most of the pork produced in Canada is exported. As is the case with other farm industries, hog producers were affected by very low prices. However, they must now face a new problem, that of marketing their product, since there are many rumours to the effect that the United States will curtail their pork imports from Canada.

• (1420)

[*English*]

I would urge the Minister of Agriculture to get together with his U.S. counterpart as soon as possible with a view to ensuring that the levels of exports of pork from Canada to the United States are retained and possibly enhanced. We do not want to see the loss of those pork exports to the United States. Those exports are very meaningful, not only because of the price but because the survival of that entire industry depends upon them.

My colleague, the Hon. Member for Hamilton East (Ms. Copps), is also very concerned about some remarks that have been made in the House today by the Minister of Agriculture concerning the grape growers of the Province of Ontario. The Minister, who is not present in the House at this time, did say this morning that there would be assistance for the grape growers. I am sure all Hon. Members of the House would want to know in more detail about what kind of help would be given to the grape growers of the Province of Ontario.

In closing, Mr. Speaker, I would just like to reiterate a point that I raised this morning, and that is the need for a new Canada-Ontario development agreement. That federal-provincial agreement, particularly as it affects the part of the province in which I live, is indeed very important for the agricultural sector, particularly because of the farm drainage, farm improvement and other grants that are made available to farmers. We do not see how the farmers of eastern Ontario in particular will ever be able to compete with the farmers of the rest of the country until improvements are made to the technology and drainage of those farms. I would urge the Government to continue its negotiations with the Province of Ontario, not only so that a general agreement between Canada and Ontario is signed, but also so that subsidiary agreements as they pertain to the agricultural sector are signed, thus ensuring the enhancement of the agricultural sector of the country.

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

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, it is a particular pleasure for me to take part in this debate today. Had I not done so, it would have been the first time in 22 years that a debate on agriculture had not included the Member for Essex-Windsor. I was tempted to mark the occasion by bringing a green stetson with me! However, I have resisted that temptation. I must say as well that I have promised my colleagues that I will try to speak in both official languages, unlike the previous Member for Essex-Windsor who claimed that he did not speak either official language!

Our Party's agricultural critic has described the national farm crisis in considerable detail. He has described the credit squeeze which has been hitting farmers throughout the country and the consequences of that squeeze not only for farmers but for the small communities which depend upon farm income and indeed for farm equipment manufacturers throughout the country. He has also outlined in today's motion some of the suggested emergency measures which we feel are crucial.

What I would like to do today is deal with two additional points. First, I want to discuss the dimensions of this problem as it affects Ontario. Second, as the economic development critic for our Party, I would like to suggest some of the broader economic development questions to which the agricultural sector must relate.

The Farm Credit Corporation has recently reported that the crisis that is hitting the farmers of the country is also present in Ontario. It has been reported that 18 per cent of Ontario farmers face severe cash flow difficulties, more than in any other province with the exception of British Columbia. In addition, 5 per cent of Ontario farmers are facing moderately difficult circumstances.

These circumstances are particularly severe for those farmers who live in Huron County, Bruce County and Grey

County. It is in those counties of Ontario that the farm survival movement developed over the last few years as a demonstration of just how serious that crisis has become.

We can see this crisis reflected very clearly in the Farm Credit Corporation's 1984 report on the financial circumstances affecting farmers across the country. That report shows that the net worth of farms in Ontario has declined by 14.2 per cent between 1981 and 1984. That is far more than the 4.3 per cent decline that has affected Canadian farms as a whole. This negative impact has been particularly hard on cash-crop farms, for which the decline in net worth has been 21 per cent as compared to a .2 per cent increase in Canada as a whole. It has as well been particularly hard on hog farms for which the reduction in net worth has been 35.7 per cent while Canada as a whole has only seen a decrease of something over 12 per cent.

From an economic development point of view, what is particularly significant is that the farms that are being hit are the middle and higher-level producers, the farms that are particularly effective and efficient. In the case of middle-level producers of Ontario, the decline in net worth has been over 20 per cent. In the case of the most highly efficient and effective producers, the decline has been over 18 per cent. Both these figures are far higher than the average for the rest of the country. The result is that the average Ontario farm in 1984 is carrying over $25,000 in short-run debts as compared to just under $3,000 in 1981. In three years it represents an increase of $22,000 in short-term debt. Again, that figure is much higher than it is for Canada as a whole.

• (1430)

The result of this is evident from what has happened to farm investment in the most recent years in Ontario. There have been decreases from 1981 of 42 per cent in equipment investments, 37 per cent in new livestock investments and 33 per cent in new land purchase investments. As the president of the Ontario Federation of Agriculture has recently remarked, the result is that 65 per cent of the farm income of Ontario farmers is being used to pay interest costs.

[*Translation*]

There are also major problems in Quebec. There has been a 12 per cent decrease in the net assets of field crop producers. There has been a decrease of 17 per cent in equipment investments and of 24 per cent in new livestock investments.

[*English*]

I want to focus briefly on the situation in my constituency of Essex County. It is a relatively rich area. It is an area which has a fair mixture of products—soybeans are particularly important, tomatoes, grapes, livestock, market gardening and some dairying. Despite the richness of the area, farms in that county are being hit by increased bankruptcies. In facts, bankruptcies have almost doubled in the last year. Land prices have fallen dramatically as a reflection of that. In the case of land used by small livestock producers and those farmers who produce lambs, the value of land has dropped from an average of $2,500 per acre in 1980 to $1,500 per acre in 1984. In the case of farmers with land suitable for producing tomatoes, the reduction has been from $5,000 per acre to approximately $3,500 per acre. Many of the farmers cannot sell their land because the bottom has been taken out of the agricultural economy in that area.

The Ontario Federation of Agriculture leaders in Essex County suggest that young farmers have been hit particularly hard. Farmers who began farming in the late seventies have been forced to assume the major debts associated with starting their enterprises. It is not only the young farmers who are suffering; even the more efficient and more established, older farmers find that economically they are not able to keep their farms viable and intact.

We are very pleased at some of the initiatives which have been taken by the new Minister of Agriculture (Mr. Wise). He has established a freeze on foreclosures by the Farm Credit Corporation. That is very important in Essex County, because as recently as this past summer the FCC foreclosed on at least one farm in the area. However, not nearly enough is being done in the face of the very significant decline in the viability of the agricultural economy. That is why we have put the motion today.

I have spoken with Ontario Federation of Agriculture leaders in my constituency. Their feeling, which is quite non-partisan, is that the kind of program which we are proposing today—a freeze on foreclosures, an independent tribunal to deal with debt renegotiation, and a serious effort to refurbish the Farm Credit Corporation—is a package which would represent a very important response to the real problems which Essex County, Ontario and Quebec farmers are experiencing.

A small point which I would like the Minister to consider is the Conservative Party's commitment of the removal of capital gains tax on the sale of agricultural land. One of the points which we made during the election campaign that is worth considering is this. Rather than a complete removal of the capital gains tax, why not tell farmers that the tax will be removed if they put the money that they receive into agri-bonds under the Farm Credit Corporation? It would be a significant way by which to get the private sector and the farm sector to refurbish and rebuild the financial base of the FCC. Farm leaders in Essex County are quite willing to view that as a satisfactory alternative to the much more costly effort about which the Conservative Party has talked—the removal of all capital gains tax without those conditions.

Finally, I want to emphasize that this is not only a debate about the agricultural sector. The agricultural sector in Canada, historically and today, is a base of growth, potential prosperity and employment for the whole economy. We are not talking about a response to a special interest group or a response to a particular problem of a particular sector. It is one example of a philosophy which could be taken in an attempt to rebuild the economy. It is a philosophy which suggests that we must build on the resource base we have in Canada, not just in agriculture but in forestry, the fisheries and the mining sector.

We must make use of the resource base we have in Canada. We must build on that base and use the output from those

sectors as the input to our industrial sector to help us rebuild the industrial sector. In the case of agriculture, we should be building a much stronger and more effective food processing industry. We should revive agriculture to help rebuild the agricultural implements industry. Finally, we should rebuild agriculture and deal with the serious credit problems to ensure that small businesses in the small communities across Canada which depend on agriculture will once more have an opportunity to grow.

It is crucially important for us to deal with these problems in agriculture now. As an economist, I am shocked to see the survey figures which tell us about the major decrease in the net worth of our agricultural production land. Let us get involved in a major effort to rebuild the agricultural sector. Let us solve the cash flow problem in an emergency way and, in doing so, contribute to the rebuilding of our whole economy.

• (1440)

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

Mrs. Mailly: Mr. Speaker—

Mr. Deans: You are not in your own seat!

Mrs. Mailly: I am sorry; I shall go to my own seat. I would like to ask the Hon. Member for Essex-Windsor (Mr. Langdon) whether requiring people to funnel the profits from the sale of the farm into agri-bonds rather than letting them save completely on the capital gains would harm the freedom of the farmer to use these funds for his retirement or in some other way? Would it not put a constraint on the farmer who is selling his farm if he has to channel part of the receipts from the sale into agri-bonds in order to benefit from not having to pay capital gains?

I would also like to ask the Hon. Member if he does not feel that there needs to be another flow of investment capital towards the agri-bond other than which already exists in the farming community. In other words, should not the agri-bonds be made attractive to other investors rather than just the people already involved in farming? If there is a constraint on the disposition of the profits from the sale of the farm, being the obligation to channel some of it into agri-bonds, is that not going to restrict the flow of capital other than from the farming community into the agri-bonds?

Finally, I would like to ask the Hon. Member whether this particular constraint would also harm what we call in Quebec—

[*Translation*]

—the transfer of family farms from one generation to the next, because very often, a problem arises when parents are selling their farms to their children: when the family farm is assessed, the children cannot afford to pay a price which would enable the parents to support themselves during their retirement years. The children are then compelled to borrow on the public market, and if interest rates are too high, or if there is a limit on capital, they have a hard time taking over their parents' farm. That is why I wonder whether if we restrict the capital flow, we do not make it more difficult for children to buy their parents' farms.

[*English*]

Mr. Langdon: Mr. Speaker, I thank the Hon. Member for her questions. What our Party has said with respect to this whole area is, first, that there should be incentives for an agri-bond program. Therefore, I would start, Mr. Speaker, by saying that the interest received from agri-bonds, under our approach, would be exempt from taxation. So there would first be that incentive and that would be an incentive which would apply to farm income and farm receipts put into agri-bonds and to other capital put into agri-bonds. I expect that would be an incentive, dealing with the second concern of the Hon. Member, which is the degree to which we could get other kinds of capital flow besides that from the farming sector.

To give a little more detail with respect to farmers themselves, I would say that our approach has been that the first $100,000 of capital gains made on a farm would be completely exempt from capital gains tax. We could give that much freedom to farmers so that they could put that money into the purchase of a house in town or wherever they wanted. Beyond that our concern would be to see that there is an incentive given to see that capital which is in farming stays in farming. I believe that could be accomplished by saying that to be free of the remainder of capital gains tax, you must put your funds into agri-bonds. It is a matter of judgment, Mr. Speaker, what the impact of that would be. My own feeling from discussions with farm leaders in Essex County is that many of those people share my concern that capital in farming should stay in farming, and the system of getting tax advantages if money is kept in the farm sector is quite appealing to a significant number of farmers.

I might also say, Mr. Speaker, that what it does is meet two objectives at once. It succeeds in helping to refurbish the funding base of the FCC and it provides relief for farmers so that they are able to receive income, which in itself would be tax free because of the way we treat agri-bonds.

With respect to the third point raised by the Hon. Member, my own feeling is that this system could be adapted much more effectively to the rather complicated, informal methods of financial exchange which are involved when a farm moves from one generation to another. It would be possible without very much money actually changing hands for that change to take place with the next generation incurring a debt to the parents and the parents having that debt, in effect, covered by an agri-bond with which they would be able to avoid paying capital gains.

Mr. Fraleigh: Mr. Speaker, I welcome the indication by the Hon. Member for the great riding of Essex-Windsor of his desire to work together to solve what we on this side of the House consider to be a major problem facing agriculture. I have some concerns, however, about some of the recommendations of the Hon. Member. Modern agriculture today depends

on large amounts of operating capital. I have a great deal of concern about where those farmers who require this operating capital are going to get it if we bring about a freeze which will scare away investors in agriculture. That is one point.

Many of the problems which we face in agriculture today have their roots in a lot of advice which was given in the 1970s by people who are called "economists". I want you to be assured of that, Sir. When the farm sector was trying to move ahead at a moderate pace, economists in the banking sector, in government and in other advisory capacities urged farmers not to creep, but to jump and jump big. That is where all our problems started and most of that advice was given by economists. The other thing I was interested in was the allusion to the problems of the dairy industry in Essex County. I understand that there is not a dairy herd left in Essex County.

● (1450)

Mr. Langdon: Mr. Speaker, there are a number of points raised by the Hon. Member that I would like to reply to. My predecessor from Essex-Windsor also had a problem with economists. I think I may have personally contributed to that problem. Just as there are Members of Parliament and then there are Members of Parliament, so there are economists and then there are economists. Some have some wise advice, if I may so, concerning agriculture. Others perhaps less so. In fact, I think the push to expansion to which the Hon. Member refers came not so much from economists as it did from bankers. A good many banks were assuring their farm customers: "No problem, borrow more". All of this occurred in the late 1970s when banks had a great deal of money to lend and interest were not particularly high compared to what followed. However, once those debts were incurred, the banks became far less interested in helping their farm customers.

I do not think you would scare investment away by a moratorium which dealt with this emergency, especially if it was tied to the other two points noted in our resolution concerning the desire to set up an agency which would renegotiate and reschedule payments. After all, Mr. Speaker, we do it with foreign countries like Argentina and Chile and we should be prepared to do it with our own farmers.

Finally, I think the cash crisis is so severe that we must take this move even if there is some potential danger in the short run of scaring some of the banks. The banks in this country have done very well out of the farmers, thank you very much, over the last few years. I think they should now be asked to help carry farmers through this crisis period.

The Acting Speaker (Mr. Charest): The question and comment period is now over.

[*Translation*]

The Hon. Member for Richelieu.

Mr. Louis Plamondon (Richelieu): Mr. Speaker, during the last election campaign, the Progressive Conservative Party made a commitment to help Canadian farmers. Well, we have already taken steps to meet that commitment and we intend to continue. Since this Government came to power, we have been consulting actively with members of the agricultural sector and we have had some frank discussions. One comment that often came up concerned the role of the Farm Credit Corporation. This Crown corporation plays a very important role in Canada's agricultural industry. The corporation was created by the Conservative government of the Right Hon. John Diefenbaker in 1958. It was set up in response to the definite desire of farmers to be able to obtain long-term loans. Farmers themselves gave their opinion on what the role of the Farm Credit Corporation should be. From the time of its inception, the FCC has shown great initiative and energy. It is time to give it the means to do what it is capable of doing. Mr. Speaker, there are many agricultural organizations that would like to see the FCC take its rightful place on the market.

Unfortunately, increasing restrictions on its activities and the lack of financial resources that have plagued it in recent years have been instrumental in diminishing its impact.

Mr. Speaker, our Government does not intend to follow the example of the previous Government and ignore the Farm Credit Corporation.

I might remind my hon. colleagues that the role of the FCC is an entirely indispensable one. It is very active in long-term financing. In fact, it occupies 39 per cent of the market and is considered to be the principal lender, followed by the chartered banks which rank only second, with 24.4 per cent. The FCC lends primarily to young farmers, "beginners" and those who cannot obtain favourable terms in the private sector. The majority of the loans offered by the FCC are made to farmers operating a family farm. The FCC makes it possible for such farmers to contract long-term loans at fixed rates for five, ten or fifteen years. It can even lend money over a period of twenty-nine years.

Considering the conditions peculiar to the agricultural sector, longer term loans make it possible for borrowers to balance their income and expenditures. Loans at variable rates or rates that are adjusted at frequent intervals like the ones offered by commercial lenders do not always allow for these conditions.

We now have a situation that is sometimes problematic. What is the situation? During the last decade, farm credit has risen spectacularly, from about $5 billion in 1972 to over $20 billion in 1982, the most significant incease being in the long-term market.

As far as short- or medium-term loans are concerned, the chartered banks and other institutional lenders have always played a significant role. Indeed, the private sector must continue to be very active in financing this industry, and my colleague, the Minister of Agriculture (Mr. Wise) made this commitment before the provincial Ministers of Agriculture.

During this decade, Mr. Speaker, the real inflation rate, that is, the current nominal interest rate less the inflation rate,

has always been lower than 7 per cent. In two or three years, however, the situation has changed dramatically. Interest rates are up, inflation rates are down, and on top of that, the value of farmland has dropped significantly.

Mr. Speaker, I would like to point out that many farmers have very few debts. At the other end of the spectrum, a number of farmers have net assets that are proportionally weak, and they will have trouble surviving.

Farmers with an average proportion of net assets are facing problems, to varying degrees. The problems depend on three factors: first of all, the farmer's management skills; second, the nature of the operation—regulated or unregulated, new or well-established—third, the farmer's debt structure. In addition, there are some farmers who although they are very good managers, are nevertheless in difficulty. They have piled up deficits and find themselves in a bind as a result of high interest rates and the carry-over of a series of losses. Although that problem was solved to a certain extent by programs such as the special agricultural financial assistance program administered by the Farm Credit Corporation and by the Small Business Bond, their restricted availability did create difficulties. Besides, the FCC program is not available and the first applicants cannot even benefit from it any more. The first issues of Small Business Bonds are maturing, but no provision has been made for their renewal. While the Liberal government was spending money right and left, Canadian farmers were working like slaves on their farms. We must do something, Mr. Speaker. What should we do?

● (1500)

Last November 5, the Minister of Agriculture (Mr. Wise) asked the Farm Credit Corporation to suspend most of its current recovery proceedings until next January 15. It would have been unfair and irresponsible to force about 300 farmers off their property at a time when we are considering the agricultural situation. In addition, some of those farmers will have their files reviewed by appeal commissions and the FCC which are themselves made up of farmers. In any event, farmers are expected to play a larger role within this Crown corporation. Since that time, we have met frequently with FCC representatives to decide what program might be set up and provide acceptable solutions.

Not all Canadian farmers are in a desperate situation. We must also help those who are in a situation which, although not critical, does require special attention. We are now trying to find mechanisms to enable farmers to refinance their debts at interest rates somewhat lower than prevailing rates in recent years. In our opinion, more than 3,200 farmers would stand to benefit from such a measure and thus bring their interest rates in line with the Farm Credit Corporation's current rates.

We are involved in a process that is calling into question all of the corporation's programs. We have asked the corporation to make sure that each one of them is relevant. As far as the Farm Credit Act is concerned, various avenues are being explored to make sure it better fills the needs of those who comply with its requirements. We have discussed a shared-risk mortgage program that could be implemented whenever interest rates reach highly volatile and very high levels. There are still a few problems involved in such a program, however.

We have also discussed the possibility of developing a mortgage rate increase insurance program. That kind of program could be managed in part by the Government, or better still in my view by the mortgagees. There are similar programs in existence elsewhere in the world. We will undertake a study of the cost and risks involved in such an endeavour. There are similar programs in private industry, and it is important that they be respected.

The Minister of Agriculture met with his provincial colleagues at a federal-provincial conference on farm financing and credit, in early November. Following their discussions, the ministers of Agriculture have recommended that the special farm assistance program be maintained for another two years.

We are now discussing this with the Farm Credit Corporation which administers this program. We are in the process of evaluating the costs of extending it. Need I remind the House, Mr. Speaker, that under this program, farmers facing severe financial difficulties would obtain special loans to consolidate their debts. They would also benefit from reduced interest rates. They would then have a much better chance to get back on their feet.

Agribonds were also discussed at this meeting, Mr. Speaker. I should point out that the agribond project is being reviewed in the context of the Farm Credit Act. Agribonds can be described as a financial tool designed to allow farmers to borrow at interest rates lower than regular market rates. Since there is a tax rebate on interest income from investments, this instrument is quite similar to the small business bonds. The difference is that small business bonds provide tax rebates to lenders such as chartered banks and not to individual investors as would be the case with the agribonds.

This idea offers many possibilities. However, it should be carefully scrutinized. In theory, it has many advantages. It would provide farmers with lower interest rates. It can be directed to specific types of farmers, which would make it even more effective. Losses in tax revenue could be shared between the federal and provincial Governments. Investors would certainly welcome this kind of initiative. There are many other positive points which should be considered as opposed to the problems created by this program. Our tax system is already complex. It is difficult to assess the cost of such a program as the loss in revenue is hard to evaluate. Lower interest rates could be capitalized as agricultural shares. The initial costs of such a project could be high, especially with regard to advertising and monitoring.

I would like to get back to the costs of an agribond program. The cost of such a program, whether we are talking

about losses in tax revenue or direct subsidies, depends on the volume of loans to which the program applies, on the repayment period for these loans and on the conditions chosen. If we were to grant direct subsidies, farmers would receive greater and more direct benefits from Government expenditures than they would in the case of tax rebates. For instance, let us suppose that bonds are issued for a period of ten years at the rate of $200 million a year, with a direct subsidy of 5 per cent, the cost would be about $10 million the first year, $20 million the second year, and so on up to $100 million the tenth year.

In his financial statement, the Hon. Minister of Finance (Mr. Wilson) asked that a committee of the House examine the issue of agribond management. This committee will have to report before the budget is brought down next spring. We strongly hope that the provincial departments of agriculture will make representations to the committee. Their co-operation is very important and even essential.

The committee of the House of Commons will also have the mandate to consider such issues as the capital gain tax on farm lands, as well as the administration of income tax in the case of part-time farmers.

Another avenue which we will explore together with the Farm Credit Corporation is a possible amendment to the Farm Syndicates Credit Act, to reduce from three to two the number of required participants. Such an action would encourage the co-operative purchasing of farm machinery. Moreover, we are considering the possibility of raising the ceiling for eligible loans from $50,000 to, say, $250,000.

There are also steps beyond the area of the Farm Credit Corporation which we could take. In this economic statement, the Minister of Finance (Mr. Wilson) indicated that Canadian farmers would benefit from now on from a sales tax rebate on farm fuel, a rebate which will amount to some 4.5 cents a litre. Surely, such a move will not be prejudicial to farmers' interests. Quite the contrary!

On the other hand, the Farms Improvement Loans Act will lapse on June 30 of next year. The government is now looking into the possibility of amending its regulations. The Ministers of Agriculture have suggested amending this act to allow for fixed rates of interest on intermediate term farm loans. This recommendation will not be disregarded. If we decide to go ahead with this plan, we will certainly consult our farm organizations.

The Minister of Agriculture (Mr. Wise) has indicated to the Minister of Finance (Mr. Wilson) that he intended to encourage private lenders to make greater use of the Small Business Bond Program.

We made a commitment to improve the well-being of the farming community, Mr. Speaker, and I am convinced that the direction we have taken is the right one. We have sought the advice of the provinces and, with their co-operation, we have decided to take certain steps. We have also asked the working committee on agricultural financing to consider some innovative mechanisms in order to meet the financing and credit needs of farmers.

To correct present conditions, a government program will not be enough, Mr. Speaker. The needs vary according to crops and regions.

A program could be quite satisfactory for a group of farmers and almost ineffective for another. To improve the farmers' situation, we will need the co-operation of the provinces, chartered banks and other credit institutions.

In the agricultural industry as in many other sectors of our economy, this government intends to take all means available to restore confidence.

The agricultural policy is a priority of our government. We are convinced, Mr. Speaker, that it is unreasonable to ask farmers to take all the risks in their sector while all Canadians benefit from their labour.

• (1510)

[*English*]

The Acting Speaker (Mr. Charest): Before I recognize the Hon. Member for Lethbridge-Foothills (Mr. Thacker), I must ask Members if there are any questions or comments.

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, it is a pleasure for me to rise today on this allotted Opposition Day and speak to the NDP motion urging the Government to take immediate action to address the financial needs of Canada's farmers. The motion sets out a number of points which I will deal with more specifically later on.

Of course, I have some doubts about some of those points, but there are some which I feel deserve consideration. Indeed, the new Minister of Agriculture (Mr. Wise) has already acted on some of the issues raised in this motion. I am sure that Members opposite would agree that the Minister of Agriculture has done more for agriculture in two months than the last government did over a period of 10 to 12 years.

There is a real sense of optimism in the farming community that for the first time there is finally a government in Ottawa that is prepared to address their issues. I have spoken to a number of provincial ministers of agriculture. They were absolutely elated as a result of their joint meeting with the federal Minister of Agriculture. It was the first time they were genuinely consulted and their views were taken seriously. I have a list of joint actions that are being taken which are of great comfort to the farming community.

Let me make it clear that a very large portion of our agricultural community is in very deep trouble. Indeed, there is not enough money in this or most countries of the world to save every farmer in this nation who would like to be a farmer. It does not matter whether it is farmers in the free market end of agriculture, such as the beef farmers in my riding, whether it is farmers in the supply management form of agriculture,

the dairy industry or the poultry industry, there are farmers who are facing collapse and will not be saved. This is due to the policies that were imposed upon this nation for the last 10 to 15 years. Of course, I speak of inflation. It has been a curse that has destroyed many civilizations before us. Not only has inflation had a severe impact on much of our farming community, it has affected ordinary citizens who have worked their whole lives to save a modest amount of money only to see it halved and indeed quartered during the last ten years as a result of this pernicious disease of inflation that was imposed upon people by the Liberal government. Any time that there is a government that will practice deceit with the people who put them here—

Ms. Mitchell: You are in government now, not Opposition.

Mr. Thacker: That is exactly what I am saying. We are in government and it is not going to happen again. The Liberals and the NDP would offer the people all sorts of solutions to their problems by throwing money at them. They would offer programs—

Mr. Riis: Talk like a government member for once. Tell us what you are going to do. Be positive.

Mr. Thacker: I am always amazed at how the NDP members jump in even now to defend those past Liberal policies that have reduced the number of farmers in this country.

Mr. Riis: Be positive for once. You are whining, snivelling and complaining. That is all we hear from you guys.

Mr. Thacker: Mr. Speaker, $24 billion worth of Canadian taxpayers' sweat and toil will come off the top to service the debt.

Ms. Mitchell: What are you going to do?

Mr. Riis: Protect the banks. Say one negative thing about the banks.

Ms. Mitchell: Tell Canadians how many reforms you will bring into the tax system.

Mr. Thacker: The Hon. Members should sit patiently because then they will find out what this Government is doing.

Mr. Riis: Tell us what the Government will do.

Mr. Thacker: I just want Canadians to know that the NDP is once again defending the Liberal policies of the past.

Mr. Riis: There you go again. You are going to make a whole speech without saying one thing positive.

The Acting Speaker (Mr. Charest): May I remind all Members that there will be a period of questions and comments after the Hon. Member has spoken.

Mr. Benjamin: But it is so quiet in here.

Mr. Thacker: It is quiet, but I can always get the NDP members out of their lethargy when I remind them and Canadians that their inflation and tough times today are clearly still the result of the Liberal-NDP liaison.

• (1520)

As I said, the PC Government, and particularly the Minister of Agriculture, has done more in two months than the Liberals have done over the last ten years. It was just in a matter of days that the Minister of Agriculture signed a $60 million contract with the western provinces to help the farmers in times of drought. Just like that, Mr. Speaker, the Minister of Agriculture responded to a genuine problem in the West. The stabilization agreement was negotiated and signed within days so that the grain industry would have a degree of stability. For 10 years that had never happened in the West.

Concerning gas taxes, the Minister of Finance (Mr. Wilson) moved almost instantaneously, a three-cent tax is to be removed and as well the 1.8 cent tax is not going to be applied. Farmers will probably be paying 25 cents or 27 cents a gallon for gas. That is how much cheaper gas and diesel will be when they start to farm again.

Mr. Riis: Is this a history lesson?

Mr. Thacker: That is incredible action. For the five years I have been in this House, from 1979 to 1984, we kept asking for that type of relief. We got absolutely none. As a result, 10 per cent to 15 per cent of our farming community likely will not make it.

Those young farmers had no option. When the Government brings on an inflationary period, people have to jump into the fray, otherwise they would find their operations just too small. For instance, if you have an average size farm and the government brings on a period of inflation, a farmer has to expand, because when inflation is over, the farmer will find he had been left behind. When inflation sky-rockets and then starts coming down, 10 to 15 per cent of farmers cannot survive. This is tragic. What Liberals and New Democrats fail to realize is that there are human beings out there. In the agricultural sector we are losing very valuable skilled people. The average age of the farming community is about 55 years.

Mr. Riis: What are you going to do about it?

Mr. Thacker: We need young people in agriculture. We are in the process of putting policies in place where a young man or a young woman will have the opportunity to get a long-term source of capital through agri-bonds so that a young man or woman can take the risk but have the chance to be rewarded at the other end.

The NDP has called for a moratorium on bankruptcies. That has been done, Mr. Speaker. There is a moratorium on the FCC in order that we can get a handle on what is happening. Members of the NDP would like to blame the banks. They have this insane belief that the banks deliberately misled people. The banks were caught up in that inflationary period as well.

Mr. Riis: What are they doing today?

Mr. Thacker: The farmers had to borrow heavily. They did. Now they are paying for it.

Mr. Riis: The banks made a lot of money. Canadian banks are the richest in the world.

Mr. Thacker: The Member is absolutely right. The way to keep banks from getting rich is not to bring on inflation. Banks always benefit from inflation.

Mr. Riis: It was 4 per cent last year.

Mr. Thacker: The banks are getting rich.

The Minister of Agriculture has appointed a task force. This is the proper way to look at some of these issues. It is easy to say that the problem is with Section 31 of the Income Tax Act. But when you get into that section a little more deeply you find that Section 18 of the Income Tax Act has some very severe ramifications also. I think the Minister was wise to put this issue before a task force so that both sides of the issue can be looked at fairly and with some degree of concern over a period of time.

What about the capital gains tax? I have absolutely no doubt, based on experience in my riding, that we have to do away with capital gains tax, just as the high cost of operating today is knocking off cash flow for farmers. But in the longer run we have to eliminate the capital gains tax. We are a young nation, Mr. Speaker. We should not be taxing the creation of pools of capital. Why are we taxing away those pools of capital? As a government we should be encouraging people to work hard to accumulate wealth so that they are able to pass it on to their children. We should have independent sources of capital. If you were to follow the NDP philosophy, Mr. Speaker, you would find that no one would be permitted to act other than the central government, and then everybody would be dependent on that government. With the PC philosophy, we want people individually to have enough money to be able to thumb their noses at the government and say, "I don't need you. I will arrange my own pension. I will arrange all of my own affairs. Get out of my life, government." That is what we need.

Mr. Waddell: You are not serious.

Mr. Riis: What have you been smoking? You don't want pensions? You don't want medicare?

Mr. Thacker: Listen to them yelping on the other side, Mr. Speaker. I always tell a little story about the NDP. The New Democrats have a special school. We have never been able to locate it exactly. We expect it is in Saskatchewan. The Member who has been yelling does not really fit in the NDP. The school is called the "whiners' and snivellers' school".

Mr. Waddell: You have graduated from it.

Mr. Thacker: You will notice, Mr. Speaker, that their voices have to take on a certain cut. I think that by the end of this next term, we will know where the school is. The Hon. Member for Kamloops-Shuswap (Mr. Riis) does not really fit because he does not have quite the edge on his voice. He is almost a decent fellow.

Ms. Mitchell: You are astounding.

Mr. Thacker: I often wonder why he belongs to that Party. Where will we be in five years?

Mr. Waddell: In the Opposition again.

Mr. Thacker: What we really want to talk about is the future. I believe that within five years we will have lost a fairly substantial portion of our farms. As the depression took hold, many farmers lost equity in their land. There is no way they can be saved. They will simply have to disappear. What about the 85 per cent who will survive? What do we need to do for them? First, we need higher prices. When you look at all the facts and you get to the bottom line, you find that the ordinary working Canadian spends only 13 per cent of his or her disposable income on real food. If you add all the potato chips and other fast-food items, 16 per cent of disposable income goes to food. This is simply too little.

The cheap food policy of the previous government—kept in by the NDP members, who are starting to quiet down, I better fire them up again—resulted in fewer and fewer farmers. This enabled consumers to have a cheap food policy, and the Liberal government could continue getting elected time and time again.

In Europe, the average disposable income spent on food is well over 20 per cent. It is between 25 per cent and 30 per cent depending upon which country it is. In any country governed by a socialist left-wing government, the amount of disposable income spent on food goes up to 50 per cent to 55 per cent. That is what happens when you get centralists and people who believe that governments can do everything.

We have to have higher prices. If the previous Minister of Agriculture had done his job, not just going around speaking to farm groups but also speaking to urban groups and explaining to city people why they have to pay more for their food so as to have a stable, solid, family-oriented farming community, Canadians would have accepted it. If we destroy the family farm, people will pay an enormous amount for their food. The family farm without a shadow of a doubt is the most efficient mechanism for the production of food. It provides stability and can carry on for generations.

In the international sphere, our Secretary of State for External Affairs (Mr. Clark) must take it upon himself and as government policy to direct our efforts toward the European Economic Community. The most destabilizing influence in agriculture in the world sphere is the European Economic Community. Its common agricultural policy, which is another way of saying subsidies to agriculture, is costing something like $24 billion. That has disoriented and disrupted the honest and legitimate flow of goods. We have a natural economic advantage in producing beef, grain and food which we can

send around the entire world at the cheapest possible price. They take $24 billion out of their taxpayers' pockets to subsidize agriculture. They are producing food, but to excess. Then they ship it around the world. Grain farmers in my riding as well as ranchers are going out of business because of Irish beef coming in which is being subsidized to the extent of 45 cents per pound. It is absurd and it must stop.

• (1530)

Within our Canadian sphere, there is much that we can do. The first is already in place. The Minister of Agriculture is genuinely working with provincial ministers of agriculture to come up with national programs. Over the last 15 years we have destroyed the Canadian common market—and it is supposed to be a common market where goods, capital and labour can flow back and forth freely—as a result of the federal Government not being co-operative and not coming up with good policies. The provinces have had to step in. We now have 10 agricultural countries in this country, and it is affecting us all badly.

We have to so stop those programs which permit provincial top loading. We cannot do that by passing a federal law and then imposing it. We have to work with the provinces and convince them that we would all be richer if my region of the province were producing beef for all of Canada. On the east side of the Rocky Mountains we have miles and miles of natural prairie grass that is not worth a cent unless you can run a cow over it and turn that grass into protein. We have a natural economic advantage. We must look at the Crow rate because it is distorting beef production in the West.

We have feed freight assistance. While that gives the appearance of helping the eastern provinces, it is actually hurting them. By subsidizing the export of grain from the Prairies to the Atlantic provinces, we are cutting out farmers who could develop an operation there. We have to look at that. I know the Minister is starting to do that.

The Minister is extending the special farm financial assistance program, improving the cash advance program, establishing a registered farm investment fund, extending the Small Business Bond to 1989 and providing fixed rates of interest for terms of one to five years. In short, things are coming on hand. It is going to be better in the future. I am sorry we will have to lose some farmers. I do not want them to forget for one second that the inflation brought on in this country hurts the very people whom the NDP and the Liberals purport to protect. You do not protect senior citizens by bringing on inflation which reduces their pension plans by 25 per cent. What kind of protection is that? They rely on us in this House to be in a trust relationship. They should be able to trust us. We will not bring on inflation. I do not want them to forget who brought it on the last time.

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

Mr. Boudria: Mr. Speaker, I found the comments of the last Member rather interesting. On one hand, he is in favour of de-regulation. On the other hand, he extols the virtues of supply management. He wants a red meat stabilization program, but he says the federal government should not impose anything on the provinces. He says the farmer should not go out of business, yet he says that red meat producers should not exist in my riding, only in his riding. I find that difficult to accept.

I also find it difficult to accept the Member's statement that the previous Government did not devote the required attention to agriculture. In the announcements of the Minister of Finance (Mr. Wilson) and the President of the Treasury Board (Mr. de Cotret), dairy programs are being cut by $6.2 million, departmental operations are being cut by $9.4 million, and Canagrex is being cut by $6.6 million. That would have been a very useful tool for the marketing of our agricultural products. The Government is deferring $4.9 million in the testing laboratory and research facility to be built in Trois-Rivières, Quebec, and Victoriaville. All this is from a government which pretends it is going to pay more attention to agriculture. How can it direct more attention to agriculture when it does not want to invest the funds required?

In the same document, we see that $32.3 million will be cut in agricultural services. The document states that fees are currently charged for services such as food inspection, agricultural input quality assurance and so forth and that the level of these will be increased. I find it very difficult to accept that this Government would make cuts in agriculture while at the same time saying that it is interested in agriculture. Where I come from, you put your money where your mouth is.

Mr. Thacker: Mr. Speaker, the comments of my friend opposite were rather interesting. I do not think I said I was in favour of supply management. I am in favour of each agricultural producer group being able to make that decision based on the unique circumstances of its own industry. The difference between the Government and the Hon. Member's Party is that when his Party was in government, it tried to impose supply management on every producer group for every type of problem they had. That was the solution of the former Minister of Agriculture.

Mr. Boudria: That is not true.

Mr. Thacker: That is absolutely true. If you want to check it, you will find it is true. Look at the beef industry. For years he denied the beef industry a reasonable stabilization program. To him the only solution was supply management. He knew full well that if supply management were brought in for the beef industry it would destroy the open border with the United States, which always worked to our benefit. By the end of every year, we have a substantial positive balance in beef trade with the United States.

There are cuts, and it is a tragedy. However, there is a tragedy that is far greater. If we do not get the fiscal management of this country under control, more and more of our tax dollars will flow to service the debt. I want the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) to appreciate

what happens. In 1974, 10 years ago, 16.6 per cent of our revenue went to service the debt. Ten years later, it is over 46 per cent. That means that off the top a greater and greater proportion of the tax dollar goes to service the debt. Tax dollars are the sweat and toil of our constituents. It is the miners who are getting black lung who are paying those dollars. The interest on that debt goes to people who already have enough money that they can lend it to the government, sit back in their chairs and get richer.

Look at the Third World countries. A small number of people at the top are fabulously wealthy and the rest have nothing. That came about as a result of inflation. It was Liberal government policies that brought inflation to this country.

Mr. Waddell: Mr. Speaker, I listened to the Hon. Member's speech. I have before me a letter from one of my constituents, a Mr. Deptuck, East 15th Avenue, Vancouver. My constituent wrote to me saying that his gasoline costs have just risen two cents a litre, his telephone rates have gone up 15 per cent, his hydro company is going for another increase, his income tax went up in July with the announcement that he will no longer be receiving the standard deduction of $100 for medical expenses, but he has not had a raise for two years and is getting cut back to three days of work a week.

● (1540)

Did I hear the Hon. Member correctly when he said that he did not want to see more inflation but he was advocating increased food costs? Did he say that my constituent should have to pay more for his food? Did I hear him correctly?

Second, did I hear the Hon. Member correctly when he said that the goal that he saw was that people could arrange their own pension schemes and things like that? How far does he extend this goal? Does he extend it to medicare, to unemployment insurance, to family allowances? In other words, is his goal in fact to dismember the welfare state and to dismember all of these schemes? After all, I believe it was Sir Winston Churchill, and I believe he was a Conservative, who said that by having everyone contribute, we could provide a better deal for everyone.

Finally, I would like to ask the Hon. Member another question. He is almost a nice fellow. Why is he picking on members of the NDP? We were not government members last time, Liberal members were. We did not support the National Energy Program, contrary to what the Secretary of State for External Affairs (Mr. Clark) said when he was in Vancouver. We did not do that. The New Democratic Party governs in only one province. The Conservative Party governs all over the place. Why are Conservative members picking on us? I would like to have the Hon. Member answer those three questions succinctly.

The Acting Speaker (Mr. Charest): I would like to remind the Hon. Member for Lethbridge-Foothills (Mr. Thacker) that there is approximately one minute left in the question and comment period.

Mr. Thacker: Mr. Speaker, I will deal with Mr. Deptuck's letter because it covers the entire field. I have never had any trouble with anyone from the city; not even from the unemployed. It is easy to show them that if we let the agricultural community down and if we kill the family farms, Mr. Deptuck and people like him will pay three or four times as much as they are already paying. We need only look at socialist countries run by governments with the same philosophy as that of the Hon. Member for Vancouver-Kingsway (Mr. Waddell). In those countries, people are not only paying more for their food but they are having to stand in food lines for four or five hours. When people from those countries immigrate to this country, they are just astounded by the amount of food that our farmers can put on the table.

Regarding pensions, how did we help the senior citizens and all of the people who contributed to the Canada Pension Plan and their own company plans, by bringing on inflation? These people worked for 20 years and finally received a pension of $800 a month. Within 10 years, that pension was worth $300 a month. We have not helped those people by bringing on inflation.

I am saying that inflation came about because of Canadian policies. We had to pay more for energy. If the Right Hon. Member for Yellowhead had been left in power and if members of the NDP had not entered into an illicit relationship with the Grits in order to knock down the Government of the Right Hon. Member for Yellowhead, Mr. Deptuck would have a job today. He would have a job and he would not be suffering under this kind of inflation. His pension plan would still be secure.

The Acting Speaker (Mr. Charest): The question and comment period is now over.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is a real pleasure for me to have the opportunity today to rise in support of the motion that has been put by the New Democratic Party regarding the very critical situation facing Canadian food producers. I would like to take a moment to read the motion into the record. At the beginning of today's debate, we simply overlooked the actual motion having already read it on the Order Paper. The motion reads as follows:

That this House urges the Government to take immediate action to address the financial needs of Canada's farmers by immediately:

(1) declaring a moratorium on bankruptcy and foreclosure proceedings;

(2) establishing a debt review agency to act as a neutral third party between borrower and lender with power to change repayment schedules and to reduce the accumulated interest; and

(3) setting out a clear mandate for the Farm Credit Corporation in order that it can make viable, low-interest loans through Agribonds or other means for farmers, including such financing for operating credit over the first five years of the loan,

and further, that a farm incomes policy based upon a guarantee of production costs for domestically used farm products be implemented to provide parity pricing for Canada's farmers.

We felt that it was important to set aside an entire day of debate, not so much to hurl criticism at the past provincial and federal governments, not so much to harp about the nature of the problem but, more important, to identify ways and means

of resolving the very difficult problems being faced by the food producers of this country.

If I may, Mr. Speaker, I would like to say that what we are really debating here today is whether food producers in Canada will be family farmers and family ranchers or whether they will be agri-businesses. We must make a choice between the corporate farm and the family farm. If the Government does not take significant action and take it quickly, we will continue to see the slow movement toward agri-business and corporate farming as the main vehicle by which food will be produced.

I come from central British Columbia. There are literally hundreds and hundreds of both large and small cattle operations there. On an almost weekly basis, I come across a situation in which an often-times young family finds that the banks are initiating foreclosure proceedings. A receiver is identified and goes on to the land, padlocks are changed, machinery is taken away and cattle are sold. A young family, which has usually spent two or three generations on a ranch, finds itself no longer bona fide cattle ranchers but in fact wards of the state collecting welfare. This takes place day after day in my constituency, as I am certain it does in most of the rural or urban-rural constituencies of the country.

The important thing for us to recognize is that most of these failures have resulted through no fault of the operators. They have resulted from high operating costs and an interest rate policy of the past Liberal government and the present Conservative Government that encourages high interest rates. When a farmer is expected to maintain payments to the Farm Credit Corporation or to one of the traditional lending institutions at interest rates of 15 per cent, 16 per cent or even 17 per cent, there is simply no way he can make money and maintain his food production operation.

It is important that we recognize that the problems being faced by food producers today are, to a large extent, created by governments. Thus, by definition, many of these problems can be solved by having the Government of Canada and the governments of the provinces take particular action. I believe that we have the opportunity, and indeed the obligation, to lay out what we feel are appropriate solutions to these problems.

I would like to take a moment or two to put into context just how serious the situation is and just what motivated members of the New Democratic Party to ask that an entire day be set aside to explore solutions to this virtual crisis situation. Very recently, we found out from the Farm Credit Corporation that about one in every five farms totalling nearly 40,000 farms are in severe financial distress. Severe financial distress is defined as a situation in which interest payments exceed 40 per cent of sales revenue or in which the net worth of a farm is less than 15 per cent of its total assets. I become particularly concerned, as a Member of Parliament from British Columbia, to find that the highest percentage of food producers who are in severe financial distress happen to be from British Columbia.

• (1550)

The Farm Credit Corporation report goes on to suggest that there are 1,700 farmers headed for inevitable collapses either this year or in the beginning months of 1985. Again, by and large, it is not the fault of the farmers but is the result of high production costs and an interest rate policy which makes it virtually impossible to be successful under these conditions.

It is important to recognize that we are dealing mainly with young farmers and ranchers who perhaps entered the business in the early seventies. Those are the people who are experiencing problems today. Farm bankruptcies until October of this year total 465. That is an increase of 19 per cent from the same period last year. When we are talking about the hundreds and hundreds of farm bankruptcies each year, we are only talking about the tip of the iceberg. For every farm bankruptcy, there are approximately six farmers who simply walk away from their operations. They voluntarily liquidate their operations. Of course, the major benefactors are usually the banks. They now own a good portion of Canada's farming units.

The total debt load of Canadian farmers is in excess of $21 billion. It represents an increase of more than a billion dollars over the last year. Meanwhile, over the past four years, the value of Canadian farm equity has fallen by more than $4 billion. When we ask ourselves how serious the situation is, it is important to compare it, for example, with the last decade. If we compared 1974 with 1984, we would find that in 1974 the net farm income in Canada accounted for approximately $3.4 billion. In 1984, ten years later—recognizing the ravages of inflation as was drawn to our attention by the previous speaker—one would expect that the net farm return would be significantly greater than $3.4 billion. However, in 1984, the net farm income was again approximately $3.4 billion. In other words, the real cut which has occurred in farm incomes has been in the neighbourhood of 300 per cent. Today, farmers are receiving a net farm income which is approximately one-third of what they received in 1974.

Over the last number of years, the average farm investment has decreased, yet the average debt per farm has increased significantly over the same period. Investment went down and debt went up. It is interesting that the average debt increased across Canada by 16 per cent over the last three years. It is also interesting to look at the relative per farm capital investment levels. In 1981, British Columbia had an average per farm capital investment which was 56 per cent above the national average. It represented tremendous capital investments in the food production units of British Columbia. In 1984, that 56 per cent was reduced to 3 per cent above the national average. It is clear what is happening to the farm community in that province; it is being devastated.

One could go on and speak of the very difficult problems being faced by the food producers in Canada. However, it is more important to consider the solutions. I listened carefully to the speakers from the Liberal Party earlier today. They had some ideas of what might be appropriate in terms of resolving some of the problems, but I think it is important to remind

those Liberal members that last spring two Bills were introduced by the Liberal Government. One was Bill C-653, an Act to amend the Farmers' Creditors Arrangement Act. In essence, that Bill was an effort to bring in a third party to negotiate when borrowers and lenders were in dispute. That Bill was talked out by both Liberals and Conservatives in committee. A subsequent Bill was introduced, Bill C-17, which was an amendment to the Small Business Loans Act. Again, it was permitted to die on the Order Paper. When the Liberals tell us that they have great ideas and suggestions, we must ask where they have been in the last 10 to 15 years. Why were those suggestions not introduced?

There are actions which could be taken. As our motion indicates, we should immediately put a moratorium on all farm foreclosures. We have seen that action taken by the Minister of Agriculture (Mr. Wise), and I applaud him for it, as the Government is associated with the Farm Credit Corporation. However, we must recognize that the moratorium will only be in effect until January 15, 1985. It is clear that the moratorium must continue until the Government tells us what will happen with the other support programs it may introduce. I suggest that it would be appropriate to place a moratorium on all financial institutions. After all, the record demonstrates very clearly that one of the reasons so many young food producers have got themselves into financial difficulty is that the banks of Canada tried to shovel money into them. The banks encouraged young farmers to expand, and farm advisers told them that, with the kind of cashflows which were projected, they could handle large debts. People had money pushed at them. What happened? The banks foreclosed on food producers across the country. These are banks which have the largest real interest rates in the industrial western world. They also represent a national banking system which is the most profitable in the entire world.

It is not unreasonable for the Parliament of Canada to ask the national banks to participate in a moratorium program until the Government can put into place financial support systems. That is not an unreasonable expectation, nor is it an unreasonable request. As the Minister of Agriculture has indicated, it would require an Act of Parliament. I suspect that Members on all sides of the House would be only too anxious to pass such a Bill quickly.

Of course, the whole matter of stabilization programs must be raised. We have heard from our constituents and we have heard in the House of Commons that our red meat industry is competing with Irish beef, which is subsidized to the tune of up to 45 cents per pound. That means Canadian beef producers cannot compete. Countries around the world are promoting exports of foodstuffs and supporting their industries in one way or another, but Canada still retains a policy from another era which expounds the virtues of free enterprise. The only players in this particular area now are some sectors of the Canadian food production industry. We cannot have it both ways. We cannot have the Government of Canada stepping in either to impose quotas on subsidized Irish beef, to bring in countervailing duties, or to ask for a voluntary restraint program on imports. It is time for Canadian food producers to recognize that there is a real need for stabilization programs based on basic production costs. We would not find many sectors of the Canadian economy with a price which is lower than the cost of production. However, that is the case of most commodity areas within the agricultural industry. The time has now come, Mr. Speaker, for the Government to take very seriously this need for stabilization programs.

• (1600)

I would like to comment as well on the need to take action on the agri-bond front. The concept of agri-bonds has been before us now for many, many months. The matter was at one time referred to the Standing Committee on Finance, Trade and Economic Affairs. The inquiry was completed. We saw there was, indeed, an excellent opportunity for food producers where an agri-bond could be floated by the federal Government, an investor could obtain 6 per cent or 7 per cent return on his investment, and, with a tax credit, could equal the kind of return he would get in the open money markets. What that would do, Mr. Speaker, is to provide a large pool of money, costing about 6 per cent or 7 per cent, which the Farm Credit Corporation could lend for 7 per cent or 8 per cent. That is the kind of cost of money which would enable not only the young people to get back into the field of agriculture but would enable many existing food producers to be successful during these difficult economic times.

In terms of dealing with the moratorium on foreclosures either by the Farm Credit Corporation or by traditional lending institutions, there should be a debt review board instituted to act as a third party and, again through an Act of Parliament, to arbitrate where there is a difficulty between a lender and a borrower, and to be able to extend the period of repayment. Perhaps in some cases it could recognize that the bank or other lending institution might well be able to take a small loss. After all, as previous speakers have indicated, we are quite prepared to ignore the debts of certain large corporations. I think it is time that we did the same for the food producers of Canada.

I believe the important thing is that there are solutions, there are answers, and many have been presented today. If the Government is concerned about the viability of the family farm or ranch, and if it really wants to take action to assist the agricultural community, there are a variety of options from which it can choose. Most of these options have been presented today, Mr. Speaker, and I would like to suggest that the first step ought to be action through an Act of Parliament to place a moratorium on farm foreclosures.

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

Mr. Redway: Mr. Speaker, I have been most interested in the comments of the speakers from the New Democratic Party and, in particular, in their motion as it relates to the agri-bond. I come from an urban riding. Although I do not claim to know an awful lot about agriculture or, for that matter, about the

agri-bond, part of my riding is represented by the Minister of Agriculture for the Province of Ontario, so we do have some connection with the agricultural community in that sense. I was most interested in the comments relating to the agri-bond and the whole concept of trying to encourage investors, apart from the farm community, to come in and invest in farms and in agricultural endeavours by offering this tax incentive, a lower interest rate, I take it, and then some sort of tax exemption in order to induce the investors to come in. That sort of thing seems to make a good deal of sense to me and to people who may think in the same way as I do.

I am interested in two of these aspects from the point of view of the New Democratic Party. I wonder if perhaps the Hon. Member could say whether or not this would create another one of these tax loopholes about which the New Democratic Party has indicated some concern over many years. In other words, does it not create a situation where the rich can put their money into investments and receive a tax break and, therefore, would not have to pay any taxes or not as much in the way of taxes?

Second, if we impose or superimpose on top of the agri-bond concept the idea of a minimum tax on the rich, would that not perhaps discourage those people who might otherwise want to invest in agri-bonds from doing so, and would that not then be counterproductive to the whole concept of agri-bonds and the assistance to agriculture which they would create?

Mr. Riis: Mr. Speaker, I appreciate the Hon. Member's question. The topic of agri-bonds is something which the Government in its economic statement has indicated it now wants to pursue. It will be striking a committee, hopefully soon, to examine the variety of routes which one can take to implement an agri-bond program. Other countries have different kinds of agri-bonds, and they are something we need in our country as well.

In terms of conflict with the position of the New Democratic Party on the tax system, we have always believed very strongly that there are certainly very legitimate tax incentives. Many of the provisions in the Income tax Act, in fact, do serve Canadians well, such as appropriate types of home construction, the agricultural community, the fishing community, and one can go on and on. Our Party says that there are hundreds of tax loopholes and there has never been in recent times an adequate review of who benefits. We are simply suggesting that many of those loopholes, in our estimation, in fact provide no general gain to the country. As a matter of fact, they often result in a net loss to Canada. There is no job creation or economic expansion as a result of these loopholes. If it is going to cost us hundreds of millions of dollars, nay, billions of dollars each year in lost tax revenues as a result of these tax incentives, I feel it is not unreasonable to obtain a very clear statement on who benefits and to what extent, so that we can measure whether or not a tax incentive is in the best interests of our country.

To answer specifically the question raised by the Hon. Member, I will say that we feel that a minimum tax, and an incentive program which would result in a pool of low interest capital for agricultural purposes, is not inconsistent one with the other. There is room for both. We feel very strongly, however, that with a tax system which is voluntary—and I think it is important that we as parliamentarians remind ourselves of that fact—we must operate in such a way that the billions of dollars presently operating in the underground economy are brought to the surface. We must have a tax system which people perceive as being fair, where equity is part of the entire system.

All we are saying is that when we find that year after year thousands and thousands of individuals whose incomes are in the $500,000 to $1 million range, are paying no income tax whatsoever, and when we find year after year that large corporations, which are extremely profitable—and I emphasize that—pay not a single penny of income tax, we say that our tax system has got out of control. I do not believe there is a single tax lawyer or accountant in Canada who would not agree with that observation.

Mr. Pietz: The Hon. Member genuinely expressed concern for the plight of the Canadian farmer and, most particularly, for the Canadian farm family. During the election campaign, the Leader of our Party, now the Prime Minister of Canada (Mr. Mulroney) while campaigning in the Niagara Peninsula promised assistance to grape growers, who are experiencing a serious problem this year because of surplus grapes. This promise was also supported by the Ontario provincial Minister of Agriculture, the Honourable Dennis Trimbrell. He also promised provincial funds. The federal Minister of Agriculture (Mr. Wise) has today announced that the new federal Government will keep its promise and has in fact arrived at an agreement with the province and a decision has been made to purchase the surplus grapes from the growers.

This past weekend I visited grape growers in my riding and they were very pleased with this decision. Many growers, because of a lack of markets, would be ruined without this help. Grapes are a major agricultural product in Canada and in my riding in the Niagara Peninsula. I am pleased that the Government has kept its promise in this regard. I would ask the Hon. Member for Kamloops-Shuswap (Mr. Riis) if he does not agree that the Government has kept its promise to the grape growers? And would the Hon. Member tell us why, when he is so genuinely concerned with the plight of the small farmer, he does not give recognition to this excellent effort by the new Government to assist grape farmers who, in almost all cases, are made up of small family farm units?

● (1610)

Mr. Riis: Mr. Speaker, I am pleased that the Hon. Member raised this issue because it is important. I have no hesitation in recognizing that the Minister of Agriculture (Mr. Wise) had in fact assisted farmers across the country by his action with the Farm Credit Corporation. Indeed, he took steps to assist hard-pressed farmers in various parts of the country, and the Hon. Member named one.

I want to make the observation that before I spoke we heard a speaker from the Conservative Party going on and on about

the abhorrence of having government play a role hand in hand with agriculture. He espoused the myth of the free enterpriser. Quite frankly, it is a pleasure to hear this Hon. Member stand in his place and say, thank goodness there was co-operation between the federal and provincial governments and producers in the Niagara Peninsula. That is what the NDP has always stood for, the benefits and value of a mixed economy, recognizing that there is a role for the private entrepreneur and there is a role for government to play. I think the Hon. Member explained that mix extremely clearly and extremely well, and I thank him for that.

Ms. Mitchell: Mr. Speaker, my colleague is an urban planner and I want to know whether he feels there is a potential in the agricultural business for urban greenhouses. There has been extreme interest in some communities in my riding in this and I wonder if he has any ideas on this issue.

Mr. Riis: Mr. Speaker, urban agriculture is obviously a growth industry along with aquaculture and a whole variety of new and creative ways of producing food. We are still, by and large, producing food in the traditional way as we did 3,000 years ago. There are many new initiatives that ought to be taken, and urban agriculture is certainly one of them.

Mr. Murray Dorin (Edmonton West): Mr. Speaker, it is a pleasure to be able to rise to speak to this House on the motion put forward by the Hon. Member for Humboldt-Lake Centre (Mr. Althouse). I represent an urban riding. As such, I think it is important that some of us from urban ridings put forward our views to demonstrate that the Government and its actions are supported not just by Members from rural areas, but in fact by all members of the Government.

The economy of Alberta is built on three foundations, Mr. Speaker: agriculture, energy, and transporation. The two primary industries, agriculture and energy, are of importance, not just to agricultural and rural communities but to the urban communities and the people I represent. I have some knowledge of rural life and farm life in that I grew up in a rural area of Alberta. I spent the first 18 years of my life in an area now represented by the Minister of Transport (Mr. Mazankowsky). I must say that over the years I have taken lessons from watching how he has conducted himself in his distinguished career, and I can only hope that mine will be as long and that in the next election I can achieve a majority similar in size to his.

The importance of maintaining a strong and dynamic agri-food industry has always been well understood by my party. Indeed, much, perhaps the majority, of federal agricultural legislation and institutions were established by Conservative governments. Going back to the days of the government of the Right Hon. John Diefenbaker and Ministers such as my colleague, the Hon. Member for Qu'Appelle-Moose Mountain (Mr. Hamilton), people from the West, indeed farmers and agricultural people from all over Canada, have recognized that it is the Progressive Conservative Party that represents their interests. This is in large part the reason we have enjoyed continual electoral success for many, many years no matter what the political winds happen to be. The Canadian Wheat Board, the Farm Credit Corporation, crop insurance, the Agricultural Stabilization Act, ARDA and PFRA are primary examples of our concern for Canadian agriculture. These are examples of the items our Party has brought forward over the years to respond to the needs of the agricultural community.

However, Mr. Speaker, I want to make it clear that these institutions, organizations and legislation are only support mechanisms. They were never intended to interfere with farmers' personal freedom and responsibility for their own success. As a farmer himself, the Hon. Member for Humboldt-Lake Centre is aware of the harsh realities of agricultural life. He knows farmers have to be careful, frugal, work hard and live within their means because of the narrow margins, traditionally poor returns on capital, and the terrible risks they face both through natural hazards and market forces.

The market-place is no less threatening to farmers than flood or drought or frost. Each farm family must take primary responsibility for coping as best it can with the hazards. Farmers understand this. They understand there is no escape from the harsh realities, no excuse for bad management. In short, they must carry their own weight, take their own risks and live with the consequences. Every independent businessman must maintain that sort of attitude towards his or her enterprise.

However, the federal Government recognizes that there are some aspects of agricultural life which are unique, such as, for example, the vulnerability to weather and international political and economic forces, plus the historically low rate of return on capital, all of which require governments to adopt special programs for farmers. This is not done to guarantee every farmer a living, but to ensure a general environment and climate in which Canadian farmers may prosper, and also to ensure that Canadian consumers have a continuing supply of high quality food at reasonable prices. In addition, government support of the agricultural industry enhances that industry's contribution to the national economy, such as to the balance of trade.

Federal and provincial governments have adopted a wide range of programs to help the industry. At the federal level nearly $2 billion is being spent annually on agriculture. In ballpark figures, this includes $60 million a year in stabilization payments, $300 million a year in dairy subsidies, $140 million in federal contributions toward crop insurance, $250 million on federally sponsored agricultural research, $200 million on inspection and regulation, $650 million through the Crow benefit, and $110 million a year to the Western Grain Stabilization Program. In addition, there are many market development programs, including advance payments programs which provide around $450 million a year in interest-free cash advances to farmers. There is also freight assistance to areas hard hit by drought and other natural disasters and for feed deficient areas of Canada. There are agricultural subsidiary agreements under which we encourage market development, technology development and improvements to the natural and human resources of agriculture. Designed in co-operation with

the provinces, these programs are tailor made to get the most from the agricultural area of the country.

Through the Farm Credit Corporation, Mr. Speaker, the Government provides loans to thousands of young and beginning farmers who do not have enough equity to get loans from commercial sources. As I said, I grew up in a rural area. In fact, I might still be there. However, as all Members know, unless one has a family farm to take over, or a sizeable family fortune, going into farming today is nearly impossible. As a result of this, I chose to emigrate to the city and become a chartered accountant. I still hope, however, that I may be able to return some day to farm life in the rural community. If we can get things straightened out in the Government of Canada in the next few years, I may still be able to realize that objective. I realize of course that with the requirements of farming being what they are, I do not have too many years to wait. I must do it in my relatively younger years, but I hope to still have that opportunity.

• (1620)

In recent years, in response to financial problems that have arisen as a result of high interest rates, several special programs were introduced including small business bonds, small business development bonds and the special farm financial assistance program. Most recently, the Government has placed a moratorium on recovery actions by the Farm Credit Corporation to give us time to develop innovative credit programs for farmers.

One part of this motion calls for a moratorium on foreclosure. I think that we must realize that such a call must be viewed with skepticism in light of the fact that a moratorium has the potential to reduce the availability of credit for farmers who are in fact currently in a strong and healthy position, able to carry debt and take out new loans. We would not want to dry up the sources of capital that are available to farmers who are currently strong by imposing a debt moratorium. Any move in this direction must be viewed with caution. Nevertheless, Mr. Speaker, the Minister has placed a moratorium for a temporary period until January 15 of next year to give our new Government some time to study the problems farmers are facing. We also need time to determine what programs can be made available which would offer reasonable solutions.

Inter-generational transfers are being facilitated. We intend to proceed with the previous government's proposal to allow farmers to deduct up to $120,000 in taxable gains on the sale of farms after December 31, 1983, provided these funds are invested in an RRSP. Furthermore, Mr. Speaker, the federal Government is co-operating with the provinces in exploring a whole range of credit and tax options. These were discussed at the federal-provincial Ministers' meeting in Toronto earlier this month.

In his economic statement to Parliament, the Minister of Finance (Mr. Wilson) announced that the Government will soon be referring a number of agricultural taxation issues to a parliamentary committee. These include the taxation of part-time farmers, the question of agri-bonds, and the taxation of capital gains on farmland. The Government will issue a background paper on these issues and will request the parliamentary committee to report expeditiously. Although not directly related to farm finance, the Minister of Finance also indicated that farmers will be eligible for a fuel tax rebate which, after considering fuel price changes, should be about 4.5 cents per litre. This should assist all farmers in strengthening their cash flows. I would hope that provincial Ministers of Agriculture would appear before this parliamentary committee on the issue of agri-bonds united in a common purpose.

I believe that the Western Grain Transportation Act, when considered with the motion and its mention of input costs, is very significant. The first review regarding the method of payment is in progress and will be completed early in 1985. With regard to the method of payment, I believe that paying the Crow benefit directly to the railways distorts local prices for grain and thereby creates a disincentive to raising livestock or to processing grain locally. By paying the railways directly there is also a clear bias toward using rail for transporting grain. Other transportation modes or other services might be more efficient in some instances, but they are at a cost disadvantage under the present method of payment.

Mr. Benjamin: That is not true.

Mr. Dorin: It is true. I believe that farmers are in the best position to decide how to allocate their resources and, in doing so, would introduce the greatest efficiency into the grain handling and transportation system. As such, I would suggest that the Crow benefit should be paid to producers, thereby giving the widest scope for choice to be exercised in the market-place.

Very soon the federal Minister of Agriculture (Mr. Wise) will be introducing amendments to the Agricultural Stabilization Act to allow for the creation of a national tripartite red meat stabilization program. Hopefully, this will be passed with the co-operation of Members opposite in the near future. That is another example of how we are looking for ways of providing better services and support more economically.

Even a cursory examination of the present stabilization program shows its flaws. Farmers do not know how much support they will get under the program until long after they have made their production and marketing decisions. It is a case of justice delayed is justice denied. Furthermore, under the present program, farmers often receive their stabilization payments just at the time when market prices are recovering. That is not only bad timing, but can also distort production decisions.

However, the program which we intend to bring in will be prompt and voluntary and will provide an improved level of support, without costing the federal Government much more than the program which it will be eclipsing. In short, Mr. Speaker, the new approach to stabilization will be in keeping with the whole thrust of the Government's fiscal strategy to spend smarter rather than more.

To summarize, it is clear that farmers understand their fundamental responsibility for the success of their individual

operations. Second, an extensive system of supports is already in place. Finally, new, innovative programs and policies are being developed by the Government to provide more effective protection and encouragement for farmers, but in a more economical fashion.

Mr. Boudria: Mr. Speaker, I have a brief comment to make and a question which I would like to ask of this Member and the Government generally. I have heard Members speak on various agricultural issues today. There was only a very brief mention made by the Government about the wine industry. I noticed that the Minister and another Member gave themselves considerable praise for so-called rescuing the wine industry for this year by buying surplus grapes.

There is a much larger concern there for Canadian consumers. That is the fact that we must make Canadian wines more appealing to the Canadian consumer. I am thinking especially of practices which are in existence now in the Province of Ontario which clearly discourage consumers from buying Canadian wines. I believe that in the Province of Ontario and other provinces Canadian wines should be made more readily available than are imported wines. I am thinking, for example, of wines being available in grocery stores.

I recognize, Mr. Speaker, that this relates to the provincial authorities. I had the privilege of serving as a member of the Legislature in the Province of Ontario for a number of years. I introduced a private Members' Bill for the sale of wine in grocery stores. That was continuously refused by the Conservative government of the Province of Ontario.

Have initiatives such as this been entertained in the dialogue which the new Government is supposed to be having with its Conservative provincial counterparts? In view of the fact that the love affair between the provincial government and the federal Government is still on, I think it would be incumbent upon them to have this bedside chat about Canadian wines being available in grocery stores. Also, I think we should have a clear policy to serve only Canadian wines on-board Air Canada. Certainly if we want to demonstrate that we have a certain pride in this agricultural product in our country, we should do it with this institution. Has the Government entertained that idea as well?

• (1630)

Perhaps we could hear comments from the Member about that very important sector of agriculture. It is very important in certain provinces, especially in Ontario and British Columbia.

Mr. Dorin: Mr. Speaker, I would have to preface my remarks by saying that I come from Alberta and we do not grow many grapes there. Therefore, I am not particularly familiar with the subject of the comments made by the Hon. Member. However, I believe that we can take some heart in the fact that the comments by my colleague, the Member for Welland (Mr. Pietz), earlier in the debate, seemed to suggest that the Minister of Agriculture is in fact reviewing with his provincial counterparts what might be done. It appears that action is forthcoming in this area. I think he may wish to take that matter up with the Minister at a later time.

The Acting Speaker (Mr. Charest): If there are no further questions or comments, we will resume debate.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I too could not resist the opportunity as an urban Member to address the subject of agriculture, which is an issue that is critical to all Canadians. As Members well know, one in five jobs in Canada is dependent upon agriculture. Therefore, it is not simply a question of equity for farmers or the cessation of capital gains for farmers, but an issue of jobs for all Canadians.

Just as there are many Canadians who are directly employed as farmers or employees of farmers, there are many, particularly in my part of Canada, the Niagara Peninsula, who work in the processing industry.

I was very happy to see the quick action of the Government today on the question raised by my colleague, the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria). Not only did he raise the issue of the grape purchase in the area of Welland, he was able to get an answer from a representative of the Minister. I am sorry that the Member for Welland is not here because I would like to congratulate him for making that quick announcement, particularly in view of the fact that he acted very quickly as a result of the efforts made by Liberal members on behalf of his constituents.

Since there are no opposition members from the area of the Niagara Peninsula at the moment, I believe it is incumbent upon Members such as myself and the Member for Glengarry-Prescott-Russell and others to ensure that issues like the grape purchase promise of the Government are not simply a package of goodies which the Conservatives have no intention of delivering but are promises that will be kept in the future.

[*Translation*]

Mr. Speaker, I might just stress that the crisis in the agricultural community is something which all my constituents and all Canadian electors share in. We are talking about food in Canada, but in a much wider context, there is the worldwide food issue, food to feed everyone on earth. In the past few days and weeks, and even in the past few years, we have been made aware of the difficulties faced by Ethiopians who simply do not have enough food to feed themselves.

[*English*]

We heard a Government member say that Canadians have spent only up to 16 per cent of our disposable income on food. This includes money that is spent on potato chips and similar items. Yet there is a situation in other parts of the world in which people are dying of starvation on a daily basis. I speak specifically of Ethiopia.

The spokesman for External Affairs was quite clear in pointing out to Canadians that the current Government recognized the work that had been done for Ethiopian family relief by the previous government before any other nations through-

out the world began to understand and recognize the very serious problem of famine in Ethiopia.

I am sure the Government would also agree, as the Secretary of State for External Affairs (Mr. Clark) already stated, that the former Member for Windsor-Essex was a Member who was extremely effective in bringing to the attention of Canadian people the importance of not only a Canadian agri-food policy but of a world agri-food policy. In fact, as President of the World Food Council, he brought to the attention of the world the concern of Canadians that we have food not only for our tables but for people all over the world.

The former Member for Windsor-Essex had many years of experience as Minister of Agriculture as well as the tandem experience in his private life in the farming business and involvement in communications. I believe he had a real passion for the notion of expanding food policy in Canada and developing a buy Canadian policy by the former government. You can imagine my shock and dismay and the shock and dismay of a number of Members on our side of the House at the shabby way he was treated by the present Government when, in an attempt to sweep clean the slate of Liberal past sins, it decided to deny him a role which would have put him at the forefront of developing a food policy not only for all Canadians but for people all around the world.

I hope that at some point in the future the Minister of Agriculture (Mr. Wise) will stand in the House and say that the cancellation of Eugene Whelan's appointment was an insult to all Canadian farmers and particularly those who have spent a lifetime trying to develop a comprehensive and universal food policy for people all over the world.

Politicians and parliamentarians are occasionally asked to take a more global approach. There are times when we must set aside our petty partisan differences. If there was one person who set aside those differences in the area of food policy and tried to develop an all-encompassing strategy to fight world famine, it was our former Minister of Agriculture. In the Government's deliberations about developing a more comprehensive approach to the situation of the Ethiopian famine, I hope it reconsiders the decision it made concerning the appointment of Eugene Whelan.

Mr. Benjamin: Mr. Speaker, I rise on a point of order. I am sorry to interrupt the Hon. Member. However, I believe there is a rule of relevancy. I do not see anything in the motion before the House concerning the welfare and good order of the former Minister of Agriculture. I do not see anything in the motion about foreign food aid or Ethiopia, as important as that is. I was wondering if the Hon. Member could address her remarks to the motion.

Ms. Copps: Mr. Speaker, I am sorry that the Hon. Member has such limited understanding of the importance of international trade with respect to the agricultural community. I am sure he must realize that in order not only for the Canadian economy to thrive but for Canadian farmers to venture into foreign markets, we must develop those markets with respect to an international policy. Incidentally, the agri-business was referred to by his colleague in the House, to which the Hon. Member did not object. If he is suggesting that the current situation of farm bankruptcies in Canada is not at least in part due to our difficulties in marketing on an international basis, then the Member obviously does not have a very solid understanding of the agricultural community.

Mr. Benjamin: It still is not in the motion.

Ms. Copps: As I understand the motion, it deals with the critical situation facing Canadian farmers. It seems to me that if Canadian farmers could find markets for their products, they would not be in the situation they are currently facing in which, according to figures quoted by a Government member a few moments ago, at least 15 per cent of family farms will disappear over the next five years. I believe that my Party, and certainly the former Minister of Agriculture, have a clear record in trying to develop policies that will prevent the kind of bankruptcies that are currently being faced by farmers across Canada.

• (1640)

I think the other issue that I would like to touch on very briefly, bearing in mind the limitations of time, is the issue of the buy-Canadian policy, especially as it pertains to the wine and grape growers industry. Hon. Members will no doubt be aware that the lush vineyards of the Niagara Peninsula have produced some of the finest vintage grapes to be found anywhere in the world. Because of the limited marketing practices of certain provincial governments, it has been very difficult for farmers, producers, vineyards and vintners, to have full access to ready Canadian markets and international markets.

[*Translation*]

Mr. Speaker, the Hon. Member for Welland (Mr. Pietz) made some remarks a few minutes ago concerning federal grants to buy grapes, I think. I was thinking of eggs, I do not know why. I am sure that farmers will be pleased should the government decide to buy grapes this year.

That is why my colleague the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) made a representation, and that is why I also wanted to say something about that.

But the over-all problem is not limited to buying grapes for one winter or one fall season only; instead we ought to open up new markets to sell Canadian wines. As my friend the Hon. Member for Glengarry-Prescott-Russell pointed out, will the Canadian government buy them, for instance, even if they cost more, and if we go eat in the parliamentary restaurant next week, will everyone be drinking Canadian wines? Do they always sip good wines from Kelowna or Niagara Falls? Most people drink foreign wines. Even now, a big advertising campaign is underway about the arrival of the Beaujolais nouveau. In my opinion, our Canadian markets would be much better off if the Canadian government were to promote Canadian wines, much as they are already doing in the Province of Quebec. People in every province of Canada should have the right

to sell beer and wine in small corner stores—Canadian beer and wine, of course—so as to give our farmers an opportunity to expand their markets.

[*English*]

I think it is excellent and I am very happy the Hon. Member for Welland (Mr. Pietz) made an announcement on behalf of the Minister of Agriculture with respect to the purchase of one great crop.

What is needed in order to develop a comprehensive strategy which will mean more grape and wine sales in the future is a decision by this Government to enter into an aggressive buy-Canadian policy with respect to our agricultural products. I need not even look beyond the Chamber where we are today, or even beyond the House of Commons, to know that wherever we go we are constantly facing the promotion of wine coming from other countries. We are now seeing the embarkation of the Beaujolais nouveau campaign with the Beaujolais coming from France. Why not embark, along with our provincial agricultural ministers, on an aggressive policy of buying Canadian that would include allowing beer and wine stores across Canada to sell Canadian grapes, wine and beer? This would permit the small independent entrepreneurs, who I know are so dear to the hearts of my Progressive Conservative friends, the chance to get out and market a Canadian product. At the same time it would allow the great vintners of the Niagara region, which happens to be one of the golden regions of Canada—and I invite all of you to stop in on your way to Hamilton if you are passing by going to Niagara Falls or the new James R. Allan Skyway bridge, depending upon your perspective—to market its great grapes to all Canadians along with the great grapes of British Columbia and other areas of Canada.

We do have an excellent product which should be sold not only to Canadians but also world-wide. We need a government prepared to set an example in this area. We need a government prepared to say to its provincial counterparts across the nation—and I look to the great dry province of Ontario—"Let us give our Canadian entrepreneurs a chance, let us give our Canadian small businessmen and women, who are scraping the bottom of the wine barrel to make ends meet, an opportunity by giving them an edge." Why not give them a chance to sell their products in independent grocery stores across Canada?

There are many challenges facing us in the agricultural field. As I said at the beginning of my few remarks, I realize that the agricultural field is one of the primary producing industries in Canada and is one of the areas that will create jobs for all Canadians. I urge the Government to take up the challenge of a universal global food policy as proposed by the Minister's predecessor, the former Member for Windsor-Essex. The challenges are great, the rewards are many. If we can market the Canadian product on an international basis, we will find the jobs, jobs, and more jobs promised by the Prime Minister of Canada (Mr. Mulroney) will have some possibility of coming to fruition.

I think the Minister of Agriculture has some real challenges ahead. I know that we on this side of the House want to assist in meeting those challenges because we recognize that where there is growth in the agricultural industry, there is growth for Canadians. I just have one comment to make on this in passing. I think it was one of the Members for Vancouver who aptly questioned one of the Government Members on this issue. He talked about how the Government felt that the percentage of Canadian income spent on food was far too small. He quoted figures ranging from 20 per cent, 25 per cent to 30 per cent as perhaps a more realistic expectation of what Canadians can expect to pay for their food dollar as a percentage of gross income. Would the Government clarify, for the purpose of those Members who are trying to determine which is Government policy and which are individual Member's meanderings, whether the figure of 15 per cent, 20 per cent, 25 per cent, or 30 per cent most accurately reflects the percentage of gross income which the Government will expect Canadians to pay for their food?

I am sure Canadians are most interested in this departure into new agricultural policy for Canada. I am looking forward to some clarification from the Government and the Minister as to whether a doubling of the cost of food in Canada was one of the campaign promises which the Prime Minister either failed to announce or is one of the unannounced promises he intends to deliver.

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

Mr. Les Benjamin (Regina West): Mr. Speaker, to get back to the motion that is before the House, I would like to say a few words concerning the last paragraph of the motion which calls for parity prices for food produced for domestic use in Canada, and remind the House that of all the sectors of our economy just about the only people who cannot set their prices in order to recover their costs of production and maintain a decent standard of living, are the agricultural producers. Organized workers, organized labour can bargain for salary and wages to cover their costs of living and of raising a family. Our lawyers, doctors, chartered accountants and what-not can set fees to cover their costs of production and their costs of living. Our manufacturers, wholesalers and retailers set the prices to cover their costs of production and of doing business. With few exceptions, the agricultural producer cannot set prices. He is a price taker, not a price maker.

• (1650)

I do not know of anyone else in our society who would accept an income below his costs of production. He would not stand for it. For decades we have not only expected but required our food producers to operate at less than the cost of production. That is why we have lost three quarters of a million family farms in this country since the end of World War II.

I do not know of anyone else who would stand for that. It is only fair and reasonable that the Government should be able to implement a system of prices for farm products that are consumed in Canada that cover a farmer's cost of production.

If given his costs of production, which include high interest rates and high freight charges, he will be able to pay that. Until we do that, we will have nothing more than a perpetuation of the present situation.

The whole area of capital funds required to be borrowed by farmers for capital costs and operations has been a continuing problem since the end of World War II. There is nothing new about it.

I am amused when I hear the Hon. Member for Lethbridge-Foothills (Mr. Thacker) and others who come here and tell us to leave them alone, they want the free and open market, the free enterprise system for the marketing of food. When the free enterprise system breaks down, however, who are the first to come to Ottawa with their hands out? It is the same free and open marketers. The so-called free and open market has not worked for food producers in the history of this country.

We expect our farmers to compete against the treasuries of competing nations. The European Economic Community subsidizes grain producers anywhere from $20 to $28 a tonne. The United States subsidizes grain producers $8, $10 and $12 a tonne. In Canada, the so-called Crow benefit amounted to $4 a tonne. Then we got the former Liberal government throwing the Crow rate out and the Tories acquiescing. They voted against the destruction of the Crow rate. They said they would put on a freeze. That still has not been done. Maybe by next spring they will put on a freeze on what has already been increased. They should be rolling back the statutory grain rates to what they were last January 1, or at least last August 1, if they want it to be a benefit to grain producers in western Canada.

I listened to a couple of Members on the Government side talk about private lending institutions, those poor fellows not being able to collect on their exorbitant interest rate loans from agricultural producers, fishermen and small businessmen. To hear them tell it would wring tears out of a jury full of bankers. Parliament and the Government have to tell the financial institutions, the banks and mortgage companies that they will get so much and no more. What they now collect used to be a criminal offence. It was called usury.

Farmers are still paying off loans at 18 per cent, 19 per cent and 20 per cent. That used to be illegal. Nobody can operate a farm or any other business with those exorbitant charges. There would be nothing wrong with saying to the financial institutions that, in light of the profits they have had, they must contribute to the welfare of our farm industry, fishermen and small businessmen.

They have been amply repaid in interest rates. Therefore, they should be told they cannot collect any more interest for the next year. A moratorium should be declared on all foreclosures and two choices given them: it is either compulsory or they have to, because they are not going to do it voluntarily. They have fleeced farmers for too darn long.

I remember in the 1950s the then Conservative Leader and members of all Parties talking about parity prices, that farmers were entitled to recover their costs of production and their living. Everybody agreed it was a great idea. We have accomplished it to some extent in a few small areas of agriculture, but we have barely scratched the surface.

We could be doing a lot more about self-sufficiency of food production in Canada. We need to be into massive greenhouse operations and using all available technology to make ourselves more self-sufficient.

We need to do something about the consumption of food that we produce. Two or three weeks ago, apples from France were being used in the Parliamentary Restaurant. In British Columbia they were throwing apples in the garbage. What the heck is going on? It is not a big deal, but it is a symptom of the disease in this country. We place too much emphasis on importing fresh fruit and vegetables from the United States during the winter. We have to import them because we do not grow them in the winter. Why not import from countries like Mexico, which desperately need foreign exchange and could use Canadian dollars? That gives farmers incomes that allow them to pay interest rates—

Ms. Copps: I rise on a point of order to ask what this discussion has to do with the motion.

Mr. Benjamin: The Hon. Member was not listening. I am talking about parity prices and exports that allow farmers to pay their present interest charges. I am not talking about Ethiopia, as my colleague was doing.

The Acting Speaker (Mr. Charest): There are approximately two minutes left to this day. Let us try to finish on a good note.

Mr. Benjamin: I think we are finishing on a good note. In fact, I would be game to sitting past five o'clock. I will sit down in a minute and somebody else can get up.

The proposed requirement of a moratorium on bankruptcy and foreclosure proceedings has occurred off and on since the dirty thirties. There is nothing new about it. There should be some permanent legislation the Government can invoke when we are in a situation such as we are in now.

Finally, with regard to freight rates being charged to western grain producers, my friend spoke glowingly in favour of what the government did last year. I knew the Tories were hand in glove with the Liberals on that item. We got the evidence today. Farmers in my province, the Saskatchewan

Wheat Pool and the Association of Rural Municipalities do not support that. Those rates have to be rolled back to reduce farm costs of production in order to lessen this terrible financial plight. This is no time to charge them higher costs by way of freight rates. It is inexcusable and needs to be corrected. I am patiently waiting for the Government to roll back those rates as it said it would do in September of last year.

The Acting Speaker (Mr. Charest): It being five o'clock, it is my duty to inform the House that, pursuant to Section 11 of Standing Order 62, proceedings on the motion have expired.

This House stands adjourned until Monday morning at eleven o'clock, pursuant to Standing Order 2(1).

At 5.01 p.m. the House adjourned.

HOUSE OF COMMONS

Monday, November 26, 1984

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

Hon. Barbara McDougall (Minister of State (Finance)) moved that Bill C-7, an Act to amend the Income Tax Act and related statutes, be read the second time and referred to the Committee of the Whole.

She said: Mr. Speaker, I am very pleased to introduce amendments to the Income Tax Act. The Government recognizes the importance of these amendments to the small business community. Therefore, the Bill has been brought forward early in the session to allow Canadians to benefit from the changes. As the House will know, most of the measures contained in the Bill were first proposed in the February 15 Budget of the former Government. A number of provisions which facilitate the implementation of the tax laws were contained in a draft version of the Bill, together with technical explanatory notes, published in August.

The present Bill is virtually the same as the Bill which was drafted in August except for some minor improvements. The changes to the Income Tax Act contained in the February Budget included important measures to simplify tax computations for small business. This Government is fully aware that small business is the lifeblood of the economy and employs two-thirds of Canadians. The new measures will significantly alleviate the paper burden which has fallen unduly on small business. The following changes are now being introduced to help small business to continue productively.

The small business tax simplification package will be effective for the 1985 and subsequent taxation years. It will provide certainty to taxpayers. The test to determine the eligibility of small corporations for the 35 per cent rate of credit on research and development, and the eligibility for a 40 per cent rate of refundability of investment tax credit, as well as an extra month to pay the balance of tax, will be based on a taxable income for the preceding instead of the current taxation year. This measure will provide more certainty in planning.

A special rule to prevent corporations from obtaining the low rate when they are controlled by means of options by public corporations or non-residents is being deferred and will start to apply in 1986 rather than 1985. This measure will provide taxpayers with adequate time to rearrange their affairs. These legislative changes will simplify and shorten the corporate income tax form. In addition, the cost of tax compliance for small business will be reduced. That is why this Government is proceeding quickly to introduce these changes in the first session of the Thirty-third Parliament.

Also included in the Bill are a number of changes to the income tax provisions which affect registered charities, primarily charitable foundations. These changes are the result of very extensive and successful consultations with the voluntary sector. The charities are most anxious for these amendments to be passed into law. This Government recognizes the tremendous contribution of the voluntary and charitable sectors to the prosperity of Canada. In fiscal year 1979, 2.7 million people, or 15.2 per cent of the working age population of Canada, were involved in unpaid voluntary work. Canadians volunteered 373 million hours of labour in 1979. A calculation of the value added to the Canadian economy by the 40,000 charities which are registered in Canada suggests that this sector contributed $4.5 billion to the Gross National Product in 1980, which represents roughly 2 per cent of the total Gross National Product. The contribution and the dedication of the voluntary sector to the well-being of all Canadians should be commended and encouraged. That is why I am pleased to announce these changes to the income tax provisions affecting registered charities.

The Bill further contains a broad range of other important tax measures which will promote the growth and economic renewal of Canada. Changes to the provisions relating to employee stock option plans are designed to promote greater employee participation and increased productivity in the workforce. Another measure allows farmers a deduction of up to $120,000 of taxable capital gains on the sale of qualifying property where the money is invested in a registered retirement savings plan. This change will better enable farmers to plan for their retirement.

In addition, amendments are provided to further facilitate the transfer of family farms and shares of small business corporations from one generation to another.

The decision to proceed with these changes reflects the Government's commitment to the preservation and development of family farms and small business. The Government will establish a parliamentary committee to examine a number of agricultural tax issues. If changes are to be made to the treatment of farm losses in the next Budget, farmers will have the option of applying the 1985 tax regime to their 1984 tax returns.

I will not take the time to enumerate all the measures included in this Bill. They have been announced previously and have benefited from substantial public consultation. However, I would like to mention some of the important provisions relating to the administration of the tax system.

The Bill provides increased exemptions from the requirements to make tax instalment payments. The new thresholds will benefit some 480,000 individuals, most of whom are senior citizens, from tax instalment requirements. The four-year limit on reassessments is being reduced to three years. The Tax Court of Canada will be allowed to establish guidelines for the award of costs to appellants. The Bill allows a taxpayer who files a waiver of the usual time limit on reassessments to revoke that waiver.

A number of other administrative improvements are introduced in the Bill. These measures deal with a range of matters including three refund mechanisms for certain taxes in dispute and measures allowing for the revision and late filing of various taxpayer elections.

The Government is pleased to proceed with these important measures because they are in keeping with our efforts toward improving the administration of our tax law. I would like to add that the economic statement and the accompanying agenda paper entitled "A New Direction for Canada" are documents of substantial importance to all Canadians. They are evidence of the determination of our Government to change the approach of government in the formulation of public policy. Such a change is critical, not only to my income tax amendments but to other legislation, because we believe the key to successfully managing change lies in building greater understanding of our problems and casting a broad net in our search for solutions, at all times being fair and open.

• (1110)

Further amendments to the Income Tax Act will be brought forward as the need for revision is identified and after close consultation with Canadians during the consultative process following our economic statement.

The provisions of this Bill, Mr. Speaker, have had a lengthy period of public review. Most of the amendments were published in draft form in April for public comment and those draft amendments were reviewed in the last Parliament by the Standing Committee on Finance, Trade and Economic Affairs. The response to the draft amendments was very positive.

Prompt passage of this Bill will enable taxpayers to benefit from its many simplifying and relieving amendments. I urge all Hon. Members to support the Bill and to encourage its speedy passage.

Miss Aideen Nicholson (Trinity): Mr. Speaker, I will be brief in my remarks because, indeed, most of the measures in this Bill before us are measures which originated from the Lalonde Budget in February and which have been further examined by a finance committee in the last Parliament.

It is interesting to note that out of the economic statements of the Minister of Finance (Mr. Wilson) the only concrete steps which are before us are those which were adopted from the Lalonde Budget. The economic statement included promises, or perhaps threats, but the only real measures which have been implemented have come from the Lalonde Budget. Therefore, despite all the rhetoric about the bare cupboard, the prescriptions of the last Minister of Finance are being adopted and, clearly, the present Government have found that they are significant building blocks for economic recovery.

I commend the Government for adopting from the Lalonde Budget two very good measures, in particular, which would be helpful to Canadians. They are the proposals for tax simplication and the measures to help small business. These were good measures last February and they are good today. I am happy to see them being implemented.

I am concerned, however, about two provisions. I hope that they will be addressed by other speakers from the government side. The first provisions is the reduction of the period of filing a notice of objection to a tax assessment from 180 days to 90 days. The Government claims that the February 15, 1984 proposal to increase the time to file a notice of objection from 90 days to 180 days is not being proceeded with due to more efficient procedures being introduced into Revenue Canada. However, this longer period does work in favour of the taxpayer and I regret that it is not being proceeded with. Surely what is at issue is not the efficiency of Revenue Canada but fairness in allowing the taxpayer adequate time.

My second concern is the matter of security for taxes payable. The February 15, 1984 proposal to require a Minister of National Revenue to accept satisfactory security for dispute taxes is not being proceeded with. We are told that this is because of the work which is actively underway to allow for the postponement of payment of such taxes until there has been a court resolution of the matter. I do have questions about this matter. Will there be a hiatus? How soon will the Government be prepared to issue a directive allowing for the postponement of such taxes? And if there is a hiatus, how will it be covered?

• (1115)

Finally, the Government has suspended advance rulings. The Minister referred to the desirability of providing certainty in planning for business and we all support that. However, many businesses relied on advance rulings to assist them in their planning and I have difficulty in understanding why the provision for advance rulings has been dropped. I trust that these matters will be responded to by someone on the other side, either immediately or when we are in Committee of the Whole.

One final comment, Mr. Speaker. The Minister said that the Government intends to establish a parliamentary committee. We have seen some regrettable examples in the last week of the Government behaving as though this were a one-party state. May I remind the Minister that parliamentary committees are established by Parliament, not the Government, and this cannot be a unilateral decision of the Government.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am very pleased to have the opportunity to rise in this debate, and I would like to extend my congratulations to the Minister of State for Finance (Mrs. McDougall). I look forward to a number of years of interesting dialogue and useful discussion on ways and means of improving the tax system of this country in particular. I know she comes here with impeccable credentials and I assume that she is well aware of the boondoggle that we find our tax system in today. Undoubtedly we will be anxious to get into consultations and discussions to make the necessary changes and I welcome her to her new position.

As the previous speaker indicated, I think it is only right that we recognize that the Bill that we are debating today, Bill C-7, an Act to amend the Income Tax Act and related statutes, is really a Liberal Bill. Its provisions were introduced in the last Parliament by the Liberals. I vividly remember the debate. For days and days the members of the Conservative Party railed on and on, hour after hour, about the rack and ruin this Bill would bring to the people of Canada if it was ever passed. They went on and on about how this clause would absolutely drive business out of the country if it was introduced, or how that clause fell so short of what the agricultural community was requesting that, again, rack and ruin would be the order of the day. Now we have those same provisions, almost verbatim, being introduced in this Bill today by the Conservative Government, which describes it as a fantastic breakthrough, a new advance, enlightened legislation which will send a clear message to these various sectors of the community.

Mr. Thacker: A small step in the right direction.

Mr. Riis: Or, as some Members are calling out, a small step in the right direction. Why were those words not used only a few months ago when exactly the same Bill was introduced? I just wanted to make it clear, Mr. Speaker, that we are debating a Bill, introduced by the Liberals not so long ago.

Having said that, in spite of the Liberals having introduced this Bill, there is very little in it that is going to bring about any significant change. I recognize, as with any Bill, that there are provisions in this Bill which have some merit. In a Bill of about 125 pages, you will have a number of provisions that are long overdue and which should have been introduced many months or years ago. We have to recognize that as being advantageous.

To be specific, I refer to the small business sector and the item that will assist that sector in particular. Up to this point businesses had to keep track of their cumulated income until a target of $1 million was reached. After that, they were no longer eligible for the small business deduction. Many small businesses have made the case that year after year they struggle until they finally reach the magic cumulation mark. They then become a large business and consequently must pay the corporate tax rate. That was not fair and this Bill is going to remedy that problem. However, that same clause will allow doctors, lawyers, accountants and the like to qualify for a tax rate of 25 per cent as well. That points out the very essence of the problem with our tax system.

• (1120)

We are talking about the Bill in principle at second reading but I would like to refer to two or three of the specifics in the Bill. As all members of the House are well aware, as our tax system is presently constituted it results in thousands of individuals with incomes in excess of $200,000, $500,000, and in some cases $1 million, paying not one single penny in income tax. Granted, there are just a few thousand people in the $200,000 or $300,000 income range who do not pay any income tax year after year.

We can also identify large corporations which find themselves in a very similar situation. We recognize that during these difficult economic times many businesses, large, medium and small, do not pay any income tax because there is no income being generated. However, that is not the case with all corporations. In 1982 in the heart of the recession, companies like the Hudson's Bay Company, Steinbergs Incorporated, Simpsons-Sears Limited, Domtar Incorporated and many others were very profitable. That is fine, but if your profits are high, surely you should pay some income tax whether it be $2, $50 or $1,000. In spite of being profitable, the companies which I named paid no income tax whatsoever.

The existing tax system has become a laughing stock. Ordinary working Canadians are asked to pay their fair share to enable the Government to provide the necessary services—medicare, children's allowance, pension programs and veterans' programs. Ordinary Canadians willingly pay taxes for the services which they receive, but they become disillusioned when they learn that people in the upper income levels and profitable companies pay no income tax. In 1982 when a teller in the Royal Bank of Canada or the Bank of Montreal paid a few hundred or a few thousand dollars in income tax, or even $1 in income tax, that teller paid more income tax than the entire Royal Bank of Canada or Bank of Montreal. There is something wrong with a tax system in which a teller who pays $200 or $300 in taxes is actually paying more than the entire bank for which she works. This system is wrong. It has gone mad.

There is not a single thing introduced in Bill C-7 which alleviates these unbelievable and unfair practices. There is not one clause within this 125-page Bill that will result in those people in the upper income ranges paying any income tax. There is nothing mentioned about those many extremely profitable corporations, like the Bank of Montreal and the Royal Bank of Canada, who pay no income tax.

• (1125)

When the Hon. Member for St. John's West (Mr. Crosbie) was Minister of Finance back in 1979, he introduced something called the tax expenditure account. Such a measure should be introduced again by the present Minister of Finance (Mr. Wilson) alongside Bill C-7. That tax expenditure account identified all of those tax expenditure programs and the costs

associated with them so that Members of Parliament and Canadians generally could identify a program and what it cost in lost revenue. It could then be determined whether that particular program was benefiting Canada and Canadians.

I applaud the Hon. Member for St. John's West for that particular measure and I suggest the Minister of Finance has a responsibility if not an obligation to introduce a similar measure so that we can identify those loopholes and see what they are costing Canadians. We would then be able to determine if such programs should be continued, curtailed or perhaps even expanded.

There are reports out now that indicate that various tax expenditures to corporations are costing Canadian taxpayers approximately $11,000 million a year. I wonder if the average Canadian taxpayer who pays from $300 to $2,000 in income tax recognizes that the Parliament of Canada gives an average of $11,000 million each year in tax breaks to the corporate sector in Canada? Are we getting what we should in return for that expenditure?

If one examines the record carefully to see how most of this money, which they do not pay in income tax, is spent by corporations, it would show that it is not spent to expand their operations for new lines of production or new venture opportunities elsewhere. Those corporations use that money to finance mergers and takeovers that often result in reduced producivity and job loss. If we had a mechanism for reviewing these programs we could evaluate whether Canadian taxpayers are getting their bang for the buck.

The Liberal Minister of Finance introduced a scheme which was a research and development quick-flip scheme. I recall his saying that this scheme would encourage research and development in the critical areas of our economy in the months and years ahead. He said that it would not cost much, perhaps $100 million or $200 million at the most in lost revenue while resulting in bountiful research and development opportunities. We discovered that this did not happen. The Minister's quick-flip research and development scheme resulted in the loss of well in excess of $1 billion in simply a matter of a few months. Did it result in new R and D opportunities? No. It was simply another opportunity for tax accountants and lawyers to take advantage of a loophole for their clients. If the facts were known, those who believed that there would be more research and development will be sorely disappointed when they face the reality of that so-called tax break.

I applaud the Government for seeing fit to shut that drain of public funds. It said that this scheme was not working in the best interests of the country and it stopped that nonsense. How many other nonsenses are there within the system? There are dozens of tax breaks, bribes or loopholes—however one wants to call them—given to corporations.

I think one of the most sorrowful sights was when the Minister of Finance said during his economic statement that the Government will stop one of these incredible loopholes called the PIP grants. PIP grants refer to the thousands of millions of dollars we give each year to oil companies to explore for gas and oil.

• (1130)

I want to give an example of what another country does. Norway has natural gas and oil reserves off its coast. It depends on corporations in the business to explore. The Government of Norway tells the corporations that if they want to explore they will not be given a single penny, that they must fund their exploration 100 per cent. But if they find oil and natural gas, automatically the Government of Norway gets 80 per cent and will negotiate the other 20 per cent. All the oil companies are there, Mr. Speaker, and basically there is no incentive for them. The split is 80-20, with the 20 being negotiated.

We have a different idea here.

Mr. Benjamin: We give it away.

Mr. Riis: We say to the corporations: "If you folks want to come in and explore, we will pay up to 80 per cent of the cost and if you strike oil or gas, for our 80 per cent participation we want 25 per cent of the action". This 80 per cent is taxpayers' money. This is not a bad deal for the oil companies. Not surprisingly, all the companies are taking advantage of that opportunity. But in Norway where there is a similar situation, there is no 80 per cent funding. There is no 25 per cent cut of the action. It is an 80-plus per cent cut of the action.

These are the kinds of tax giveaways that must stop. We hear people saying: "We have to come down with a heavy hand on all those people collecting UIC because we think they might be getting an extra $3 a week or an extra $17 a month and we have to stop this nonsense". Nothing, however, is ever mentioned about $11,000 million of corporate tax giveaways each year.

Mr. Benjamin: That is called free enterprise.

Mr. Riis: Some of these giveaways are worth while. Some of them result in an excellent payback to the people of Canada. It is certainly not the case for all of them, and they need to come under the same kind of review as the UIC is to undergo.

Members listening to this discussion or people looking in via television must believe that these are sensible people on the government side.

Mr. Benjamin: Maybe.

Mr. Hnatyshyn: Order.

Mr. Riis: But why do they give away all of these particular bribes to corporations which obviously do not want them? As a matter of fact, the President of the Bank of Montreal, not many months ago, said that the Canadian corporate sector is awash in tax incentives. They do not know what to do with them any more. If Government members are intelligent, as we all know they are, why do they continue to do this? Why do they continue, if you like, to allow thousands of people each year to pay no income tax whatever? Why do they allow hundreds of corporations in some years to pay no income tax whatever? It is because of this old belief that if you assist those

folks in the upper income levels and if you give tax breaks to large corporations, domestic and foreign, eventually good things will trickle down to folks.

Mr. Benjamin: The crumbs.

Mr. Riis: I think my colleague, the Hon. Member for Regina East (Mr. de Jong) explained to me not long ago about feeding the horse oats. Here we are shovelling and jamming oats into this horse in the name of tax breaks or tax incentives. Eventually the oats will flow through the system, and out the other end will come the odd kernel. That is what we are getting. The ordinary Canadians are getting kernels, Mr. Speaker. We do not like to dig around and pick up those kernels any longer. Has that trickle-down theory worked anywhere? It does not work, but that is the myth on which this tax system is based. Whether it is the Conservative Party in power or the Liberal Party, it is the same old assumption. It does not work.

We are going to debate Bill C-7 in some detail over the next number of hours. I have identified one of what I think are very important clauses that will assist the small business sector, particularly regarding the elimination of the ceiling. On the other hand, I hope the Minister will explain, when we get into clause by clause study in Committee of the Whole, why doctors, lawyers, accountants and so on were included so that they too should have a special tax rate of 25 per cent. Why is it that we have included those particular professions and not other professions? I suspect again it is a reflection of the assumption under which this tax system is based—that if we can assist those in the upper income brackets, then benefits will accrue because they will invest. That investment has not happened. We have been giving tax breaks to individuals and corporations for years and years on that assumption, but the investment is simply not happening.

I remember when the Prime Minister of Canada (Mr. Mulroney) was out on the campaign trail; he was saying that virtually the day after the Conservative Government was elected there would be this swelling sense of confidence in the country, a sense of confidence in the ability of the new government, and that jobs, I think he said hundreds of thousands, would be created overnight.

Miss MacDonald: He got 100,000 in the first month.

Mr. Riis: Maybe it was only tens of thousands of jobs that would be created overnight.

Mr. Blackburn (Brant): We lost 80,000.

Mr. Riis: We have now been under this new Government for many weeks. That confidence does not seem to be boiling up. On the one hand the Government is saying this, and on the other hand the Government is saying that. The Minister of National Revenue (Mr. Beatty) says: "We are now going to treat people fairly. To do that we are going to hire 350 goon-squad members to beat the bushes to try to squeeze more tax from people". The reason people are not paying taxes out there is not because they do not want to pay tax. They are not tax evaders; it is because they do not have any money to pay. You cannot beat them over the head and bash out more money because people simply do not have it, Mr. Speaker.

We all know that when we go back to our constituencies every week we meet with people who say: "I owe Revenue Canada $16,000. I am a rancher. I do not have any money. I cannot pay it but I want to pay it. If I can come up with some kind of repayment plan, I will". When you say one thing one day and your behaviour is different the next day, it is not the kind of thing on which confidence is built, Mr. Speaker.

I want to say a little bit about how this Bill affects agriculture. My colleague, the Hon. Member for Prince Albert (Mr. Hovdebo), will certainly have more to say about what this Bill means for agriculture.

Mr. Blackburn (Brant): Nothing.

Mr. Riis: I want to talk about the capital gains rollover to assist farmers in their retirement years that will enable a certain amount of money to be rolled into an RRSP and as a result be protected from tax as part of their retirement plans. One of the most encouraging parts of this Bill which will help many, many people is Clause 61. It makes the point that up until this time individuals who do not have income tax deducted at source have been required to pay quarterly tax instalments. Especially for pensioners, this has been a real problem. The quarterly tax instalment has also been a problem for many farmers and small business people. It is more red tape, to coin a phrase. It is something that will be eliminated, in part at least, by this provision, and I welcome that.

While there are some aspects of this Bill that have been long overdue, they are simply band-aids on top of band-aids on top of other band-aids. We have a tax system in this country that is so complex that I doubt there is a single tax accountant or tax laywer who could say that he or she is on top of the tax system. If anybody says that he or she understands the Tax Act, or is on top of the regulations, I think, Mr. Speaker, you should be looking for a new accountant or a new tax lawyer.

So much is based on decisions made by various tax officials. One might find a decision made in Ottawa that is quite different from one made in Winnipeg, which again is quite different from a decision made in Surrey, B.C. So much is dependent simply upon the interpretation of an individual for which he or she is not accountable. When you start looking at the tax system and recognizing the complexity in which we find ourselves in terms of the financial world, so much of income now being nothing more than paper income, we recognize that our tax system is out of control. It is unfair, particularly in that it has a bias toward a certain sector of the community. Of course, the bias is in favour of upper income earners, particularly those whose income is derived from sources such as dividends.

• (1140)

In fact, a dollar is not a dollar. For certain taxpayers a dollar is only 50 cents when it is looked at for tax purposes. It is time to dust off the covers of the old Carter tax report. We

should look at some of its recommendations of a number of years ago. It was suggested at that time that perhaps it was time to bring fairness into the tax system and call a buck a buck or a dollar a dollar. For example, if one had a dollar of income, one paid income tax on it. We have called for a minimum tax recognizing, as even people like Ronald Reagan recognized in the United States, that there is a place for a minimum tax. Also there is a place for a tax system which is by and large based upon voluntary information regarding one's financial affairs for the year. We are asking people to co-operate in the most serious sense of the word. We are asking them to co-operate in determining moneys received, in identifying the taxes payable and in ensuring that the taxes are in fact paid. We ask them to co-operate as volunteers in this tax collection system. To have it work effectively, we must have a fair tax system. People filling out their tax returns must know that they are paying their fair share and that everyone else is paying their fair share as well. However, at present Canadian taxpayers know that that is not the case and that people often do not pay their fair share. They know that it is not a fair system and that it is biased in favour of certain individuals and businesses.

Turning to the business side of things, if we identify the 200 most critical tax incentives provided for business, the number set aside for small businesses is three; three out of 200 tax incentive programs designed for business refer to small business. Very clearly the emphasis or the bias in the tax system is toward the large corporate sector.

In terms of where jobs will be created in the future and recognition of the need for a fair tax system, Bill C-7 fails in moving toward either of those directions. It is simply a last ditch attempt by the past Liberal Government to bring in a few band-aids to be used on some obviously glaring errors in the tax system. Various sectors lobbied and lobbied for years for remedies to these errors. Finally government could not hold back any longer nor argue that this should not be done. Bill C-7 is a recognition of some of the most glaring examples of problems associated with the tax system. It does nothing to change it. It does nothing to improve the tax system. Basically it is the placement of a band-aid over another band-aid. That is all it really is.

[*Translation*]

Mr. Guy Ricard (Laval): Mr. Speaker, I want to thank you for this opportunity to address the House on a subject as important as Bill C-7, an Act to amend the Income Tax Act and related statutes. The two previous speakers said that we more or less copied the Liberal Party's Bill C-107. Quite frankly, if that is the only thing they did right in twenty-five years, I do not see why we should not make a few changes and present it to the Canadian people.

Mr. Speaker, considering the precarious state of the economy, Canadians have no other choice but to opt for change, and that is what they did and they did so very wisely. The Canadian people chose a Party commensurate with its aspirations, a Party that would be able to promote sound economic growth for all Canadians, after the dictatorial socialism practised by the previous Government which kept Canadians from realizing their full potential.

Mr. Speaker, juggling with truncated constitutional agreements is not enough to bring Canadians back to their rightful place within the Canadian economy. We must above all, think as Canadians, with Canadians and for Canadians. We must restore this country's pride, and that is what the Progressive Conservative Government has undertaken to do and is doing at this time.

However, although our Party is more than willing to do everything it can, it is a fact, Mr. Speaker, that the legacy of the previous Government has left us with a shambles—

[*English*]

Miss Nicholson: Mr. Speaker, I rise on a point of order. Would the Hon. Member be kind enough to explain to us what connection his remarks have with Bill C-7?

Mr. Hnatyshyn: That is not a point of order.

Mr. Blackburn (Brant): He is supposed to be relevant.

Mr. Foster: He is supposed to speak to the subject matter before the House.

Mr. Deputy Speaker: Hon. Members are correct. It is a point of order—

[*Translation*]

—and I would ask the Hon. Member to see to it that his comments are relevant to the Bill.

Mr. Ricard: Mr. Speaker, as I was saying, our economic strategy will require the introduction of many changes, and I believe the Minister made this clear earlier, including the Act to amend the Income Tax Act and related statutes, which cannot be delayed any longer. As the House is aware, a number of tax measures require significant changes and fast action. It is therefore necessary to clarify our tax proposals as soon as possible, and that is what this Government intends to do by means of Bill C-7.

Mr. Speaker, the Government intends to make changes in the tax system as it applies to small businesses. These changes will have a positive impact, since they will simplify and shorten the corporate tax return, reduce the cost of tax compliance for small businesses, increase tax savings for expanding small businesses and also reduce by more than two-thirds the legislation on the low small business tax rate.

Mr. Speaker, changes will also be introduced to simplify the rules on personal services business, specified investment business and connected partnerships.

To qualify for the low tax rate, personal services businesses and specified investment businesses will no longer have to meet the criterion that they must have five full-time employees who are at arm's length. This will simplify compliance. For compa-

nies formed by corporations, the long and complex provision that deals with corporations that are connected with several companies will be replaced by an anti-loophole provision drafted in general terms. These changes in the small business tax system will apply to fiscal 1985 and thereafter.

However, a related measure dealing with control options will become effective starting fiscal 1986. The purpose of this measure is to prevent a corporation from being eligible as a private Canadian-controlled corporation if a non-resident or a public corporation has an option or the right to take control of the corporation. The year's grace provided before this measure becomes effective will give non-residents and public corporations now holding such rights or options a chance to reorganize their business so as to keep the corporation concerned eligible as a private, Canadian-controlled corporation.

Mr. Speaker, there will also be two changes in the rules on tax instalment payments. The first change will provide an exemption from such payments for individuals whose instalments will be $1,000 or less. At the present time, all individuals paying more than $400 in taxes must make quarterly instalment payments. Furthermore, the cut-off point of $1,000 will be extended to corporations. These changes will be effective as of fiscal 1984.

• (1150)

Roughly 350,000 older taxpayers will no longer have to pay tax instalments. For example, a married taxpayer over 65 who uses every interest income deduction will no longer have to make quarterly tax payments, provided the couple's income does not exceed $18,000. Another 130,000 Canadians and more than 50,000 corporations will no longer have to meet that requirement. Most of those corporations are small family businesses and farms.

An exemption will be made concerning interest due on late or insufficient instalments. Interest of $25 or less on late or insufficient federal and provincial tax instalments will be waived.

With respect to the operating costs of an automobile, the current legislation provides that the employee who makes personal use of a car supplied by the employer must include in his income the automobile benefits related to the operating costs, such as gasoline, repairs and insurance which are paid by the employer. He must also include in his income the benefit represented by the use of the automobile, commonly referred to as the standby charge in respect of the automobile. To figure out the benefit involved in operating costs, the employer must keep track of all expenses of each vehicle and distances travelled by each employee on a personal or business basis. This is a complex and time-consuming exercise and a simplified formula will make it easier to take this benefit into account.

For a great many employers and employees, combining the operating costs benefit and the standby charge in respect of the automobile will result in much fewer expenses for simply abiding by tax regulations.

As to moving expenses, the Income Tax Act now provides a deduction for such expenses when someone ceases to be employed and must move elsewhere in Canada to get a new job. This deduction will be available to anyone who was unemployed and moved after 1983 to get a new job or open a business.

At the present time, Mr. Speaker, alimony payments made before the date of a court order or a written separation agreement are neither deductible nor included in taxable income. A number of taxpayers who thought they could benefit from such fiscal reciprocity have been affected by this restriction. Generally speaking, that is the case of a taxpayer who makes maintenance payments to his or her spouse and children after the marriage breakdown, but before the formal separation agreement is signed.

The new provisions will amend the rules applicable to payments made before the date of a legal order or a written separation agreement when, if it were not for this date, the payments would have been deductible and taxable.

Taxpayers can now deduct, within prescribed limits, the payments made by their spouse under a Registered Retirement Savings Plan or RRSP. A special rule prevents the use of the spouse's RRSP to transfer income artificially from one spouse to another. According to this rule, when money is withdrawn from a RRSP by one of the spouses, the other spouse must include in his income any payment to this RRSP during that year and the two previous years.

The new provisions will state that this rule does not apply if, following a marriage breakdown the two spouses are living apart when the money is withdrawn. This provision will apply to the sums withdrawn from a RRSP after February 15, 1984.

As the Minister said earlier, Mr. Speaker, other issues will also be examined, such as charitable organizations, tax assistance to farmers, tax incentives for businesses, and so on.

To conclude, Mr. Speaker, these are some of the initiatives which we consider essential to meet our objectives. They reflect the honesty and integrity of a Government which has set for itself this goal of rebuilding our economy.

We are united by a common will to have a strong and prosperous country. Meeting this objective will improve the situation of every one of us. We can reach this goal if we all work together.

[*English*]

Mr. Deputy Speaker: The Hon. Member for Edmonton South (Mr. Edwards) on a question or comment?

Mr. Edwards: I have a comment to make, Mr. Speaker, if I may. I wish to congratulate the Hon. Minister of State for Finance (Mrs. McDougall) for her lucid exposition of these

amendments and I would like to congratulate the analysis made by the Hon. Member for Laval (Mr. Ricard).

I think it is fitting that the Hon. Member for Kamloops-Shuswap (Mr. Riis) made such a substantial contribution to this debate.

Mr. Nickerson: He did?

Mr. Edwards: Yes. I think he underlined that neither the Government Party nor the Official Opposition holds a monopoly on wisdom and genius. It was a refreshing dose of fiscal and economic orthodoxy, with one or two exceptions. I know the Hon. Member would love to get his mitts on a chartered bank.

I wish to speak to one or two of these band-aids, as they have been called, and I would invite the Hon. Member to stay tuned. There may be some major elective surgery coming—

Mr. Deputy Speaker: I would ask the Hon. Member whether he is making a speech or participating in the question and comment period following the speech of the Hon. Member for Laval (Mr. Ricard). We are dealing with questions and comments right now. Does the Hon. Member wish to speak during the ten-minute question and comment period?

Mr. Edwards: Mr. Speaker, I stand corrected. I was about to make a speech.

Mr. Deputy Speaker: I will recognize you in a moment. Are there any Members who wish to make a comment or question the Hon. Member for Laval on his speech? Very well. We will resume debate with the Hon. Member for Edmonton South (Mr. Edwards).

Mr. McDermid: It was a great opening.

Mr. Jim Edwards (Edmonton South): Thank you, Mr. Speaker. I will do it again if you wish.

These changes which have been introduced will simplify and shorten the corporate income tax form, will reduce the cost of tax compliance for small businesses, will increase access to tax savings for growing small businesses and will reduce by over two-thirds the amount of the legislation relating to the low tax rate for small business. As we have been told, this is accomplished by the elimination of the accumulated deduction account which limited access of the small business tax rate to $1 million of accumulated income. As well, this is accomplished by the repeal of the provisions concerning non-qualifying business; namely, the professional practices of accountants, dentists, lawyers and medical doctors. I beg to differ with the Hon. Member for Kamloops-Shuswap by stressing that among these professions are a number of substantial individual investors in our economy. Further, these objectives are accomplished by simplifying the provisions affecting personal services businesses, specified investment businesses and corporate partnerships.

The oil and gas industry, which should be the major engine of our economic recovery, will be pleased, I believe, by the retroactive relief rather than the retroactive penalty involved in the provisions which offer relief to a taxpayer who, after 1983, disposed of property or supply services that qualified for earned depletion. As well, there is some measure of reliability and predictability in the scheduled modification of law treating expenditures made for wells after 1983 as development expenses rather than exploration expenses, thereby having the deduction from 100 per cent to 30 per cent postponed for two years to January 1, 1986.

The primary producers of our country are looked after and their needs are addressed by the tax assistance to farmers, with the farm capital gain rollover up to $120,000 of taxable gain on the sale of qualifying property now being deductible if invested in an RRSP, and the transfer of family farms from one generation to another has now been facilitated. The meaning of a child of a taxpayer has been extended and family farm bequests and inheritances are put on the same basis as *inter vivos* transfers.

As well, Mr. Speaker, I applaud the initiatives taken in the personal income tax field with the ability to deduct moving expenses extended. There are a great many people in our nation today who, through no fault of their own, have been dislocated from their employment, whether by early retirement or by lay-off. Clause 62 of the Bill will provide a deduction for the qualifying moving expenses of an individual who moves to a new location in Canada in order to take up employment or start a business. Under the present law, in order to qualify for that deduction the taxpayer must have ceased before the move to carry on a business, to be employed at another location in Canada, or to be a full-time student at a post-secondary educational institution. This amendment eliminates the requirements relating to the taxpayer's occupation before he moves. As a result, the amendment ensures that an individual who is unemployed immediately before such a move will be entitled to claim a deduction for moving expenses. The amendment is applicable to relocations which occur after 1983.

• (1200)

There is a bias in these amendments which is in favour of the great middle class of Canada—investors, entrepreneurs and those who care about the revival of the economy in Canada. I believe there is an all-Party consensus that small business will be the major generator of employment in the foreseeable future. I applaud the Minister for her initiatives and the attendant humanity, simplicity, efficiency and predictability that goes with the amendments. They are small steps in the right direction, but in them we see some measures for the freeing of enterprise and the reinforcement of the sense of confidence which is present in Canada today.

Mr. Deputy Speaker: Questions and comments? The Hon. Member for Kamloops-Shuswap (Mr. Riis).

Mr. Riis: Mr. Speaker, I appreciated the comments of the Hon. Member and I look forward to his participation in this debate.

In his opening statements he referred to the banks. I would like to ask him, first, what are his views with respect to a tax system which permitted one of the largest banks in the world, namely the Royal Bank of Canada, to operate in 1982, when most Canadians were experiencing extreme economic and financial difficulties, in a tax regime where absolutely no income tax was paid and millions and millions of dollars were deferred to the 1983 tax year? I would like to hear his views on a tax system which permits that.

Mr. Edwards: Mr. Speaker, I believe the subject of this debate is primarily the subject of small business simplification, relief for farmers, personal tax, et cetera. However, the subject was raised previously by the Hon. Member for Kamloops-Shuswap and, therefore, I will endeavour to answer the question.

Frankly, I do not think very much of a system which permits a major corporation not to pay tax—if the Hon. Member has his facts correct, and I will give him the benefit of the doubt. I think it is a declared policy of this Government that everyone will pay a reasonable share of tax. Of course, that includes corporations as well as individuals.

Mr. Riis: Mr. Speaker, the Hon. Member referred to an important part of the Bill, assistance to small business. He has identified, and rightly so that it is a critical sector in terms of creating jobs in the country in future years. He was also correct in saying that it was this sector which should be encouraged.

While this provision will take a significant amount of red tape out of the hands of the small entrepreneur and the small business person, would it not be much more advantageous for that individual, in terms of being able to expand and develop as a small-scale business, if the Government were to take action and significantly reduce interest rates?

Mr. Edwards: Mr. Speaker, I am of the view that the more free the market, the better.

Mr. Deputy Speaker: On a further question, the Hon. Member for Algoma (Mr. Foster).

Mr. Foster: Mr. Speaker, when the Hon. Member gave his speech this morning it sounded as though this Bill was originally proposed by the Progressive Conservative Government. In fact, the Bill which is before the House is part of the Budget which was brought down by Mr. Lalonde last April 19. A number of changes were made to the tax system at that time, many of which the Tories castigated during the election campaign. Matters such as reducing the threshold for senior citizens who are required to pay quarterly tax, in order that they will no longer be required to pay income tax on a quarterly basis. In addition, the removal of the cumulative index for low-income tax levels in small business. That would reduce the amount of paperwork and taxes for small business by over $100 million a year. The Hon. Member mentioned that it favoured the largest sector of the income scale. It includes approximately 300,000 small business people.

I simply wanted to be clear as to whether the Hon. Member was aware that the proposals in Bill C-7 originated from the Budget which was brought down last spring and did not come from the Economic statement of the Minister of Finance (Mr. Wilson). That statement put forward practically nothing for small business, except that the proposals of the previous Liberal Government would be implemented. Perhaps the Hon. Member could clarify whether he is aware that the beneficial provisions of the Bill came from the Budget of last spring.

Mr. Edwards: Mr. Speaker, I thought that I had given proper credit to the original initiative when I remarked that neither the Government Party nor the Official Opposition held a monopoly on wisdom or genius.

I believe that even the principles of the prodigal may be embraced when they are uttered as a last gasp of deathbed repentance. We recognized the marvellous improvement in Mr. Lalonde in his latter days.

Mr. Riis: Mr. Speaker, I have a further question for the Hon. Member. He referred to the elimination of the cumulative deduction account, which is certainly a wise move. Would he be able to venture an explanation as to why this special consideration was extended to certain selected professional groups, such as doctors, lawyers and accountants, to enable them to qualify for the 25 per cent tax? I recognize that the Hon. Member may not have an explanation and may be looking forward to an answer from the Minister of State for Finance (Mrs. McDougall).

Mr. Edwards: Mr. Speaker, I thought I previously addressed that question when I said that the people in these professions invest handsomely in the economy. They take risks which, I would submit, very few Canadians are prepared to take. I congratulate them on their bravery, especially with the state of the economy at this time, and in particular the western economy, with which I am sure the Hon. Member is very familiar.

• (1210)

Mr. Riis: Mr. Speaker, I do not want to pursue this beyond rational limits. I appreciate the point made by the Hon. Member that we need investment in this country, and, indeed, these professional individuals would probably invest in various capacities. However, what about all the other professions which are not identified? Is the Hon. Member saying that only the professional groups identified as lawyers, dentists and doctors invest in the economy and all the other professional groups which are identified in the Income Tax Act as professional groups do not invest? I do not understand why there is a distinction between one set of professionals and another.

Mr. Edwards: Mr. Speaker, following the band-aids probably will come the tourniquets; then later, as I suggested, the major surgery. I stress that that surgery is elective surgery because an election was held on the issue.

Mr. Deputy Speaker: The period for questions and comments on the speech of the Hon. Member is at an end. We shall now resume debate.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker—

Mr. Riis: Oh, no!

Mr. Nickerson: Who said that? I suspect that remark came from the Hon. Member for Kamloops-Shuswap (Mr. Riis). My hon. friend, the Hon. Member for Edmonton South (Mr. Edwards), in my opinion, Sir, was all too charitable to that Hon. Member in his opening comments. I would never say anything like that about the Hon. Member for Kamloops-Shuswap because I have listened to him for several years in this House. I listened to what he had to say today with respect to Bill C-7, and for the most part, Sir, his comments were typical New Democratic Party tax garbage. The Hon. Member did, however, zero in on one particular group of Canadians—dentists, doctors and persons in allied professions. For some reason, obviously, the New Democratic Party do not like dentists.

If anyone has gone to a dentist of late he will have easily seen the similarity between a dentist's office and the ordinary small business. The dentist has a staff, he has equipment to buy and he has an office to run. It is my personal opinion, and it is the opinion of the Government of Canada, that there is not much difference between that type of operation and what we would normally consider to be a small business. Therefore, I am particularly pleased that the provisions of the Income Tax Act as they apply to so-called non-qualifying businesses have been repealed under this Bill.

The Hon. Member for Kamloops-Shuswap did make one valid observation, Sir, and that was that this bill is largely a Liberal Bill. To a great extent it comes to us as a result of the Budget brought in by the Hon. Marc Lalonde on February 15 of this year. That observation, which was also made by the Hon. Member for Algoma (Mr. Foster), was quite correct.

I believe what we are faced with in this Bill is a series of technical amendments to the Income Tax Act. There is no real change in the way that taxation will be levied in Canada. However, the amendments which are before us are, on balance, good ones, ones with which this House should deal as expeditiously as possible. In a sense, the February Budget of the former Minister of Finance was a way of drawing back from the disastrous MacEachen Budget of 1983. The Government of the day realized just how badly it had fared with the MacEachen Budget and in order to have a system of taxation with which Canadians could live, even if they were not particularly happy, brought in the Budget of February 15; and the Bill which was brought forward in August was the model for Bill C-7. There have been some improvements made in this Bill since August and we hope it will suit even more the present Canadian financial and taxation situation.

I am pleased that the Minister of State for Finance (Mrs. McDougall) brought this Bill in so early in the session. It shows that we on this side of the House intend to give high priority to tax matters. If one looks at the provisions of the Bill, one sees that they deal predominantly with small business taxation. The reason for this is that we believe that the small business sector of the Canadian economy is most important.

I would like to speak about some of the provisions as they affect small business. This Bill will reduce by over two-thirds the amount of legislation relating to low tax rates for small business. We, together with Hon. Members on the other side of the House, have been trying for some time to reduce the volume of the Income Tax Act and to bring in progressive simplifications.

Bill C-7 will increase access to tax savings for growing small businesses. It will reduce the cost of tax compliance, again for those small businesses. I like the provision for the elimination of the cumulative deduction account, and other speakers agree with me. Even the Hon. Member for Kamloops-Shuswap agreed with that provision so we must be doing something right on this side of the House.

The provisions dealing with the 35 per cent research and development credit and the 40 per cent investment tax credit are good. These provisions should assist investment in research and development on the part of small business. I am pleased to see that the working out computation will be dealt with on the previous year rather than on the current year in which you are claiming those tax credits, which makes it a lot easier. That is one simplification.

Some other provisions of the Bill which is before us include simplifications in the realm of taxation of charities. The Bill does not reflect the give-and-take proposals in their entirety. In fact, they reflect very little of the give-and-take proposals which have been made from time to time in this House. However, they are a step in the right direction and, as a step in the right direction, I am sure all Hon. Members of the House will support them.

There are provisions in the Bill which deal with employee stock options and the taxation consequences of giving employees stock options. I think this is, on balance, good. The intention here is to encourage stock options to be given to the employees of corporations so that they will have a vested interest in that business and will wish to see it grow and prosper. A lot of these recommendations came out of the good work of the parliamentary subcommittee which was established at the instigation of a private member of the Liberal Party in the last Parliament. Sometimes in this place we wonder whether anything eventually comes out of all the work we put into things, but this is one case where something came out of that parliamentary subcommittee. The lady who headed that parliamentary subcommittee and who originally presented the private member's motion to establish that committee is to be complimented, even though she is no longer with us.

With respect to taxation of energy and resources, the provision for recapture of depletion will assist people who invest in the oil and gas industries in Canada. There are provisions for the modification of the law which deals with expenditures after 1983 on certain wells, the treatment of them as development rather than exploration expenses, and the effect which that has on the deductions. I believe it is 30 per cent for development wells and 100 per cent for exploration wells. This is to be the changeover; it will be postponed for some two years until January 1, 1986. It will be a spur to the oil and gas industry,

especially in western Canada which was hit so badly by the national energy policy.

• (1220)

The Hon. Member for Kamloops-Shuswap brought to the attention of the House the fact that these are minor modifications, and I do not think they go quite far enough. They are technical amendments that help things for the next couple of years or so, but we really have to look at the whole tax regime for exploration and development in the resource sector, oil and gas in particular, between now and 1986. We have to have something in place. It is all right to continue the present regime of PIP grants and so on until 1986 because people are locked into these programs and it would be unfair to rip up valid contracts. But we really need a new regime in Canada so that the oil and gas industry will know where it stands and will be able to make rational investment decisions based on the permanency of tax and other legislation dealing with the disposition of natural resource rights.

It will be a major task of this Government and this House of Commons over the next two years to bring in a new and steady regime to replace the existing situation which arose out of the national energy policy and a lot of other things that have upset both members of this House and the oil and gas industry for so long. I notice as well that this Bill contains a provision for a tax free roll over when, in certain circumstances, an individual transfers resource property to a taxable Canadian corporation. That will be helpful to people in that line of business.

I have a few comments, Sir, on tax assistance to people engaged in agriculture. Farmers have been having a particularly tough time over the last few years with low commodity prices and high taxes, expecially taxes on agricultural inputs such as farm fuels, et cetera. There have been a lot of discussions in the commons and in the country over capital gains taxes as they affect farmers. I am pleased with the amendments regarding the $120,000 amount not being subject to capital gains tax when it is rolled over into an RRSP, as well as certain provisions dealing with the transfer of family farms from one generation to another. This is a step in the right direction and something which all Members should support.

Of course, in the view of members from agricultural areas, it certainly does not go far enough. I was pleased to hear the Minister say that this matter will be referred to a parliamentary committee so that agricultural taxation, not only in respect of the Income Tax Act but customs duties and other types of taxation on agriculture, can be looked at again. Perhaps we can put a rational system in place.

By way of an aside, the three cents a litre tax rebate on farm fuels will come into effect as a result of the economic statement handed down in this House a couple of weeks ago. It certainly will be of assistance to farmers, fishermen and other people in the resource industry. As an aside to that aside, I would like to say that that tax rebate also ought to be extended to trappers. They were not specifically mentioned in the statement but they certainly are in the same line of business, renewable resource development, and the rebate ought to be extended to the fur harvesters of Canada.

We need a radical change in the taxation of capital gains in Canada, Mr. Speaker, not only for farmers. Sometimes it is hard for someone who comes from a non-agricultural area to understand the difference between a farm, which I look upon as being small business or in certain circumstances a large business, and any other type of business. I would like to see us get out of the capital gains tax business altogether. That would be the greatest spur to investment in Canada that we could imagine. I do not think the capital gains tax brings in any great amount of revenue in comparison with the difficulty it imposes on taxpayers. Very often we are collecting taxes not on real capital gains but on inflationary gains. So this Bill is good in that it alleviates the capital gains tax in certain specified instances dealing with agricultural land, but certainly it does not go far enough and we have to look at getting rid of it altogether in Canada and going back to the pre-Benson days.

The tax provisions of Bill C-7 extend to personal income tax measures and maybe I will just go over these point by point. The ability to deduct moving expenses has been extended. This has been brought to my attention on several occasions where people have moved from Newfoundland to the Northwest Territories. In my particular area of the country long distance moves are quite common.

Then there is simplification of rules applicable to the breakdown of marriage.

Another area concerns eligible medical expenses. As you will recall, someone had to be confined to bed or to a wheelchair before they were eligible to write off the cost of certain medically required equipment. I am pleased to see that will no longer be the case. I remember question after question being asked in this House about people who common sense would say should be able to get a tax deduction for a piece of medical equipment, yet the word for word provisions of the Income Tax Act were such that they could not. This is certainly a good step.

As well, fairness in tax administration, as the Minister of National Revenue (Mr. Beatty) has said on many occasions, both as Minister and as opposition critic, is something we feel very strongly about on this side of the House. We feel taxpayers should be treated honourably and fairly, and Bill C-7 contains provisions which will enable that to be done.

I see I am running out of time, Mr. Speaker, so I will have to speed up a little bit. Perhaps out of all the provisions dealing with tax administration I will simply pick two items. The one dealing with revocation of waivers I think is important. Once a waiver had been given there was no way of revoking it and in certain circumstances the taxpayer might feel that he or she would want to do that. So this is a good move.

• (1230)

We on this side of the House have been talking about award of costs for many years. I am pleased to see that it is included in the legislation before us today. Some taxpayers have

incurred great expense and put a lot of time and effort into fighting tax cases. Some of those cases were brought by Revenue Canada in order to determine what the law was. I am pleased to see that there will now be a provision for the award of costs.

In summary, Mr. Speaker, these are mainly technical amendments. They have been a long time in the pipeline. Members on all sides of the House can be pleased with the input which they have had into this. It has been a combined effort by members on all sides of the House. I hope these provisions will be dealt with expeditiously in order that we can go from here to change the whole concept of taxation and address some of the matters which I have brought up in my presentation.

Mr. Boudria: Mr. Speaker, I found the remarks of the Hon. Member for Western Arctic (Mr. Nickerson) very interesting. I have a question with regard to his proposal to abolish the capital gains tax. I recall that during a recent election campaign a certain candidate for Prime Minister said that the rich would "pay handsomely". Could the Hon. Member explain to us how "paying handsomely" fits in with abolishing the capital gains tax? Does the Hon. Member feel it is reasonable for a millionaire who owns paintings and sells them for 100 times his original investment not to pay income tax on that gain? That is the conclusion I am arriving at from what he is saying. After all, those kinds of sales are taxed only through the capital gains mechanism. Or is the Hon. Member proposing to replace the capital gains tax with some other method of payment through which the rich will pay handsomely, to use the expression of his Leader?

Mr. Nickerson: Mr. Speaker, let us consider a few examples. In the days before taxation of capital gains there was a lot of incentive for prospectors to go out in the bush and look for showings. If a prospector found one mine in his lifetime he was doing much better than average. A lot of that incentive was taken away when capital gains taxes were introduced. The same is true with people who have accumulated a few dollars and want to build an apartment house. It is no longer as attractive to do that as it was in the pre-capital gains tax days.

As a result of that there are less prospectors looking for mineral showings. There are less people building apartment houses and this is showing up in the low vacancy rates in housing. I am sure that is happening in the Hon. Member's own riding. People are just not investing money in that area. Therefore, if we could reduce or eliminate the capital gains tax it would be good for Canadian society because people would make investments. People only invest if they think they are going to show a profit. They do not do it for fun. If we take away all the incentive that will not happen.

I suggested that this topic should be a prime one for discussion and examination during the course of this Parliament. There are certain difficulties with regard to transferring income into capital gains, so we must study it carefully. I make no apology for suggesting that in my opinion we would be doing the nation a favour. We would be mobilizing capital and human energy if capital gains taxes were eliminated.

Mr. Riis: Mr. Speaker, as usual, I have listened to the eloquence of my colleague, the Hon. Member for Western Arctic (Mr. Nickerson). When he was in opposition on this side of the House he was very articulate in outlining the areas which the Government should change with regard to the tax system. Now, as part of the Government, he is in a position to implement these changes. Over the next weeks and months we will look forward to seeing these changes incorporated into the tax system to make it more attractive to the investor and to make it a fairer tax system.

I would like to remind the Hon. Member that the Department of Energy, Mines and Resources recently published a book about two inches thick which identifies all of the mineral resources which are sitting dormant and theoretically could be mined. Therefore, while his concern for the prospector is valid, there is another more pressing need, and that is to find ways and means of getting those deposits developed. I propose that the only way to do that is to take action on interest rates as opposed to leaving it to the free market place, as we have, in theory, at the moment.

The Hon. Member referred to the employee stock option section of this Bill. He suggested that this was going to provide an opportunity for employees to feel much more part of an operation. Would the Hon. Member explain how someone working for Imperial Oil who owns 20 shares of that corporation is going to feel that he is a meaningful part of that corporate entity?

The Hon. Member referred to tax collection and how the Government is sensitive to the need to be compassionate in the collection of taxes. Why was it necessary to spend millions and millions of dollars and hire 350 tax collectors to collect taxes? Does the Member see this as a way to develop confidence in the people of Canada and the small business sector? Will having more tax collectors badgering people to pay taxes develop a new sense of confidence in the country?

Mr. Nickerson: Mr. Speaker, I wish that I had 20 shares in Imperial Oil. I do not think it really matters whether you have 20 or 2,000 shares in Imperial Oil, there is still an incentive attached. You own part of it and you can keep it or dispose of it. If you keep it and work harder, presumably you will see the value of those 20 shares increase. It is pretty obvious that unless you happen to be the chairman of the board or the president you are not going to have a great effect on the fortunes of a corporation as large as Imperial Oil. However, to deny that there is any effect whatsoever would be exactly the same as to deny that a Canadian citizen has no effect whatsoever on the Government of Canada when he or she casts that one vote out of 10 million.

A lot of corporations that give employees stock options are small corporations. Had the Hon. Member for Kamloops-Shuswap listened diligently to the presentations which were made before the parliamentary committee, he would have understood that. Very often this mechanism is used in much

smaller corporations than Imperial Oil. I think it is valid not only for the small corporations but also for the large ones.

• (1240)

The second question dealt with the hiring of more employees for Revenue Canada. Perhaps it was wrong to describe the extra employees as tax grabbers. There will be a lot of people required in the operation of Revenue Canada.

One of the difficulties we have now is that the people who have been employed there have been overworked. Anyone who has tried to call up the Department of National Revenue to make an inquiry with respect to an assessment or whatever knows that one cannot get through. I tried this once as an experiment. I attempted to call Zenith 4000, the office in Edmonton. I tried ten times and let the phone ring about 20 times on each occasion. It is just impossible to get through.

Many of these new employees will not be going out hounding people to pay their taxes but providing the service that taxpayers require. We will now have people who will be able to meet with a delinquent taxpayer and work out a schedule for repayment rather than just going in with a garnishee stamp. The idea behind hiring more people for the Department of National Revenue is to make the tax system more fair and equitable and to provide services that the taxpayers require.

Mr. Deputy Speaker: The period for questions and comments being over, we will resume debate.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, this Bill is as important in terms of what it does not do as much as what it does provide. It makes no effort to deal with some of the real inequities and unfairness in the tax system.

The Bill addresses some of the necessary changes that are required in the tax system. These matters have been discussed on many previous occasions by Conservatives when they were in opposition and by Liberals when they were in government. It is surprising to note the changes in attitude with respect to some of these clauses. However, that seems to reflect the kind of political structure we are in. Bill C-7 does not deal at all with corporate capital giveaways, nor does it address the increasing number of loopholes within the system.

My colleague who spoke earlier suggested that there are many Canadians in this country who pay no tax at all. There is no attempt in this Bill to deal with those people, whose numbers are growing every year. In 1971 there were only eight people who made over $100,000 and paid no tax at all. By 1981 that number had increased to 1,490. The reason for this increase of almost 1,500 people who pay no tax is that there have been more and more loopholes introduced into the tax system to allow them to do so. I believe it is the Government's responsibility to review the tax sytem, to make sure that this no longer happens and that those people are taxed in some manner.

The Hon. Member for Western Arctic (Mr. Nickerson) spoke about capital gains and suggested that this was one possible method for increasing the amount of investment. However, I would also point out to him that within the present tax system it is also a method for increasing the number of people who make more than $100,000 or $200,000 without having to pay any tax at all.

The capital gains structure as it presently exists is very unfair. The Hon. Member for Western Arctic made some very valuable comments about the need for studying capital gains and how this should be done. One of the inequities of capital gains is that one pays taxes on only half of one's capital gains, whether it is $50,000 or $500,000. You pay only on half, as if you had earned that same amount of money working. This Bill does not deal with that unfairness which has been built into the system.

It has been our view that during the past decade, while the government systematically increased spending to provide a government that cared about the people, at the same time it proceeded systematically to diminish the tax base. Consequently, that reduction in tax revenues has resulted in the kinds of deficits that we now face. The Government must now look at ways to restore that tax base which has been lost over the past 20 years. Most of that tax base has been lost as a result of tax credits to large corporations.

I am particularly interested in the attempt in this Bill to achieve some fairness for farmers. I speak particularly about that portion of the Bill which allows RRSPs to be purchased by farmers who are selling their farms and the rollover provisions for farms moving within the family.

The Conservatives came to Prince Albert in large numbers to reveal the Prince Albert manifesto. They promised real relief from the farm financial situation and have taken a couple of steps in that direction in this Bill. However, the Government has not yet made an effort to deal with the main problems facing the farming community.

Be that as it may, I am pleased that this Bill has revived the measure from the previous Bill to provide an opportunity to farmers to buy RRSPs for half of the capital gains, up to $120,000. It has been widely stated that in many cases the capital that a farmer has developed in his land is the only retirement capital he has. Consequently, he needs a mechanism that will allow him to use that capital without much of it being siphoned off for tax purposes. I congratulate the Government for introducing such a mechanism.

The Prince Albert manifesto addressed a number of other important issues which needed consideration. The Minister has indicated that these were up for study, but many of these have been studied before. I think the Conservative Party when in opposition put forward a very acceptable approach to Section 31 of the Income Tax Act and the inequities which caused farmers a lot of trouble in the last few years.

• (1250)

In this Bill there is a definition of a full-time farmer. I suggest that later on in Committee of the Whole deliberations it will be necessary for the Government to define exactly what it means by a full-time farmer and exactly what it means by that ability to purchase RRSPs. Over the last four or five

years the definition of a full-time farmer and a part-time farmer has become so involved, that they are so difficult to define, that no farmer who happens to work off the farm for a period of time really knows how he is going to be classified. Will this definition allow a person losing money, one who has to work off the farm, to take advantage of the RRSP situation?

We have heard from this Government about what it is going to do to help relieve the financial problems of farmers. We are looking forward to a little more action than we have in this Bill. Up until now we really have had nothing which amounted to a great deal of action to help farmers with their financial problems.

Mr. Deputy Speaker: Are there any questions or comments? If not, we will resume debate.

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, this is clearly an attempt on the part of our Party to make certain that the changes that go through as part of Bill C-7 do not do so in some kind of automatic and carefree way, but instead become subject to scrutiny and a general discussion about the direction in which we should be proceeding in tax policy. This is, after all, the first piece of legislation that has come before us from the federal Government dealing with the tax system. For ourselves we have felt that the priority in the tax system should be to bring in measures that establish some serious move toward fairness, some real advance toward a system that treats ordinary Canadians in at least as equitable a way as the many rich taxpayers who benefit from so many loopholes and the many corporate and personal tax advantages that allow them to escape from paying their fair share of the tax burden.

We as a Party would have brought in for priority action not the discredited past regime's efforts at some small tax changes, which were efforts many members of the Conservative Party attacked. We would have aimed to bring in changes that started to establish once and for all through at least a series of dramatic gestures a new sense in the country whereby Canadians can look forward to a tax system which is fair and just instead of a tax system which is unjust, unfair, and incredibly complicated.

We would first have moved to do something about the incredible tax breaks for the corporate sector of the economy. We would look at capital allowances provided to companies over and above the normal depreciation which can be taken off a company's corporate income. We would look at the very fast write-offs which have been provided for new investment, fast write-offs given automatically, not given to projects that otherwise would not go forward. For instance, there are the regional industrial development expansion grants which go only for specific jobs in a context where companies would not otherwise move forward. We would look at the very fast write-offs for exploration and development within the resource sector. We have seen the way in which these have increased dramatically. We have seen the conclusions of economists, quite universal on this matter here in Canada, that this attempt to funnel more money to the corporate sector has not resulted in increased jobs. It has not even resulted in increased business investment in Canada. Instead we have seen a slowdown in investment. Despite the incredible tax breaks, we have seen the corporate sector really not establishing new jobs for Canadian workers.

We think there has to be action on the very high level of tax advantages provided the corporate sector here in Canada. That is not because we do not want to see serious efforts made to help the business community establish more employment for Canadians. We have been the people who have defended programs like the industrial and regional development program against the significant cut-back of planned expenditures which this Government has recently initiated. We believe that the way the corporate tax system has been used to provide a whole set of automatic tax credits, not related to performance, does not make economic sense. It is not fair, it is not effective, and it should not be happening.

We feel the priorities of this Government with respect to tax avoidance are simply wrong. The Government has hired a significant number of new tax inspectors to go after ordinary Canadians. At the same time officials admitted privately before the changes in secrecy rules which will make it a little more difficult to do so in the future that the largest source of tax avoidance, tranfer of payments made by corporations outside this country, do not receive the scrutiny they should.

Mr. Deputy Speaker: I am sorry to interrupt the Hon. Member, who will of course continue after the recess, but it being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

IMMIGRATION

ANNUAL REPORT—FUTURE IMMIGRATION LEVELS

Mrs. Lucie Pépin (Outremont): Mr. Speaker, last week, the Minister of Employment and Immigration (Miss MacDonald) tabled the annual report on future immigration levels. I am somewhat skeptical, since I am afraid this report shows a drastic change in our immigration policy, a change for the worse. In my humble opinion, the Progressive Conservative Government is about to give up our traditional humanitarian stance for a more opportunistic one, by favouring the more

prosperous immigrants to the detriment of certain less fortunate groups.

The new economic direction the Minister of Employment and Immigration seems to be adopting is an alarming one. From the moral point of view, it is unacceptable to continue to close our doors to workers and selected workers, because after all, their ancestors built this country when it needed them to clear the land and do backbreaking labour. At the time we did not care whether immigrants had thousands of dollars to invest. Today, now that Canada is developed and is gradually recovering from the recession, must our admission criteria be financial ones, from now on?

If that is the case, it denotes an attitude that is to be condemned, because it ignores those people who are trying to join their family members in this country, while there are also thousands of people for whom Canada could be a place of refuge and provide a better life.

* * *

TRANSPORT

PROPOSED CONSTRUCTION OF BRIDGE BETWEEN MASSON, P.Q. AND CUMBERLAND, ONT.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, some Hon. Members on the government side seem to be both confused and divided. With the apparent support of the Hon. Member for Ottawa-Carleton (Mr. Turner), the Hon. Member for Gatineau (Mrs. Mailly) has decided that a bridge would be built between Masson (Quebec) and Cumberland (Ontario) and that a preliminary study would be started very shortly, with the approval of the Minister of State for Transport (Mr. Bouchard). On the other hand, the Hon. Member for Argenteuil-Papineau (Mrs. Bourgault) has made the following statement, as reported in the *Le Droit* daily:

> If such a study ever takes place, it will certainly not be funded by Ottawa, for this bridge has never been listed among the government's priorities.

Are we witnessing a tempest in a teacup? Knowing the atmosphere of secrecy within which this government likes to operate, I suggest that one of its Hon. Members should at least have the decency to tell the other the time of day, unless this is a case of two Hon. Members fighting to get the upper hand. Is the government going to clear up the matter, or will he let fate decide on the taxpayers' backs whether or not we will get a bridge or a study? The Deputy Prime Minister may be the only one who knows the answer to this question, but alas, as you know, Mr. Speaker, he was struck by a strange disease on September 4 which has rendered him totally mute.

Mr. Speaker, this rightist government is acting awkwardly, and it is clear that one right hand does not know what another right hand is doing.

S.O. 21

[*English*]

NATIONAL DEFENCE

CRUISE MISSILE TESTING—ADVANCE NOTIFICATION OF CIVIL AVIATION

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, recent reports would have it that Cruise missiles might again be tested in Canada this coming winter. There were several complaints last winter dealing with inadequate notice to civil aviators along the test route which traverses the western Northwest Territories and northern Alberta. In order to avoid unfortunate accidents, civil aviation should be advised well in advance of the time, date, and route of missile tests. Also the altitude and speed of the missile and the tracking aircraft should be published. The Department of Transport ought to issue NOTAMs with this information, not at the last minute but sufficiently in advance of the tests so that the many pilots and passengers who regularly travel along the test route will not be placed in any unnecessary danger.

* * *

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

SUSPENSION OF CABLEVISION PROSECUTIONS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I wish to bring to the attention of the Minister of Justice (Mr. Crosbie), the Minister of Communications (Mr. Masse), and Members of the House, a situation which has serious implications regarding confidence in the Government. Last week the Government stopped all prosecutions against cablevision operators who had ignored the regulations of the CRTC. In some of the communities involved, legitimate licensed cablevision operators who had sought and obtained CRTC recognition, and who had met all the rules and regulations contained in their licences found themselves in competition with cable operators who were operating without CRTC approval. Until recently the Department of Justice had decided to prosecute those cable companies operating in contravention of the CRTC in recognition of the legal, legitimate, and licensed cable operators, but now the Department has stopped the prosecution process.

What signal does this send to licensed cable operators? How is the licensed cable operator able to compete in such an unfair market situation? I would ask the two Ministers involved to take immediate action to stop the stay of prosecution, especially for those communities where a licensed cablevision firm is operating in competition with an unlicensed firm.

S.O. 21

ABORIGINAL PEOPLES

INCIDENCE OF SUICIDE AMONG YOUNG INUIT—PLEA FOR GOVERNMENT CONSIDERATION

Mr. Thomas Suluk (Nunatsiaq): Mr. Speaker, the Inuit, who comprise 85 per cent of my riding, have gone through a period of tremendous cultural upheaval for the last 20 years. Although all 33 communities can now boast of modern conveniences such as education, public housing, and satellite television, the appearances are misleading. This weekend another Inuk youth terminated his own life in frustration at coping with the laws of the land.

This is not an isolated case. Many of these unfortunate events take place in communities where cultural clashes are the greatest. Many young Inuit are finding it more and more difficult to cope with modern problems affecting the North, where jobs are few and far between. The problem is compounded by the fact that our young Inuit can no longer live off the land like their predecessors.

Although many Inuit leaders are trying to address this problem, they are hampered by a lack of funds for effective programs. I am therefore calling upon the Minister of Employment and Immigration (Miss MacDonald) and the Minister of State for Youth (Mrs. Champagne) to look into the serious problems confronting Inuit youth in the riding of Nunatsiaq.

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RESEARCH

INTERNATIONAL DEVELOPMENT RESEARCH CENTRE—BUDGETARY CUT-BACK

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, the International Development Research Centre is one of the country's most important agencies which helps developing countries. Set up in 1970, it has built a fine reputation by helping research in poor countries into agricultural problems, health concerns, and social and economic issues. The annual budget of IDRC is in the $80-million range. Now, as a result of the Government's cuts, $10 million has had to be chopped from this year's budget. This is tragic for the poorer people of developing countries, sad for the international reputation of our country, and extremely demoralizing for IDRC staff.

It is especially tragic that these cuts hit IDRC this year as it is especially active in helping increase food production in Africa. A special focus has been on Ethiopia, where IDRC help has been going to the Institute of Agricultural Research and its Commission on Science and Technology to find more drought-resistant crop varieties and low-cost farm improvement systems.

We urge the Government to stop these cut-backs. The tragedy of African hunger cries out for more Canadian support through IDRC, not less.

METRIC CONVERSION

FREEDOM OF CHOICE ADVOCATED

Mr. Gordon Taylor (Bow River): Mr. Speaker, Sir John A. Macdonald was a great Canadian and a splendid parliamentarian. His legislation reflected the thinking of the great majority of his people. For example, both metric and imperial were placed in the statutes, and Canadians could use the one of their choice. As a result we have a metric money system, and imperial is used in measuring land. This made sense to the rank and file of the nation and to everyone else, that is, until the last Liberal Government came along. It said: "This freedom of choice is too simple. We will force everyone to use metric".

It was sensible where small measurements were used, such as in medicine, but completely stupid to change an excellent system of land surveys. That did not bother the Liberals; it fitted right in with their totalitarian concept of telling the people what was good for them. Scores of farmers exclaimed: "We are foreigners in our own land. We don't know how much we are getting for a bushel of wheat any more". Shoppers were dumb founded, not knowing how many pounds of meat they were getting for their dollar.

The simple fact is that there is a place for metric and a place for imperial. The people should make the choice, not the Government. Canadian people are not illiterate—they will not be changing acres to hectares, or bushels to hectolitres.

● (1410)

This Government will restore sanity to our weights and measures by following the example of that great Conservative Prime Minister of the past and doing what the people want. Down with compulsion, and up with the people!

Some Hon. Members: Hear, hear!

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SPORTS

GUELPH GRYPHONS VICTORIOUS IN VANIER CUP FINAL

Mr. William C. Winegard (Guelph): Mr. Speaker, if the House would quieten down, I would deliver a significant message.

Some Hon. Members: Oh, oh!

Mr. Winegard: Last Saturday the attention of many Canadians was focused on a contest witnessed by the Governor General of Canada and the Hon. Minister of State for Fitness and Amateur Sport (Mr. Jelinek). I wish to assure the House that the contest was well played and was a credit to Canadian university sports.

I also wish to assure the House that the Vanier Cup will be well looked after in Guelph. I regret that the rules do not allow me to congratulate that fine team.

Some Hon. Members: Hear, hear!

ABORTION

PROTECTION OF THE UNBORN—PLEA FOR LEGISLATIVE ACTION

Mr. John V. Nunziata (York South-Weston): Mr. Speaker, the acquittal of Dr. Henry Morgentaler has made a mockery of our jury system and is clear evidence that our abortion laws require immediate review to ensure more protection is given to the unborn. The acquittal is a serious indictment of the integrity of our criminal justice system. How can anyone have confidence in any justice system when a self-confessed criminal gloats over being acquitted after having committed a crime?

Abortion is wrong, Mr. Speaker. Human life is precious. From the moment of conception, life begins, and absolutely no person has the right to take that life under any circumstances. It is uncivilized and indecent for a nation to condone murder in whatever form, and in my view, abortion is murder.

While visiting our country, Pope John Paul II had this to say about abortion:

> This unspeakable crime against human life which rejects and kills life at its beginning sets the stage for despising, negating and eliminating the life of adults and for attacking the life of society.

I call on the Government, Mr. Speaker, to amend the Criminal Code to afford greater protection for the innocent unborn of our society, and to petition the Province of Ontario to appeal the Morgentaler acquittal immediately. To do otherwise would be to breed disrespect for the rule of law and the sanctity of life.

* * *

ABORTION

DECISION BASED ON MEDICAL CONSULTATION—PLEA FOR REPEAL OF LAW

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I too rise to make a few comments with respect to the acquittal of Dr. Henry Morgentaler by a jury in Toronto. I believe it is time that Parliament recognized that Canadians demand a change in this unjust law. Four times Henry Morgentaler has been tried before a jury and four times he has been acquitted. When will Parliament recognize that the fundamental decision on the question of abortion should be left to a woman in consultation with her doctor?

I disagree fundamentally with the views of the Liberal critic of the Solicitor General's Department with respect to this matter, and I urge Parliament to recognize that the present law is unworkable. The law has resulted in delays being faced by women from rural areas and women in areas which do not have therapeutic abortion committees. Those delays can in some cases endanger the life of the mother.

The present law is unworkable. Rather than returning to the days of the dark ages as advocated by the Liberal Member, I suggest that we move forward by repealing the provisions of the Criminal Code and listening to the voices of Canadians who are crying out for justice in this area of the law. I believe that Henry Morgentaler has blazed a path for Canadian women. He has been tried and has served time in jail. I think it is about time that Canadian Members of Parliament recognized that this law should be repealed.

* * *

DEPARTMENT OF ENERGY, MINES AND RESOURCES

PROPOSED RELOCATION OF OFFICE FROM SUMMERSIDE, P.E.I., TO CHARLOTTETOWN

Mr. George Henderson (Egmont): Mr. Speaker, last week the people of my riding were given the unwelcome news that Prince Edward Island's conservation and renewable energy office is being moved from Summerside, which is in my riding, to Charlottetown, which is in the riding of the Minister of State for Tourism (Mr. McMillan). To the people of my area this means a loss of 12 federal jobs, in an area in which federal jobs are a real rarity.

Prince Edward Island is in the unfortunate position of having to rely on oil as an energy source, and this results in islanders having to pay the highest energy costs in Canada. The CHIP and COSP programs which are being abandoned by the Government are very important to the people of my riding and to the people of Prince Edward Island as a whole. There are still many islanders who have not yet been able to afford to participate in the programs and it now looks as though they will not have the chance to do so.

I have two problems associated with the Government's change in policy. It is costing the people of my riding both jobs and higher energy costs, in a province in which energy costs are the highest in Canada. Therefore I would ask that the Minister reconsider both the move of the energy office and the abandonment of these programs.

ORAL QUESTION PERIOD

[*Translation*]

ACCESS TO INFORMATION

INQUIRY WHETHER "CONSULTATION" IS THEME OF NEW GUIDELINES

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, my question is directed to the Right Hon. Prime Minister.

In the light of the new directives issued by the Prime Minister last Friday, concerning communications between the Public Service of Canada and reporters and the Canadian public, could the Right Hon. Prime Minister inform the House whether, before making this decision, the Government, as it has since the beginning of this session, used the word "consultation" as its theme, and could the Right Hon. Prime Minister

inform the House whether his Government consulted the press gallery, the institutions that communicate with the public and the Public Service unions, before issuing directives that effectively prevent any communication between public servants and the Canadian public?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, of course the end of my hon. friend's question is entirely erroneous. The purpose and in fact the wording of these directives is such that we are trying to expand communications, not restrict them. I think the person in charge of communications in my office had a meeting with the president of the press gallery. I do not know whether other consultations are taking place, but I know there have been several.

[*English*]

PRIME MINISTER'S POSITION

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I would like to ask a supplementary question of the Right Hon. Prime Minister. In his book entitled *Where I Stand*, the Right Hon. Member indicated that all of the briefing papers related to the development of any policy should be made public. How can it be that he can write such a thing before the election campaign, but today he will not permit any bureaucrats to deal off the record with background information? How can the Prime Minister not allow bureaucrats to give the press background information about the different political options faced by the Government at the time of making certain decisions? How can the public understand these policies if bureaucrats cannot say anything without being quoted in the press?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am delighted that my hon. friend has read my book. However, it is clear that he did not read the guidelines. While I acknowledge that the guidelines are not perfect, they are designed to be helpful and to be open. The public servants are not there either to defend or criticize government policy. Pursuant to their oath, public servants are there to explain policy objectively at all times. The guidelines provide for that in abundance. Moreover, in the spirit of openness, they suggest to public servants that they ought to feel completely free in regard to their comments, and to be on the record and be quoted. That is consistent with a policy of openness. Those guidelines were prepared not with a view to shutting down communications but to opening them up and placing them in a reasonable perspective, and that is all they were about.

RESPONSIBILITY OF PUBLIC SERVANTS

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, if a bureaucrat were to decide to give some background information to the press that would show to the press and to the Canadian public that there were flaws in policies but that there were ways to remedy the situation by giving the public different options, can the Prime Minister give the House the guarantee that this bureaucrat would not be penalized by curtailing his advancement in public life?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if a public servant found a serious flaw in public policy, then, pursuant to the oath taken by that public servant, he should inform the Minister of it and not anyone else. That is his responsibility and that is what parliamentary democracy and a sense of responsibility are all about. We are trying to ensure that that public servant, if contacted by anyone, quite freely and objectively explains government policy in the manner that he feels is appropriate, without any recrimination or reprisal by us. It is an invitation to public servants to feel free to go on the record, in those areas where they are responsible, to explain public policy and to do so with the full knowledge that they have the backing of the Government and the House of Commons.

● (1420)

PRIME MINISTER'S LETTER TO MINISTERS AND DEPUTY MINISTERS

Hon. Herb Gray (Windsor West): Mr. Speaker, the Prime Minister just said that public servants are to feel free to speak to the public. In answer to another question raised by my hon. friend, he said that the guidelines, while not perfect—the understatement of the century—are designed to assist public servants to be helpful and open, and that they should feel completely free and open. Could the Prime Minister explain to the House why, in his letter to Ministers and Deputy Ministers, he said the following:

—Ministers have also agreed on the need to review with their Deputy Ministers the current communications policies, procedures, resources, and management structures within their departments to ensure that communications with the public is managed effectively in accordance with the priorities of the government.

Why does the Prime Minister, in his letter to his Ministers and Deputy Ministers, place the management of the news in accordance with his priorities above the openness he now says is important?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I could respond to that if I had been accurately quoted. That is a distortion of not only the letter but the spirit of my communication to Deputy Ministers. Indeed, we inherited a situation of unprecedented secrecy which was imposed on the Public Service by the previous Government. We are trying to correct that in a manner which is fair to public servants to ensure the integrity and independence of the Public Service. That is what we want to do.

OFF-THE-RECORD BRIEFINGS

Hon. Herb Gray (Windsor West): Mr. Speaker, I want to assure my hon. friend that my intention was to quote verbatim from the letter which was published on Friday. My remarks can be compared with that letter.

If the Prime Minister is saying that he wants to change what he alleges was unprecedented secrecy by the preceding Government, why did he do something to change the guidelines followed by the preceding Government, the same guidelines

which were put in place by the last Conservative Government; why did he make a change which would take away the right of officials to have off-the-record briefings without the specific consent of the Minister? That gag was not in the preceding guidelines. So much for his claim of taking away unprecedented secrecy. He has added to it; he has not taken it away.

Mr. Hnatyshyn: That was not a question.

Mr. Speaker: The Hon. Member for Burnaby (Mr. Robinson).

Some Hon. Members: Question.

Mr. Speaker: Order. The Hon. Member for Burnaby.

IMPLICATIONS OF GOVERNMENT POLICY—APPLICATION OF GUIDELINES TO PUBLIC SERVANTS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Prime Minister and is also with respect to the guidelines. Although the guidelines are an invitation to the Public Service to openness, apparently the Public Service Alliance of Canada has accused them of being a gag on their freedom of expression.

As the Prime Minister is well aware, public servants in the past have frequently been prepared to discuss the possible future ramifications of various public programs and policy decisions which have been taken by the Government with respect to jobs, implication for services and so on, after the programs have been announced.

I want to ask the Prime Minister to assure the House and the Canadian people that the guidelines announced on Friday last will in no way impede the possibility for public servants to discuss, both with the media and Members of Parliament, the possible implications for the future of policies which have been announced by the Government. Of course I am assuming that such discussions would be on the record as per the guidelines of the Prime Minister.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I would be happy once again to provide that assurance. It was covered generally and, I believe, properly in the guidelines. Those guidelines are to be read in conjunction with my letter to Ministers and Deputy Ministers. The spirit of what we were trying to do is not inconsistent with the point raised by my hon. friend.

ECONOMIC STATEMENT—REQUEST FOR RELEASE OF BACKGROUND PAPERS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am certainly pleased to receive that assurance from the Prime Minister. In light of that assurance and the commitment to openness, the recent financial statement made by the Minister of Finance involved a series of cuts in services and increases in taxes which were very similar to the program of the Social Credit Government in the Province of British Columbia.

Mr. Speaker: Is there a question?

Mr. Robinson: I would like the Prime Minister to indicate whether any background studies or background papers were prepared to discuss the impact of the cuts in services and increase in taxes. If so, in light of the assurance which the Prime Minister has given to the House, is he prepared to make those documents public?

Mr. Speaker: I will now take the opportunity to remind the House of two things. First, a supplementary question should be supplementary to the first question. Second, there are rules in the House about continuing repeatedly to ask a question which has in the past been answered. In this case, on the basis of the first issue, it is not supplementary to the first question and I will not allow the question.

The Hon. Member for Gauthier.

Some Hon. Members: Oh, oh!

Mr. Speaker: It is a good thing I do not record the votes. The Hon. Member for Ottawa-Vanier (Mr. Gauthier).

[*Translation*]

REQUEST FOR GUIDELINE DETAILS

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I have a question for the Prime Minister. He stated that the guidelines would clarify the situation, but I submit to you, Mr. Prime Minister, that matters are getting more and more confused. Could you first give us the names of the three commissars, the triumvirs, the troika, the three musketeers you have appointed as substitutes for the President of the Privy Council? Their names first. It is important that we know them, because the newspapers do not seem to have much of an idea who this threesome will be. Second, could you supply us with a list of departmental information officers, their telephone numbers? All this is factual information, simple information—the names and telephone numbers of all those people, in order that we may phone them. And finally, have they been authorized to speak to reporters and Members of Parliament?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I would like to inform the Hon. Member for Jean-Robert that the names of the three ministers have been made public. They are the Government House Leader, the Minister of Communications and the Minister of National Revenue, if I remember right. As for the names and telephone numbers referred to by the Hon. Member, they are all listed in the Government Telephone Directory.

UNAUTHORIZED OFF-RECORD REMARKS

Mr. Jean-Robert Gauthier (Ottawa-Vanier): I have a supplementary, Mr. Speaker.

Obviously, Mr. Speaker, the Prime Minister is playing hide and seek.

An Hon. Member: He is skating.

Mr. Gauthier: He is used to playing hide and seek with figures. I wonder whether the Prime Minister could tell us if actually—

[*English*]

Does he really trust public servants when he imposes guidelines which state that off-the-record remarks will not be allowed unless authorized? What will happen to a public servant who speaks off the cuff to me as a Member of Parliament, or to a member of the media?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in my experience public servants are all very prudent and able people. It would be unlikely for them to speak off the cuff to the hon. gentleman.

The question was raised in the press conference as to how we propose to police the guidelines. The answer is, there will be no policing. We trust in the integrity of public servants.

Some Hon. Members: Hear, hear!

DEPARTMENTAL BUDGETARY CUTS—INQUIRIES ABOUT EFFECTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister and is on the same subject matter. I listened with interest when the Prime Minister stated in answer to an earlier question that, in his view, the guidelines would permit public servants to talk about the future impacts of government policy in an open, on-the-record way. I think that is commendable.

Since a number of Departments—for example, the Department of Employment and Immigration which will have $400 million cut out of its budget, the CBC which will have an $85 million cut, and the Department of the Environment which will be cut by more than $30 million—will have job impact implications for the future, assuming these assessments have been done, and assuming what he said will be the case, that public servants will be able to talk about future impacts in a factual on-the-record way, will the Prime Minister assure the House that when questions are put about these matters factual answers about impacts in those areas will be given?

• (1430)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the public servants are completely free to explain government policy. That is what was stipulated and has been the case. All we are asking, to ensure objectivity and protection for the Public Service, is that this be done pursuant to these guidelines. It is not in any way intended to do anything other than, first, to ensure the right of the public to know and, second, to ensure the independence and impartiality of the Public Service.

IMPACT STUDIES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I repeat, it is encouraging so far, but let us be more precise. In the case of the CBC an $85 million budget cut has been announced, and in the case of Employment and Immigration $400 million has been cut. Specifically, have impact studies been done within these Departments—I assume they have been—on the consequences of these cuts and what parts of the programs are going to be affected? And, if so, is the Prime Minister now telling the House that if an inquiry is made, either by the media or by a Member of Parliament, we will be able to get that impact information from a civil servant?

Right Hon. Brian Mulroney (Prime Minister): No, not at all, Mr. Speaker. What we are saying is that government policy, and this has always been the case in this country, once fairly arrived at by the duly elected Government of Canada, is explained by public servants, is defended by the Government, and is criticized by the Opposition. The Public Service is there to explain the policy of the duly elected Government.

I am sure my hon. friend quite understands the impropriety inherent in his suggestion because it would effectively paralyze the Public Service in its right and obligation to provide Ministers with unfettered and unvarnished advice. I am sure the Hon. Member, given his respect for the parliamentary system, would not want to paralyze the operations of Parliament in that way. We want to protect the public servants. We want to make sure they are not criticized for being political, and we do not want to politicize the Public Service. That is why the protection is described in the manner in which it is.

Some Hon. Members: Hear, hear!

BUDGET INFORMATION QUERY

Hon. Edward Broadbent (Oshawa): I say to the Prime Minister that he cannot have it both ways. He cannot, eight minutes ago, say that civil servants can give information about impact in the future, and eight minutes later say: "Well, if you are going to be specific, they cannot". Either the Prime Minister is for open government, freedom of expression within the parliamentary system, or he is not.

The Prime Minister must make himself clear. Is he now telling the House that the kind of information which has been traditionally provided with budget documents in the past, even by this gang of Liberals to my right, will not be forthcoming? In the past we have been provided with forecasts of the impact of programs. Is the new Conservative Government not even going to give us that information?

Mr. Robinson: It is the same old bunch.

Right Hon. Brian Mulroney (Prime Minister): I believe I have responded quite adequately, Mr. Speaker, to the question.

ENERGY

HIBERNIA OILFIELD—ENVIRONMENTAL IMPACT STUDY

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is directed to the Prime Minister. Contrary to statements by both the Newfoundland Government and his own Minister of Energy, Mines and Resources, last Wednesday in this House the Prime Minister confirmed that the federal Government has received a copy of the environmental assessment impact study which was prepared by Mobil Oil on the Hibernia development. The Prime Minister promised to table the report in this House, Mr. Speaker.

Would the Prime Minister now confirm, while we are awaiting the document to be tabled, that Mobil Oil has determined, contrary to the wishes of the Government of Newfoundland, that the mode of production for Hibernia will be the use of semi-submersible rigs instead of the floating concrete platforms which had been proposed by the Government of Newfoundland and which could be constructed in that province?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I cannot confirm or deny that specific statement. However, in response to a question from my hon. friend from Cape Breton, I have been communicating with him in regard to the information he sought in his question. The Minister of Energy, Mines and Resources was in Newfoundland last week putting in train the process of negotiating an offshore agreement to the benefit of Newfoundland and Labrador, something which escaped the capabilities of the Liberals for 15 years.

CONTENT OF REPORT

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, will the Prime Minister tell this House why he was able to confirm last Wednesday that the federal Government had received such a report, and yet at the very same time in the Province of Newfoundland his Energy Minister was saying it would be withheld for six months because of an agreement with the Province of Newfoundland? What is being hidden in that report, Mr. Speaker?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the question raised today is entirely different from the question raised last week. I believe my response to the question by my hon. friend from Cape Breton is one which has the overriding importance.

Mr. Chrétien: You will table it?

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF MR. IVOR RICHARD, COMMISSIONER OF THE EUROPEAN COMMUNITIES

Mr. Speaker: May I interrupt the proceedings to indicate to the House that in our gallery today is Mr. Ivor Richard, Commissioner of the European Communities with Special Responsibility for Social Affairs.

Some Hon. Members: Hear, hear!

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INDUSTRIAL AND REGIONAL DEVELOPMENT PROGRAM

BUDGETARY CUT-BACKS—REQUEST FOR SUSPENSION

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is directed to the Prime Minister—

Mr. Tobin: You are wasting your time.

Mr. Hnatyshyn: You wasted all of our time.

Mr. Langdon: The Government has damaged the Industrial and Regional Development Program by eliminating aid for restructuring business climate and tourist projects and by cutting half the help to Canadians for modernization and expansion projects, thereby creating great uncertainty for investors. Is the Government prepared to suspend these changes in order to permit the affected business enterprises, unions, and communities, to consult with the Government and plan fair and more effective changes in this program?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I believe that the Minister of Regional Industrial Expansion is presently in British Columbia in the process of signing that kind of agreement, as we have been doing in a number of areas across the country. The object of the exercise is to restore a degree of stability to the political climate, to ensure that the private sector ceases to be clobbered to death by a Government which has been repudiated by the people. We are trying to work together with the provinces and the private sector to create a climate within which that new degree of prosperity can be brought about.

CONSULTATIVE PROCESS

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I wonder if the Prime Minister would agree that this IRDP case—and we are talking about the program in general, not about agreements with the provinces—is an example, to use his own words, of "deficiencies" in the Government's consultative process? Would the Prime Minister, therefore, commit himself to consult with businesses and communities before undertaking these changes which so badly hurt communities across the country?

Right Hon. Brian Mulroney (Prime Minister): Yes, Mr. Speaker, we are in the process of consulting with the provinces and with the private sector. Should the application of this policy bring about an injustice with which the Hon. Member is familiar, I will be happy to take it into consideration, because the object of the exercise is to provide a better climate for the

attraction of investment capital and the creation of jobs for Canadians.

* * *

AGRICULTURE

IMPORTATION OF BEEF FROM IRELAND—IMPACT ON CATTLE INDUSTRY

Mr. Gordon Taylor (Bow River): Mr. Speaker, my question is directed to the Minister of Agriculture. Given that the last Liberal Government did nothing for eight months to stop the importation of highly subsidized beef from Ireland that filled the quota, to the detriment of our cattle industry and U.S. importation, what is the Government doing to make sure that such a catastrophe will never happen again?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I am sure I can take some comfort and satisfaction in the fact that I am getting a question rather than a statement under Standing Order 21 from the Hon. Member.

Mr. Broadbent: Wait until tomorrow!

Mr. Wise: I can assure the Hon. Member that shortly after assuming the job of Minister of Agriculture I held discussions with the people in that industry. We have had a series of interdepartmental meetings. We have concluded those meetings and I have a cabinet submission going forward. I hope to be in a position within a matter of days to announce a program and a policy which will indeed ensure that what has happened to the beef industry—which has cost that industry between $25 million and $50 million in 1984—will not happen in 1985.

Some Hon. Members: Hear, hear!

* * *

ROYAL CANADIAN MOUNTED POLICE

INVESTIGATION INTO EXPORTATION OF WEAPONS TECHNOLOGY

Mr. John V. Nunziata (York South-Weston): Mr. Speaker, my question is directed to the Solicitor General. It was reported last Thursday that the RCMP is involved in the investigation of a U.S. company suspected by U.S. authorities of shipping weapons technology to the People's Republic of China. This U.S. company is said to have links with Canadian companies. This information was revealed to Neil MacDonald of the Ottawa *Citizen* by the Solicitor General. In our view it was improper for him to comment on the RCMP investigation of this matter. Will the Minister indicate to the House whether it is the policy of his Government to reveal and comment on criminal investigations prior to charges being laid?

• (1440)

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, I believe it has been the tradition to confirm, when asked, that an investigation was under way. That is all the information that was given.

* * *

ENERGY

VENTURE OILFIELD PROJECT

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. I am sure he shares my optimism for the potential of the Venture Field off Nova Scotia. The problem is that the Government does not yet have its fiscal regime in place, yet the Minister of Energy, Mines and Resources said that Mobil Oil must move forward in the next few days on the Venture project. How can the Government expect the Venture partners to proceed when the fiscal regime is not yet in place?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think the Minister was conveying to Mobil that, indeed, the Government is highly enthusiastic about offshore development in Nova Scotia, as it is about development off the coast of Newfoundland. The Minister was conveying to Mobil and other interested partners our view that we would be very helpful in the development of the field, and assuring them that the fiscal regime as it is brought in will not place them at a disadvantage *vis-à-vis* anything that might have been available in the past.

NEGOTIATION OF OFFSHORE DEVELOPMENT AGREEMENT WITH PROVINCE OF NEWFOUNDLAND

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, in June the Prime Minister announced that he had reached an accord on an offshore agreement with Nova Scotia, yet this accord now seems to have evaporated. Can the Prime Minister tell us why this accord is no longer in existence and why he and his Government are now saying that it may be at least six months before an offshore agreement can be reached with the Province of—excuse me—Newfoundland?

Right Hon. Brian Mulroney (Prime Minister): I am sorry, indeed it was with the Province of Newfoundland and Labrador where we felt that an extraordinary resource available for the benefit of the people of Newfoundland and Labrador could be developed for the interests of all of Canada. This development had been unnecessarily and unfairly stymied for 15 years, and we went about—

Mr. Tobin: Answer the question, for God's sake. Cut the blarney.

Mr. Mulroney: —in a reasonable way and brought about a program designed to benefit Newfoundlanders in this regard. We are pressing on with good progress in searching for a definitive accord which I am sure will come very shortly, to the

satisfaction of all Members of the House with the possible exception of the Hon. Member from Corner Brook.

Some Hon. Members: Hear, hear!

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UNEMPLOYMENT INSURANCE

POLICY AFFECTING SEVERANCE PAY AND RETIREMENT BENEFITS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is for the Minister of Employment and Immigration who will know the shock that employees for Tranquille Institution in Kamloops received recently when the provincial Government closed it down and sent lay-off notices to many of the employees that would extend well into January. She will know they also received a second shock when they found out that she had introduced a policy whereby severance pay and—

Mr. Speaker: With great respect, does the Hon. Member have a question, please?

Mr. Riis: Is the Minister aware of her policy on reduced UIC benefits relating to earnings from severance and retirement benefits? Does she realize what this is going to do to the people who have already been so adversely affected?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the severance pay program announced means that those people receiving severance pay will have their unemployment insurance payments delayed until that severance pay has accomplished its purpose.

REQUEST THAT INTRODUCTION OF POLICY BE POSTPONED

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, in a spirit of consultation, and because of the fact that it has been promised by the Prime Minister, the Minister of Finance, and the Minister of Employment, would she take it upon herself to extend the period whereby this policy will be introduced for, say, two months, to allow adequate consideration and consultation to take place, so that she will be well aware of the consequences for those affected by this very disastrous policy, before she continues?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, that is certainly a very worthwhile recommendation by the Hon. Member and I will take it under consideration.

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DEPARTMENT OF ENERGY, MINES AND RESOURCES

PROPOSED RELOCATION OF OFFICE FROM SUMMERSIDE, P.E.I., TO CHARLOTTETOWN

Mr. George Henderson (Egmont): Mr. Speaker, my question is for the Minister of Energy, and in her absence I will direct it to the Right Hon. Prime Minister. Last week it was announced that the conservation and renewable energy office located in my riding in Summerside was being transferred to Charlottetown in the riding of the Minister of State for Tourism. This will result in 12 jobs being lost in an area where there are very few federal jobs. Did the Prime Minister consult with the Province of Prince Edward Island, with the Mayor and Town Council of Summerside, or with the Chamber of Commerce, before this decision was made? If not, why not?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Minister will be back tonight and will be happy to respond to the Hon. Member's question tomorrow, I am sure, and provide him with all the information. However, I understand that the implementation of that decision has been delayed pending her arrival.

* * *

RESEARCH

PROPOSED TOXICOLOGY CENTRE PROJECT

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of Environment. The cancellation of the $15.2 million Toxicology Centre at the University of Guelph and the University of Toronto will have a very adverse effect on the development of toxicology expertise in Canada. This was to be a centre of excellence. It will also have a very negative impact on industry and our competitive position in the products we sell abroad. It will also reduce our ability—

Mr. Speaker: Does the Hon. Member have a question? I have been rising consistently on Members whose preambles get longer and longer. With great respect, does the Hon. Member have a question?

Mr. Foster: Mr. Speaker, I was just pointing out the adverse effects of this decision by the Government. Why has the Government cancelled this project which is so important to the health and safety of Canadians and which will have such an adverse impact on the sale of our products abroad?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, it is true that construction on the Toxicology Center at the University of Guelph has stopped. This was a joint project financed by the Province of Ontario and the Federal Government which was supposed to cost $32 million, but the latest estimates show that construction costs alone may reach $50 million.

I would remind my hon. friend that we are talking about construction costs, about construction of a building and facilities, and not about expanding the capacity for toxicological research. In fact, we shall continue to finance toxicological research, and the Federal Government is giving the Province of Ontario $3 million this year for research in that area, of which $700,000 will go to the University of Guelph.

Oral Questions

[*English*]

CONSULTATION QUERY

Mr. Maurice Foster (Algoma): Mr. Speaker, the Government talks about increasing R and D budgets and talks about consultation. I ask the Minister if there was any consultation with the Province of Ontario before this announcement was made as a result of the slashing activities of the Minister of Finance? It seems to me that this is an important project which should have been continued, and I would be surprised if even the Tory Member from Guelph, who is a former president of the University of Guelph, was consulted on this action.

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I would like to make a correction here. The plan to cut this expenditure was made within the Department of the Environment, recommended to Government authorities and approved by Cabinet. Furthermore, I am consulting with my Ontario counterpart, Mr. Brant, with whom I had a long meeting last Friday.

* * *

● (1450)

[*English*]

CANADIAN BROADCASTING CORPORATION

BUDGETARY CUT-BACKS—EFFECT ON WINDSOR TELEVISION STATION

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, I will make this short. My question is for the Minister of Communications. Last week the Minister indicated that the reported savaging of CBC television in Windsor was just a matter of rumour. Is the Minister prepared to assure the House and the people of Windsor that the bureaucratic nabobs at CBC will not be allowed to emasculate the programming mandate of CBC in Windsor, or elsewhere in Canada, as a result of the $7 million cuts?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, in respect of everything concerning this question, as long as the Canadian Broadcasting Corporation, through its president, Mr. Juneau, does not tell me its plans concerning the implementation of budget cuts, and as long as I have not heard from them, those are only rumours as far as I am concerned, in the sense that anything suggested, predicted and written within and without the CBC is a rumour until such time as I have received official confirmation.

[*English*]

REQUEST FOR CONSULTATIONS

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, there has been a good deal of discussion today about the promise of the new Government to consult with the Canadian people. Is the Government prepared to guarantee that there will be no decisions made with respect to the cuts at CBC in Windsor, or elsewhere, until a two month period has elapsed for consultation with the people in the communities involved?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, I can assure the Hon. Member that no cuts will be made until the president of the Canadian Broadcasting Corporation sends me his document.

* * *

SOCIAL SECURITY

INQUIRY ABOUT POLICY FOR PERSONS AGED 55 YEARS

Mr. Al Girard (Restigouche): Mr. Speaker, I wish to direct a question to the Acting Minister of Health.

First, I should like to commend the Minister of National Health and Welfare for his decision to come to the assistance of widowers and widows aged 60 to 64 inclusive who are in need. However, I would like to know what the Minister intends to do to help people who live alone, are aged 55 and have no income.

[*English*]

Hon. Otto Jelinek (Acting Minister of National Health and Welfare): Mr. Speaker, the Minister of Health will be back in the House tomorrow. I will take that question as notice and I am sure he will be happy to respond directly to the Member.

* * *

ADMINISTRATION OF JUSTICE

ENFORCEMENT OF MAINTENANCE AND CUSTODY ORDERS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my question is for the Minister of Justice. Following a two-day meeting with Justice Ministers from across Canada, the Minister stated that he was prepared to make accessible information from federal data banks so that defaulters of payments of maintenance orders could be traced more easily. The Minister stated that 80 per cent of all men can afford to pay but 50 to 75 per cent of them default, and provincial police cannot find them.

Will the Minister give Canadians his assurance that the promised new Divorce Act will include an effective national system of enforcement of maintenance and custody orders, thereby assuring a mechanism whereby such awards will be respected, and assuring that women and children are not forced to become wards of the state?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the short answer is yes, and I hope you approve of that.

APPLICATION OF LAW

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, as divorce falls under federal jurisdiction, maintenance and custody orders emanating from divorce decrees should be included in the Act and should apply equally across Canada. Will the Minister assure us that the law will be the same for all women, and will be applied equally across Canada in order that we can expect justice and equity in this matter?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the law will not only apply to all women, it will apply to all spouses. I do not discriminate against men either.

* * *

NATIONAL DEFENCE

"A CAPITAL SHIP FOR AN OCEAN TRIP"

Mr. Derek Blackburn (Brant): Mr. Speaker, in the absence of the Minister of National Defence I would like to address my question to the Right Hon. Prime Minister. At a time when the Department of National Defence is suffering a $154 million cut-back as announced a couple of weeks ago, why is the Prime Minister allowing the Vice Admiral's yacht, known as the Admiral's Barge, to be outfitted with an additional $50,000 worth of equipment, including shag carpeting and such tactical things as ice-making machines?

Mr. Benjamin: It is a perfectly legitimate question.

Mr. Speaker: It is a perfectly legitimate question. It might be a legitimate question for the Minister of National Defence, if he were here. My problem is that in his absence that is probably an Order Paper question. I will let that question stand if the Prime Minister chooses to answer it. I just want to make that point for other days on these types of technical questions. I will let it stand. The Prime Minister may choose to answer.

Mr. Blackburn (Brant): Mr. Speaker, may I then put it to the Prime Minister another way. Why is the Admiral's Barge, or this 40 foot craft, being sent to the Caribbean when it has never been sent there before? It happens to be going in January and February of 1985.

Some Hon. Members: Oh, oh!

Mr. Broadbent: For your Christmas holidays.

Right Hon. Brian Mulroney (Prime Minister): It was either the Caribbean or Baie Comeau—

Some Hon. Members: Oh, oh!

Mr. Mulroney: —and because we believe in freedom of information we let them make the choice. We do not want to put muzzles on civil servants or military.

I am sorry, but in the absence of the Minister of National Defence I cannot provide the detailed response to which my hon. friend is entitled. However, since the Minister will be away for a number of days I will look into it and provide the detailed answer as quickly as I can.

I should say that the prefatory observation is inaccurate. The commitment of the Government is to enhance the conventional military capacity of Canada and to treat service men and women with the kind of respect that they deserve.

* * *

FINANCE

FUEL TAX REBATE—APPLICATION TO TRAPPERS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, in the absence of the Minister of Finance I will address my question to the Minister of State for Finance. Will the three cent a litre fuel tax rebate promised to farmers, fishermen, loggers, and miners, in the recent economic statement, also apply to trappers?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I do not understand why the questions always come from behind me. I know that trappers were not specifically mentioned. I would welcome taking the Hon. Member's question as notice and I will let him know.

* * *

[*Translation*]

NATIONAL CAPITAL

REQUEST FOR DETAILS OF GOVERNMENT POLICY

Mr. Gaston Isabelle (Hull-Aylmer): Mr. Speaker, my question is directed to the Right Hon. the Prime Minister. Considering that, since 1967, all the Prime Ministers of Canada were involved in the development of Canada's national capital, here is my question: since all the Prime Ministers have been involved, does he intend to appoint a joint committee of the House of Commons and the Senate to consider the future of the National Capital Commission, in light of the fact that the weekend newspapers reported that many people have expressed the desire to become chairman? Now that the Gréber plan has been completed and implemented, I should like to ask him whether he intends to set up that special joint committee to consider the future of the National Capital Commission?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we do intend to proceed without undue delay with some appointments within the National Capital Commission and to depoliticize it. The commissioners will undoubtedly want to meet with Hon. Members of all political stripes with a view to discussing that issue.

Introduction of Bills

[*English*]

CANADIAN WHEAT BOARD

REQUEST FOR CASH ADVANCES FOR PEACE RIVER FARMERS

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, my question is for the Minister of Agriculture. As he knows, over half of the crop in the Peace River country in northern Alberta and British Columbia is under the snow. In these cases the Cabinet usually authorizes the Wheat Board to grant cash advances. Can the Minister explain to the House why this authorization has not been forthcoming to this point as is usual?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the Hon. Member's concern on this. As the matter falls more directly under the responsibility of my colleague, the Minister responsible for the Canadian Wheat Board, who is presently meeting farmers in the Province of Manitoba, I will draw this matter to his attention. I am certain that upon his return he will respond to the Hon. Member.

* * *

• (1500)

CLERK OF PETITION'S REPORT

CAPITAL PUNISHMENT—PAROLE PROCEDURES

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Hastings-Frontenac-Lennox and Addington (Mr. Vankoughnet) on Friday, November 24, 1984, meets the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

HERITAGE RAILWAY STATION PROTECTION ACT

MEASURE TO ENACT

Mr. Gordon Taylor (Bow River) moved for leave to introduce Bill C-211, an Act to protect heritage railway stations.

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

Some Hon. Members: Agreed.

Mr. Taylor: Mr. Speaker, I have great pleasure in moving first reading of this Bill, an Act to protect heritage railway stations. This Bill was introduced in the dying days of the last Parliament by the former Member for Parkdale-High Park, Mr. Flis, who no longer is a member of the House.

The Bill provides efficient mechanisms to permit our citizens to make timely objections to the alteration, removal or demolition of railway stations of historical and cultural significance and value and to ensure their conservation in the public interest.

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

* * *

EXCISE TAX ACT
EXCISE ACT

MEASURE TO AMEND

Hon. Barbara McDougall (Minister of State (Finance)) moved for leave to introduce Bill C-12, an Act to amend the Excise Tax Act and the Excise Act.

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

* * *

QUESTION ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, the following question will be answered today: No. 28.

[*Text*]

DEPARTMENT OF PUBLIC WORKS LAWYERS

Question No. 28—**Mr. Howie:**

How many lawyers are employed by the Department of Public Works?

Hon. Roch La Salle (Minister of Public Works): There are three lawyers assigned to Public Works Canada from the Department of Justice.

[*English*]

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

Mr. Speaker: The question enumerated by the Hon. Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mrs. McDougall that Bill C-7, an Act to amend the Income Tax Act and related statutes, be read the second time and referred to the Committee of the Whole.

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, we are continuing to debate the principles associated with Bill C-7. In our opinion, it is a question that concerns the degree of priority the Government has given to what is essentially a housekeeping Bill as opposed to some more fundamental initiatives that would do something about the unfairness of the tax system.

We are particularly concerned about the way in which the Government, in an effort to draw more tax revenue, has focused on individual taxpayers through the establishment of a new set of inspectors to deal with them as opposed to focusing on the corporate sector.

Before we rose at one o'clock I was dealing with the question of transfer of payments by large corporations, both Canadian and foreign, and the way that permits tax avoidance to take place. That costs us money.

In the past we have heard comments from officials in the Ministry of National Revenue that indicate very clearly that they do not have enough inspectors to be able effectively to police the large number of transactions that take place across borders by Canadian and foreign corporations dealing with their own subsidiaries. There are classic cases, such as Canadian companies with subsidiaries in the Bahamas, or Bermuda, which on paper will sell items to that subsidiary and then buy them through other subsidiaries, with the material never actually moving back and forth from one country to another. In each case, the effort is to avoid tax responsibilities and tax levies here in Canada.

Instead of concentrating on these important examples of tax avoidance where literally millions of dollars are lost to the Canadian authorities, the tax department in this country has focused on small Canadians. My colleague, the Hon. Member for Kamloops-Shuswap (Mr. Riis), has talked about a number of these cases in the context of British Columbia. With respect to my constituency of Essex-Windsor, we have discovered that many low-paid waitresses have been the focus of detailed investigations by the tax authorities of this country. We have seen dozens of women who often work part-time for very low wages being harassed by the tax authorities because of suspicion on their part that these women have not been declaring the tips which they received as waitresses.

In fact, as a result of detailed investigations by the Hon. Member for Windsor-Walkerville (Mr. McCurdy) and myself, we have discovered that people affected in this case are being attacked by Revenue Canada even though in many cases these women have kept careful records of the tips they have received. Their strong feelings have been conveyed to those tax authorities that this was deliberate harassment rather than any kind of fair attempt to get a sense of what was really going on in their personal finances.

We suggest that the Government, rather than giving priority to tidying up tax matters left by the last regime and making a systematic attempt to harass yet more individual Canadians through new tax inspectors, should be making an effort to tackle the tax avoidance problem associated with transfer pricing and attempting to establish more fairness in the tax system by improving the corporate and personal tax system.

It is fairness in the personal tax system which is perhaps the largest problem about which we have heard from our constituents throughout the country. Our Party believes that the tax system should be a good deal more progressive. While the tax system looks progressive on paper at the moment, when one actually examines the effective marginal rate of taxation as analysed this past year by the National Anti-Poverty Organization in a detailed report, one finds that the effective marginal tax rate for those making over $50,000 a year is only 29 per cent. The rate for those earning between $40,000 and $50,000 a year is only 29 per cent. Even for those earning $35,000 per year the effective rate is only 28 per cent once you take into account income which is exempted from tax through various exemptions. That is not a very steep increase in the tax system reflecting the principle to which I think most Canadians hold. If you earn more you should pay a higher share of the dollars you are receiving to the personal income tax system.

• (1510)

We are also concerned within the income tax system about the way we continue as a country to rely on deductions rather than tax credits. As we know, a tax deduction for a registered retirement savings plan of $5,000 is worth very much less to somebody who is making, let us say, $25,000 a year than it is to somebody who is making $50,000 a year. Even though the progressive nature of the tax system is not great, nevertheless the marginal rate of tax is higher on that $5,000 for the person who is earning $50,000 a year.

We urge the Government to move to reform our system by shifting from a system based on deductions to a system based on tax credits, following the principle of the child tax credit scheme which is one of the few examples in the tax system of a tax credit rather than a deduction approach. We also suggest that the system of tax expenditure needs to be brought back into our budget. A number of my colleagues have already made this point. We consider it serious and important that we have as taxpayers a continuing record in which various tax exemptions and tax advantages are being shared across the income classes and throughout the country.

Finally with respect to the income tax system, I urge the Government as it conducts a more comprehensive analysis of changes that need to be made to take a careful look at the tax credit for children. At present this tax credit has given us a lump sum. The result is that many poor women go to tax

agencies of various kinds and receive their tax credit prior to receiving it from the income tax department. They have to pay from 10 per cent to 15 per cent of the tax credit to the tax agency.

I suggest we establish a system which sees to it that that tax credit is paid in monthly sums to families affected so that people receive the money not in a lump sum but automatically, in the same way as family allowances or old age pensions are received. It seems to me this would make it easier for families who need the child tax credit; they would then receive it in a more effective way and it would make more of a contribution toward alleviating poverty.

We as a Party have been arguing on tax issues for many years. We have had reference to the Carter Commission by a number of speakers. We feel, and it is one of the reasons we are prolonging this debate today, that it is very important to have a full-scale, comprehensive and effective review of our tax system. Our leader, the Hon. Member for Oshawa (Mr. Broadbent), suggested in the election campaign that we should set up a royal commission on taxation. This could take in the whole set of issues we have been talking about today. A royal commission could bring some of the best minds in our country to look at our tax system and see if we could not make it a much fairer instrument for economic growth and equity. Many people in this House have been speaking about this since the start of our parliamentary session.

We have today what is, in effect, a housekeeping measure from the past regime. We hope in the future that we will see serious efforts at tax reform in the areas I have been talking about. We hope the Government will be prepared to take up our suggestion of a royal commission on taxation to try to establish a sense of fairness, a sense of efficiency and a sense of contributing to economic growth which all Canadians hope to see in the tax system.

Mr. Deputy Speaker: Are there any questions or comments? If not, we will resume debate.

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, it was not my intention originally to debate this Bill but I think I must make some comments on suggestions made earlier today by the Hon. Member for Western Arctic (Mr. Nickerson). He proposed that there be no tax on capital gains. I thought that was a rather interesting proposition when one considers it in the context of the over-all philosophy of income tax in general. It seems to be inherent in the whole structure that if one owns land and makes money on it, if one makes an investment and makes money on it, or if one has dividend earnings, this is in some way superior in the kind of treatment it deserves compared to income earned by dint of hard work.

I do not think I have ever heard it suggested that there be a depreciation allowance for the physical damage that results from a lifetime of hard work. It seems to me, from the point of view of the Canadian worker, that there should be some focusing on this aspect of our taxation system. Why do we have a taxation system that is so determinately punitive to the poor and to those who must make their earnings by physical labour? What is the philosophical premise on the basis of which those who invest in fine art or property may keep much more of what they earn compared to those who work in the mines, in the factories, in the restaurants and so on?

My colleague the Hon. Member for Essex-Windsor (Mr. Langdon) has referred to the situation in Windsor where waitresses have been harassed because it is assumed that some trivial amounts of money are not being reported for income tax purposes, irrespective of the fact that upon request to do so they have supplied all the information on the basis of which they can be properly taxed.

I note this strange dichotomy also permits Revenue Canada to harass those who plead their cases to those who would want to be their elected representatives. There is clear evidence that those who have reported their circumstances, recorded this pattern of harassment, have been harassed yet more. I hope in the future, the not too distant future, that this Government will begin to right the disproportionate imposition on the poor of the taxation burden.

• (1520)

There have been repeated references to the Conservative progressivity of the tax system and to the need for a minimum income tax. There have been references to the lightening of the burden of large corporations and to the special treatment accorded to doctors, lawyers, dentists and so on. I do not think we need a further recital of those facts to make it clear beyond any reasonable doubt that there is a need for considerable reform, reform which will be fair not only with respect to particular types of tax incentives, deductions and so on, but in addressing the fundamental issue to which I referred earlier, that is the fundamental difference in treatment or the way in which we regard those who make their money by physical labour compared with those who make money simply because they have money.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: Mrs. McDougall, seconded by Mr. Hnatyshyn, moves that Bill C-7, an Act to amend the Income Tax Act and related statutes, be read the second time and referred to the Committee of the Whole. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to and Bill read the second time.

Mr. Deputy Speaker: Accordingly, the said Bill stands referred to Committee of the Whole.

CUSTOMS ACT
CUSTOMS TARIFF

MEASURE TO AMEND

Hon. Barbara McDougall (Minister of State (Finance)) moved that Bill C-9, an Act to amend the Customs Act and the Customs Tariff, be read the second time and referred to the Committee of the Whole.

She said: Mr. Speaker, I am pleased to put Bill C-9 before the House today. It would enact the amendments to the Customs Act and the Customs Tariff set out in the notice of Ways ands Means motion tabled on November 8. Our Government is proceeding with this legislation early because of its vital importance to Canada's trade performance.

All Hon. Members of the House know that there is a general movement toward freer trade world-wide. This Bill enhances Canada's commitment to the General Agreement on Tariffs and Trade. These measures were originally brought before the House by the previous government on February 15, 1984. Bill C-9 is particularly important because it will enhance Canada's participation in the multilateral trading system by implementing a new method of valuing goods for customs purposes in line with our GATT obligations.

The Bill also introduces certain amendments to the Customs Tariff related to the implementation of this new valuation system. It expands the duty-free product coverage of the Customs Tariff in line with the expanded coverage under the GATT aircraft agreement. It removes the condition for certain tariff items that goods must be of a class or kind made or not made in Canada in order to qualify for specified rates, as well as providing for a number of miscellaneous tariff changes.

With respect to amendments to the Customs Act found in Part I of the Bill, it might be helpful if I described the context within which Canada decided to change its valuation system as of January 1, 1985. For many years there has been a growing recognition among the world's major trading nations that the openness of the international trading system could be strengthened by moving to more standard and transparent procedures which affect the flow of trade.

Since Canada relies to a great extent on international trade for our economic well-being, it is crucial that we support and participate in these multilateral efforts to harmonize international trade procedures.

One of the major initiatives of the Tokyo Round of multilateral trade negotiations concluded in 1979 was the establishment of a customs valuation code, under which all major trading nations of the world would establish the value of imported goods for the purpose of assessing customs duty in the same manner. By knowing the rules of the game in advance, exporters and importers alike would have greater certainty in conducting their business transactions in international as well as in domestic markets. Under the customs valuation code and in the proposed legislation now before the House, the price paid by the importer to the exporter for the imported goods will be the value on which duty is applied unless certain clearly defined conditions exist.

Those of us who are familiar with the current Canadian system realize that this approach is quite different from the one currently applied wherein the value for duty is, as a general rule, the price at which like goods are sold in the exporter's domestic market.

In spite of the advantages foreseen in adopting this code and the fact that Canada was able to obtain greater access to more markets as a result, this decision was not made without costs.

Many of our trading partners had customs valuation systems which closely approximated the provisions of the code. Their adherence to the code required only minor adjustments on the part of their business communities and customs officials. Canada's system of customs evaluation, on the other hand, was unique and our implementation of the code required a substantially greater reorientation of customs procedures.

In addition, analyses indicated that the base upon which some goods would be valued for duty would be lowered and the level of protection afforded to Canadian manufacturers by the tariff would be diminished. Thus, during the Tokyo Round Canada attached two conditions to the adoption of the customs valuation code. The first was a four-year extension to the deadline for implementing the new valuation system. While our GATT trading partners agreed to bring their systems into line with the code by January 1, 1981, Canada's obligation to implement the code will be January 1, 1985.

The second was our right to increase tariff rates, wherever necessary, to maintain the same level of production. Against this background it was extremely important for the Canadian business community to have the fullest opportunity to comment upon the legislation implementing the code and upon the effect its implementation would have on their tariff protection. Through the Tariff Board individuals were encouraged to make their views known and public hearings were held. The vast majority of recomendations made by the Tariff Board following these hearings were accepted for implementation. In summary, these amendments to the Customs Act will provide over the longer term more certainty and clarity for importers.

Since these provisions are also reflected in the statutes of our trading partners, we can be sure that a similar certainty is available to our exporters. Indeed, this type of transparency and openness can help to strengthen the multilateral trading system and increase world trade to the benefit of all.

Three aspects of the proposed Customs Tariff amendments contained in Part II of the Bill are related to the new valuation system. They are intended to maintain protection which could have been lost by Canadian producers resulting from the implementation of the new valuation system. I must emphasize that we are not proposing—and it is important to mention that we cannot propose—under our international obligations increased or new protection for these individual items.

First, tariff rate increases are contained in Schedule I of the Bill of individual items where the termination of the current system would lower the value of the goods on which duty is collected. These rate increases have been recommended by the Tariff Board following a series of public hearings. However,

certain adjustments were made to the Board's proposals to reflect the scheduled Tokyo Round multilateral trade negotiations reductions and to reflect certain concerns of the business community and our trading partners.

Second, the customs valuation code does not allow the use of the current ministerial prescriptions whereby the Minister of National Revenue (Mr. Beatty) can establish values for duty for certain classes of goods in cases where values cannot otherwise be determined under the law. To replace some of these ministerial prescriptions, the Bill would implement an advance of 25 per cent of the existing tariff rate for used and less than prime quality goods. This was also a proposal of the Tariff Board developed after discussion with interested sectors of the Canadian business community.

● (1530)

In order to ensure that this advance is applied only where necessary, the legislation would allow the Governor in Council to make regulations to define these goods, to exclude certain goods from the application of the advance and to allow for suspension of the application where appropriate. Finally, as a new measure, importers will be able to avail themselves of the appeal procedures contained in the Customs Act when used and less than prime quality goods and the tariff rate advance are in question.

I might add that consultations with our trading partners have also been completed. They accept these measures as being compatible with our international rights and obligations.

Effective January 1, 1985, Part II of this Bill will also implement the expanded duty-free product coverage of the GATT Agreement on trade in civil aircraft. Since Canada already extended duty-free entry to most of the 32 new-product categories now covered by the agreement, only minor inclusions need to be made to our duty-free provision. However, export opportunities to markets of the signatory nations including the United States, European communities and Japan will be improved as a result of their removing tariffs on these 32 categories of products.

As a result of Tariff Board recommendations, this Bill also removes a condition established for 19 tariff items that imported items must be of a class or kind made or not made in Canada in order to be allowed entry at specified tariff rates. The changes being proposed represent only some items contained in the board's proposals. The remaining items are being held for consideration at a later date.

Effective February 16, 1984, the Bill also introduces a number of miscellaneous tariff changes. One change is an increase in the limit for duty and tax-free entry of unsolicited gifts from $25 to $40. This will be welcomed by Canadians who receive gifts from friends and relatives abroad and is also consistent with the limits established by other countries.

Duty-free entry is also being extended for a wide range of capital equipment used by semi-conductor manufacturers. These companies now export over 90 per cent of their production, and this measure will assist them in lowering their costs and help them in export markets. A number of other minor changes are included in the Bill which respond to requests from the private sector or which resolve certain technical administrative problems for customs officials.

In conclusion, let me emphasize that the measures proposed in this Bill are very significant because they will enhance Canada's contribution to the multilateral trading system by bringing Canada's customs valuation procedures into line with those of our trading partners. They are also significant because they are of benefit to many sectors of the Canadian business community. I hope that the House will agree that they are worthy of speedy passage, bearing in mind Canada's international commitment to implement the GATT valuation code by January 1, 1985.

Miss Aideen Nicholson (Trinity): Mr. Speaker, we had a most interesting morning as we heard Members of the government side discover new virtues in the measures introduced this morning, measures which in most cases were identical to those introduced in the last Parliament through the Lalonde budget. It is interesting how measures which would ruin the country in February have now become, under a new Conservative Government, measures well worthy of support.

We find ourselves in the same situation with the current legislation. This legislation seems to be virtually identical to measures introduced in the February 15 Budget. The present measures to amend the Customs Act and Customs Tariff have been combined, but I cannot see any essential difference between the two. There are some small differences in drafting, one or two differences in timing, and the lack of seven further tariff rate increases which were proposed in 1984. Otherwise, the measures seem to be identical to those of February, 1984.

I shall now wait with great interest to hear Members on the government side tell us what good measures these are, whereas last February they were telling us how disastrous they were.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am again pleased to have an opportunity to comment on Bill C-9, an Act to amend the Customs Act and the Customs Tariff. The Minister of State for Finance (Mrs. McDougall) has very clearly outlined the nature of this Bill and its importance in terms of bringing Canada's trade practices into line with those of her major trading partners. For that reason, and recognizing the important role that trade plays in Canada's economy, we are certainly quite prepared to see quick passage of this Bill. This would send a very clear signal out to those people involved in importing and exporting that Parliament wishes to see their entire sector expanded.

Basically, Mr. Speaker, this Bill does two things. It changes the way in which goods imported into Canada are valued before they are assessed customs duty and it changes the customs tariff on a number of goods. The Minister has indicated that this is simply a move in the direction of the GATT customs valuation code that ought to be in place by January 1, 1985. This was agreed upon during the Tokyo round of GATT negotiatons. It was there that Canada made that commitment, and this Bill basically ensures that that takes place by that identified date.

Bill C-9 provides that goods being imported into Canada will be valued according to their transaction value or the value of the goods as paid by the importer. At present, the value of a good being imported is assessed at the fair market value of the good in the country of export. Perhaps I can use an example. If a Canadian importer were to import Sony television sets from Japan, under the present system, the Sony television sets would arrive in Canada and would be assessed a customs duty based upon what Canadian officials would determine to be their fair market value in Japan. Under this new provision, we have a system in place under which the Sony television sets would arrive in Canada and would be assessed by customs officials a duty based upon the value the Canadian importer paid for those television sets. That simply brings us into line with the system used by most of our trading partners and certainly by all of our major trading partners.

I believe it is important to recognize that the present system under which we have been operating and which is in place at the moment carries with it the potential for erecting a form of non-tariff barrier. If the Government wanted to slow down the flow of a particular good into Canada, it might lower its estimation of the fair market value of the good being imported. Then the good would be coming into Canada at a price lower than it sold for in the country of export. That would then allow Canada to lay a charge of dumping and the Government could proceed with anti-dumping actions. Essentially, Mr. Speaker, that erection of a not-so-subtle tariff wall could happen if that were the kind of action we wanted to take.

The new system that we are debating presently and that is currently being followed by our major trading partners would remove the potential of setting up a non-tariff barrier. The valuation of imported goods being in accordance with their transaction value will eliminate this arbitrary nature and establish a fair and therefore more neutral system. I think anyone who has either worked in the area of import-export or is familiar with the customs process would recognize the advantage of this particular change. For that reason, we shall certainly see that the Bill receives rapid passage.

I would like, however, to use this opportunity to mention two or three other things. When dealing with the nitty-gritty of Bill C-9 and looking at the various changes to the tariffs, we see that it poses all sorts of questions. I do not think that second reading is the time to raise those questions. For example, to make the case, toilet bowls imported into Canada that are made of a certain china mix would be charged a general perferential tariff of 9 per cent. However, urinals that are being imported into the country would come in free under the same tariff. These are some of the interesting questions which could be addressed during the clause-by-clause discussion, to identify why toilet bowls are treated differently from urinals.

● (1540)

I would like to take a moment during second reading debate on this extremely important Bill to reflect on the discussion which has occurred across the country in recent weeks, with some enthusiasm, concerning the whole matter of free trade. It involves either sectoral free trade, as has been witnessed over the past number of months with respect to the farm implements, computer information and the like, or general free trade. I have not been enthused or encouraged by the love-in which has occurred between the new Prime Minister (Mr. Mulroney) and the President of the United States in terms of their coming together as friends and the indication of what it might mean for Canada in terms of developing a sound national economy. Neither have I been encouraged by the comments made in recent weeks by the Government with respect to FIRA. I have never sorted out in my own mind what the fear of FIRA was all about, recognizing that almost every country of which I am familiar has some form of FIRA process in place. Many of those processes are much more involved and complicated than our present and past FIRA regulations. I have never been convinced that legitimate investors and legitimate businesses have been hindered in entering into the Canadian economy as a result of FIRA. If they are not prepared to lay out clearly how their activities will be of benefit to our country, I am not certain that we should be so enthusiastic about welcoming them to Canada.

Canada today has some real problems associated with the branch plant economy. The fact that Canada has had tariff walls to a certain extent has resulted in certain firms being forced to open branch plants in Canada in order to have access to the domestic Canadian market. That has created both advantages and disadvantages. The advantage is that there is a plant in place, jobs are being created and there is a value added to the general economy. If the tariff walls were removed and there were to be free trade between Canada and the United States—and if there were a North American common market, which President Reagan speaks of and for which many Ministers opposite have indicated enthusiasm—then the branch plants would have no reason to be in Canada. We would find many of them simply moving back to their head offices. Consequently, a free trade situation might result in a significant reduction in economic activity and job creation in Canada.

On the other hand, we must recognize the downside of the branch plant economy. It has resulted in a situation where, for many, there has been little if any incentive to expand their operations and to seek new market opportunities elsewhere. If their total rationale for existing in Canada is simply to serve the Canadian market, why would they expand overseas? Why would they open up research and development facilities if all they really are is a branch plant of an American or other foreign parent company?

It is a Catch-22 situation. But we should not simply fall all over ourselves in enthusiasm over free trade, particularly when in the United States virtually every single action before Congress today that touches on the American economy is one of protectionism. The Americans are implementing stronger procurement policies. "Buy American" has never before been so strong. All sorts of subtle tariff walls are being thrown up in terms of imports. When that process is going on in the United States Congress, and there are approximately 27 Bills which

Congress is to examine that will essentially place a protective wall around a certain sector of the American economy, for us to be leaping for glee at the concept of free trade somehow makes me very nervous. For that reason, we should move very cautiously.

Recognizing how important trade is and how important it is to develop a strong manufacturing sector within the Canadian economy, we should look for a moment at one of our major trading partners other than the United States, and that is Japan. In 1983, we exported coal, lumber, rape-seed, wood pulp, wheat, meat and other commodities to Japan. We imported automobiles, telecommunications equipment, photographic goods, televisions, radios, phonographs and similar types of good from Japan. I think that serves as an example of one of the fundamental problems which we face as an exporting country. The goods which Canada exports encourage the development of our traditional resource sector at the expense of the development of a strong manufacturing sector. That manufacturing sector is labour-intensive. It will create jobs, and a stable long-term economy will be developed.

In short, as we move into discussions of free trade, particularly with the United States, it must be done in a much more open fashion. Those discussions must allow all major players to have an opportunity to express their views, whether they be small manufacturers, large national corporations, labour groups or others involved at various levels of government. We must provide an opportunity for them to ensure that whatever decision is made, either on a general basis or on a sectoral basis, is made in the best interests of Canada.

I would like to return briefly to Bill C-9 which I am pleased the Minister has introduced. It is a step in the right direction in that it allows us to examine the whole business of what goods should be kept out of the country as a result of tariffs and what goods should be attracted to the country. Particularly, I want to bring to her attention the differentiation in tariff rates. Of course, the Minister is well aware that there are different rates. The Bill cites the British preferential tariff, the most favoured nation tariff, the general tariff and the general preferential tariff. As Canada takes on its rightful role as a major trading nation, that being to assist developing countries which have commodities that Canada wishes to use, I think it is important for us to recognize that in some areas our existing trade categories may not reflect the concern which we have for many developing countries. Perhaps the time is not far off when we will have to look at the manner in which we categorize our trading preferences. By looking at that area we might be able to take steps which would enhance our trading relations with certain developing countries.

• (1550)

We look forward as a Party, Mr. Speaker, to examining the clause-by-clause element of Bill C-9. I would like to indicate to the Minister that she can be assured of our speedy support to have it in place.

Mr. Gordon Taylor (Bow River): Mr. Speaker, I would like to just say a few words in connection with the Bill. There are really two cases to which I want to refer. The first case happened in Calgary where a dentist ordered supplies from the United States. The dentist lives about 35 miles or 40 miles outside of Calgary and the day these goods came in he was very busy and unable to go into Calgary to pick them up. He wanted to send someone else, so he phoned the customs office and asked what the cost was so he could send along the money. They would not tell him the cost and told him he would have to come in himself. I feel it is pretty ridiculous that the dentist could not send a messenger to pick up a parcel which was sent from the United States in his name. There was nothing illegal about those goods. The customs people refused to tell him the amount so he could send a cheque.

I would like to urge the Hon. Minister to look at the way in which some of these customs officials have been acting in the performance of their duties. There is no call for this type of procedure at all.

The other point I want to mention briefly is that for a long time there seemed to be a practice of not putting any duty on equipment which was going to be used to produce food, in other words, farm equipment. Within the last few years this practice has been gradually changing. Last year a move was made to put custom duties on this equipment, and the farmer had to wait for as long as six months in order to get his money back. When one is buying heavy equipment which costs $18,000, $25,000 or $50,000, one does not have the resources to wait for six months for a refund.

I would like to urge the Minister to consider that equipment that is coming into this country for the production of food should come in duty free. There should not be a customs tax on this type of equipment because otherwise it simply means that we increase the cost of food to the consumer and put the farmer in that much more of a difficult position. If this tax is going to be refunded later, why go through all the rigmarole of collecting the money from the farmer, have him apply to get it back, and then make him wait six months for a refund? It is just a rigmarole which should not be tolerated. I would urge that there be no customs duty on agricultural equipment, because we want to keep the cost of food as low as possible. The layer after layer of costs we pile onto the shoulders of the farmer will eventually have to be paid by the consumer. I believe there is a sound argument for saying that any equipment which comes into Canada for the production of food should come in duty free.

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I suppose that what I want to do in my remarks, really is to agree with the Hon. Member who just spoke, to some extent. The concern of our Canadian West about tariffs is not a new phenomenon at all. For a long time the western farmer has been faced with having to buy everything on the protected market and sell everything on the free market. Consequently, there is a section of Canada, and, unfortunately, it is the western part of Canada, which is much more affected by tariffs and customs than are other parts of Canada. Therefore, the West has generally objected to the level and the structures of both tariff and non-tariff barriers for two basic reasons;

first, as pointed out by the previous speaker, tariff barriers or non-tariff barriers do increase the price of goods to the consumer. Therefore, the consumer pays a great deal more, particularly for production costs, than he would otherwise have to pay. Second, quite often the West has trouble selling goods on the foreign market because of import barriers. Our trading partners are much slower to deal with us when they know that we have high tariffs for goods which they want to sell.

It is very difficult, Mr. Speaker, to measure the actual costs or the benefits of Canada's protectionist policies. So much depends on the consumption patterns and on the degree to which domestic producers use the products. However, if one recognizes that the consumers' price is higher as a result of tariffs and that this tariff cost is distributed across the country according to the distribution of the consumers, then by dividing the costs by the number of consumers, one can actually come up with a cost per individual. Using this method one finds that each man, woman and child in Canada paid an extra $132.62 in 1983 as a result of import tariffs.

It becomes, therefore, important that we take a look at what industries in the country and what parts of the country are affected by these import tariffs. In western Canada the tariff cost to consumers was close to $1 billion in 1983. Yet it ended up affecting only 271,000 jobs in the manufacturing market. If one compares this to the eastern part of the country, to Quebec and Ontario, there is a much more positive effect. In fact, if we look at the tariffs in Canada and compare the East with the West, we find that the effect of tariffs on the West is negative. It costs us money all the time. We do not get enough effect from the barriers to be of any value to us in the West. In the East, in Ontario and Quebec, the tariffs are positive. In other words, removing them would be harmful, but removing them in the West would do us good. That is something that we must recognize and balance out in some way so that no part of the country is hurt. The Hon. Member who spoke previously indicated that one way of doing this would be to pick certain specific products or certain areas of the country and make sure that they would be less affected than they are under present circumstances.

• (1600)

I think it is important, Mr. Speaker, when looking at a Bill like this, that we consider the total tariff structure and its effect on the entire country rather than on specific areas or specific industries.

Mr. Deputy Speaker: Are there questions and comments on the Hon. Member's speech? If not, we shall resume debate.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, it gives me great pleasure to have the opportunity to participate in this debate, and I will do so very briefly. I wanted to raise a few concerns I have about the shoe industry which is very important in my constituency. It employs several hundred people, principally around the Alexandria area which has one plant manufacturing all of the Adidas tennis shoes in this country as well as several other makes.

The previous government had extended the quotas on shoes until March 31, 1986, I believe. Beyond that, we still do not know what the plans are for that particular industry. We know that the industry is extremely concerned and has serious worries as to the future. It would like to know if the Government has yet formulated any plans and, if so, would it be willing to share them with this House at this time? I think we should remember that it is very difficult for our country to compete with some of the other shoe manufacturing countries, especially when you consider that almost 50 per cent of the shoes manufactured in the world are done so in the underdeveloped or so-called developing countries. Their labour is much cheaper than ours. We must recognize the fact that many people who work in our shoe industry here in Canada are indeed very low paid workers. Shoe imports in Canada in 1966 were only of the order of 10 per cent. By 1970, it had increased to 20 per cent. By 1977, it was 36 per cent, and I understand that it is now somewhere around 60 per cent. All this, notwithstanding the fact that the anti-dumping tribunal made several investigations in the area and succeeded in eliminating some of the damaging dumping of shoes onto our markets. Notwithstanding all of the restrictions we have had in the past, our industry is still suffering, and it is an industry which is very important to our country. Certainly it is very important in Ontario and Quebec as it is indeed in the riding of Glengarry-Prescott-Russell.

We should also be aware of the fact that most employees of shoe factories in this country are women and they are, as I stated previously, in low paying jobs. Therefore, we cannot say that shoes are expensive because of the high salaries paid in that industry. Indeed, the opposite is true, Mr. Speaker, as you will have recognized.

Perhaps, Mr. Speaker, the Minister could take few minutes to respond to the statements I have made and use the occasion to outline government policy *vis-à-vis* shoe imports and indicate the current state of affairs. More particularly, will she explain to us if she is aware of the policy of the Government toward the quota system which, as I understand it, is supposed to expire some time in 1986? Perhaps the Minister could respond to that.

The Acting Speaker (Mr. Paproski): I would bring to the attention of the House that once the Minister speaks, the debate will be terminated. Are there any questions or comments on the speech of the Hon. Member?

Mr. Taylor: Mr. Speaker, I just want to ask one question of the Hon. Member in connection with protecting shoe manufacturers in Canada. We have a shoe manufacturing firm in the city of Calgary which employs anywhere from 20 to maybe 200 people. They make cowboy boots, which are in great demand in the West. However, they get no protection whatsoever from tariffs. In addition to that, when they bring inspectors in from the United States to check their highly complicated equipment, there is a hassle every time and they are held up for seven or eight hours. I think this is information that the Minister should have.

My question to the Hon. Member is this: Was he aware that the western shoe manufacturers get no protection whatsoever?

Mr. Boudria: Mr. Speaker, I think it is obvious that what the Member wants to do is to bring this matter to the attention of the Minister rather than to mine, and possibly to the attention of the House. It does sound like a very legitimate concern. As to why officials of American equipment manufacturers are held up at the border, perhaps the Minister would be in a better position to reply to that than I. As to whether or not there should be tariffs on boots, cowboy boots in particular, I was unaware that there was not as page 41 of the new Bill talks about tariffs on boots, shoes, slippers and so forth. Apparently the Hon. Member is saying that such tariffs may apply to boots but not to cowboy boots, which is something of which I was certainly unaware and of which quite possibly the Minister is unaware as well.

I do believe that if we are to protect the footwear industry in this country, then the whole industry should be protected, be it cowboy boots, tennis shoes or any other kind of footwear. I do believe that in temporarily protecting the industry with a gradual phasing out of those protections, we could revitalize the industry, enabling it to obtain much needed new equipment and technology in order to compete on a long-term basis with other countries. It is obvious that the industry needs a certain period of time in order to be able to compete with those so-called developing countries with which it is very difficult for us in Canada to compete, even with the very low wages which prevail in that industry at the present time.

• (1610)

Mr. Nickerson: Mr. Speaker, I have a couple of questions for the Hon. Member. His presentation did not really deal with the question of tariffs proper, which are under discussion, but rather with quotas, an allied matter. Is it true that the under-the-counter value of shoe quotas is something like $5 a pair? Does that not mean that the present practice of establishing these quotas costs Canadians an average of $5 a pair extra for every pair of shoes he or she buys?

Is it not a fact that those firms which squawk the loudest in support of shoe quotas are themselves guilty because they are at the same time the biggest importers of shoes? It is the same firms that manufacture shoes in Canada that want to import shoes. I wonder if any of the shoe manufacturers in the Hon. Member's constituency are guilty of that.

Mr. Boudria: Mr. Speaker, the Hon. Member for Western Arctic (Mr. Nickerson) is asking me whether I want to pass judgment on corporate practices of companies in my riding and elsewhere. Obviously I am not in a position to do that, Mr. Speaker. I do not think you would want me to take the time of the House to evaluate the practices of corporations which manufacture cowboy boots. That would be highly improper.

In terms of tariffs costs on shoes, I bring to the attention of the Hon. Member for Western Arctic page 43 of the Bill which describes exactly what the tariffs are. They range between 18 per cent and 40 per cent. That would obviously not make a $5 pair of shoes worth $40 or $50 because 20 per cent or 40 per cent of $5 would not increase the amount by that much. However, it is a very necessary feature at the present time in order to enable the industry in our country to compete with similar industries in so-called developing countries.

The Acting Speaker (Mr. Paproski): Are there any further questions or comments? The question and comment period now being terminated, I recognize the Hon. Member for Crowfoot (Mr. Malone).

Mr. Arnold Malone (Crowfoot): Mr. Speaker, I would like to take a few moments to make some comments with respect to Bill C-9. As my friend, the Hon. Member for Bow River (Mr. Taylor), mentioned, there are a number of areas on which I believe the Department would do well to focus so as to see if we cannot clean up some old legislation which is of nuisance value. I draw the attention of the House, and in particular of the Minister, to the practice of placing an exercise tax on farm wagons.

Historically, agricultural equipment has been brought into Canada without tariff. At the turn of the century and into the 1920s the farm wagon was used for a dray to pick up the mail and the goods for the garage and the store. Farm wagons were driven by horses around the villages and hamlets across Canada to deliver the dray to various points of business. Because the wagon was used for those purposes, it was classified as a commercial vehicle in customs and tariff regulations.

At the present time, farmers will import forage harvesters from another country. Often the undercarriage of that harvester is of a light weight and the farmer wishes to have a heavier weight carrier. If the new carrier is imported separately, it enters the country unattached to the forage harvester and is called a wagon. At that point the customs and excise tariff must apply. That really related back to a 1920s regulation which no longer makes sense. There are a number of people across the country in agricultural communities who would be pleased if the Department would study this inequity.

I would also like to bring to the attention of the House the matter of bees and beehives. The production of nitrogen-fixing clovers in the country and the importing of woodstock for beehives is a very important aspect of the food producing industry. Its capacity in terms of both the leaf-cutter bees and the honey bees is important as an industry in all parts of Canada. It is simply not good enough to say that the product is made in Canada and therefore there should be a tariff on it. If the product is not of sufficiently quality for the people who use it in the industry to be satisfied with it, there should be some exemption from the tariff. That product is made in Canada, but every year representatives of the Canadian bee industry say that they want to use hives that are made in another country. I believe that we should be allowed to do that until the Canadian industry produces a quality product that is satisfactory to Canadians. I have no doubt that Canadians can make that product to satisfactory standards. Giving a monopolistic licence to market a product without there being any

competition or any regard to the quality of the product is detrimental.

This will be the first time in history that anyone has ever corrected the Hon. Member for Bow River, Mr. Speaker. However, he made reference to cowboy boots. There is no such thing as cowboy boots except that which you give to your four-year-old children at Christmastime. However, there are western boots. There are manufacturers of western boots in Canada. They make western boots for adults but not for children. When stocking a rack with boots you must have several pairs of each size. As there are Canadian manufacturers, you must buy from them, but they do not supply children's western boots. If you wish to get your young child cowboy boots, as my friend from Bow River calls them, you will find that they are not in ample supply on the shelves because there are no Canadian manufacturers of them and we can import only a small number. I believe that that ought to be reviewed within the regulatory process. Suppliers ought not to be restricted in the number of children's boots they can import simply because the larger sizes are available.

• (1620)

The final point I wanted to make concerns grain drying equipment. Farm implement dealers everywhere are bringing in grain drying equipment. They bring it in as models and set up fans, screens and floorings from separate components parts. Because the fans and the screens could be used for another purpose, when they are sold the dealers must pay the full brunt of the tax. I am simply saying that as long as there is an end user certificate for the use to which they will be put, I do not believe it matters whether grain drying equipment is sold as one component or in parts.

Those who are in the grain drying import business will say that there is a problem with selling component parts. It is often not necessary to bring in the full equipment because component parts can be added to existing facilities. It should not be mandatory to buy a full set of equipment when it is satisfactory to add component parts to the existing facilities.

My comments were intended simply to point out that there are some inequities in the customs and excise tariffs which can be improved upon in the regulatory process. I would encourage the Minister to review those and, if possible, to make the necessary changes.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): Order. It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Broadview-Greenwood (Ms. McDonald)—Cultural Affairs—Budgetary Cut-backs—Consequences for Cultural Community. (*b*) Artists' Income; the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria)—The Census—Justification for Cancellation of 1986 Census. (*b*) Request that Cancellation be Rescinded; the Hon. Member for Algoma (Mr. Foster)—Agriculture—Flood Damage Compensation for Farmers in Northeastern Saskatchewan. (*b*) Request for Immediate Payment.

GOVERNMENT ORDERS

[*English*]

CUSTOMS ACT
CUSTOMS TARIFF

MEASURE TO AMEND

The House resumed consideration of the motion of Mrs. McDougall that Bill C-9, an Act to amend the Customs Act and the Customs Tariff, be read the second time and referred to the Committee of the Whole.

Mr. Riis: Mr. Speaker, I listened with interest to the Hon. Member's comments about western boots in particular, as well as concerns raised by others about the boot industry. As an experienced outdoorsman in western Canada, does he know that a similar situation exists with firearms? This is in terms of duties that are paid on firearms that theoretically are available in Canada. However, upon examination, one finds that the firearms that are available to western retail outlets must be sourced in central Canada at a significantly higher price and in some cases, by their own admission, at somewhat lower quality. The same applies to ammunition. Does he have any experience with this as well?

Mr. Malone: Mr. Speaker, I can only attest to the fact that I am in fact aware of and in agreement with the observations that were made by the Hon. Member for Kamloops-Shuswap (Mr. Riis).

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, it is interesting that a number of the Bills which are coming before the House in its early stages permit us to set out some of our philosophical approaches to such issues as taxation, which we dealt with this morning, and trade, with which we are dealing now. Since the Minister has launched consideration of Bill C-9 by giving us an outline of her approach to trade and the approach that the Government is taking toward trade, I want to comment on that approach and offer some counterpoising of a different approach which our Party intends to put forward.

In my opinion, the Minister was speaking very much in a framework which saw the need for us to move toward more free trade. It was in a framework that saw that movement taking place in a multilateral context, with GATT playing a

very important role in the process, with safeguards being maintained for Canadian industry as this process is developed.

Of course, there are a number of other variants on this commitment to greater free trade. Some people are talking very much in terms of establishing our free trade with the United States unilaterally rather than with all the countries throughout the world. Again, there are variations within that approach. Some people talk in terms of sectoral approaches to such free trade, while others talk about an approach that moves across the board.

When we consider international trade in the 1980s, our Party questions the strategy of developing greater free trade. When one looks at the evidence, the reality is a movement throughout the world toward managed trade.

This type of trade operates at two levels. First, there is managed trade at the level of governments themselves. We have seen a movement by governments, both in developed countries and less developed countries, whereby a great deal of special financing is available for exports. They have many agencies operating in an attempt to promote trade expansion and penetrate new markets. In short, we see an attempt by governments to build for themselves new areas of comparative advantage in the international economy which will provide their respective countries with jobs and growth prospects in the future. This is not only evident in western European countries but it is evident also in the United States where, despite the free trade rhetoric of the Reagan regime, there have been a great many moves in recent months that threaten our economy and other trading economies throughout the world as a result of new forms of restrictionism within the United States. The most recent example is some provisions in the steel industry which have established particular labelling requirements for steel exporters to the United States. This has the effect of making our capacity to export to that economy a great deal more difficult.

I think most Members are aware that in addition to the Government's efforts to manage trade, we must recognize the effort on the part of large-scale firms to manage and organize trade internationally. In this respect we can talk of two kinds of development. First, there is the effort on the part of large corporations to set up for themselves an international system of sourcing abroad. At present, large international corporations use subsidiaries in different parts of the world to supply particular components to parent companies in the United States or western Europe. For instance, estimates of the situation in the United States indicate that close to 60 per cent of U.S. manufacturing trade takes place in the internal framework of the corporations themselves. This means that the prices that are established in that trade are often quite arbitrary and questionable.

In addition to this effort to set up international corporate structures to organize trade throughout the world, we see an increasing effort on the part of corporations to attempt to develop trade strategies based on a careful working through of new product developments and heavy expenditure on research and development within those product areas. They attempt then to allocate to particular subsidiaries throughout the world responsibility for that product once it is developed by the company.

• (1630)

We see a good many companies here in Canada which now have world mandates for particular products which have been developed through research in their parent companies. In these and other ways we have a movement toward managed trade in the corporate sector as well as in government legislation and regulation. I think for us to respond in the world as it is changing by being a good boy scout, by talking about freer trade when nobody else is practising it, by suggesting that, left to the market, somehow the trade that we as a country need to grow will just emerge, represents an incredible exercise in naivety. It represents an abdication of responsibility as a Parliament to the millions of workers in Canada who could be affected by this. It represents irresponsibility with regard to the thousands upon thousands of small business people who could find their hopes and opportunities eliminated.

I agree with my colleague from Saskatchewan who made the case for free trade that it is something that could benefit many of us. But free trade is not on the agenda of the world today. We can look all over the world, we can look at Southeast Asia, western Europe and the United States. Freer trade is not the direction in which countries are moving. Managed trade is the direction. For us as a small nation in this difficult and open environment, faced as we are with our own severe economic problems, simply to back off and say we will leave it to free exchange throughout the world, is not only naive but incredibly irresponsible.

It is particularly irresponsible to talk about establishing this kind of free exchange system with the United States. It is above all within the United States that the corporate sector is moving effectively, and because it makes sense for them, in the direction of more and more manged trade. We would find ourselves like the poor fly caught up in a spider's web. We would be at the outer extremities of a system of trade that has been built on the U.S. market itself. We would find company after company that presently has subsidiaries here looking to rationalize operations continentally and leaving us without any capacity to safeguard jobs and to protect our potential for growth for the future.

We will be bringing before this House tomorrow a case where precisely this kind of thing has happened. I am speaking of a takeover by an American company of the operations of a segment of Westinghouse responsible for small appliance production. Black and Decker has taken over these operations and is now in the process of rationalizing production. At the moment it can only rationalize production within Canada because we still have some trade restrictions. FIRA still exists and can still operate, but the result is that an operation is being shut down in Barrie, Ontario, which presently employs 600 people who are represented by a good Conservative Member of Parliament.

Mr. Stewart: Mr. Speaker, I rise on a point of order. The Hon. Member is incorrect. He referred to Westinghouse when he meant General Electric.

Mr. Langdon: The Hon. Member for Simcoe South (Mr. Stewart) is correct. It is a General Electric subsidiary rather than a Westinghouse subsidiary. I apologize.

The point is that a company has been taken over by another parent company, which in turn is attempting now to rationalize its world-wide operations, and in the process of doing so is threatening the jobs of 600 workers within a community in Ontario.

We see the chance of this kind of development in the future becoming more and more prevalent if we move in the direction of free trade with the United States. Some people are talking about an alternative which they call sectoral free trade. This moves in the same direction but will do so industry by industry. We have had some experience with that in the case of the automotive sector. We have seen that such movements can be beneficial to the Canadian economy, but only if safeguards are established that defend the industry by committing subsidiaries here in Canada to a specific level of Canadian content production in what they sell here. In the case of the auto pact, for instance, companies have committed themselves to 60 per cent Canadian content as an equivalent for each dollar's worth of sale of their vehicles here in Canada. We feel that that principle of Canadian content has to be there within any movement to sectoral free trade with the United States, or indeed with anybody else.

We believe strongly, and we have had it on good faith from negotiators from the United States, that they are not prepared to initiate and include safeguard arrangements in any of the sectoral free trade movements which they are presently talking about.

We would put ourselves in a situation where we would not be able to protect ourselves as we have been able to do in the auto industry. Rather than moving in this direction of freer trade, Mr. Speaker, we think the world as it is requires us to talk about what we in this Party call fairer trade, an attempt to establish, through the activity of government in close consultation with the corporate sector, with trade unions, and with communities across the country, a system of safeguards that will permit various key sectors of our industrial economy to expand effectively, to initiate more research and development and to use that research and development to penetrate new export markets, not on the basis of special arrangements with those markets but on the basis of competitive quality products which can be produced by Canadian workers and communities. We think particularly of sectors that are crucial to our future, for instance, the automobile sector.

● (1640)

It is important for us to accept the principle of the recent task force on the automotive industry of establishing Canadian content rules, not just with the United States and American companies as we presently have, but with Japan and Japanese companies. As I have stressed previously in the House, this industry now cuts across the country. It is not just an Ontario and Quebec industry. There are automotive investments in provinces such as British Columbia and on the other coast in Nova Scotia. If we move in the direction of serious efforts to build in Canadian content laws as the task force report suggested, we will have before us 30,000 to 50,000 new jobs which will benefit the entire country, not only central Canada.

Also I want to make it clear that when we talk about fairer trade, we are not talking about always building in more restrictions. We are also talking about seeing to it that our restrictions deal fairly with the different trading partners with which we are involved. For instance, at the moment we apply quotas in areas such as textiles and clothing to poor developing countries when those countries themselves are often not the threat. If we look at the case of textiles and clothing, we see that many of the threatening imports these days come not from Sri Lanka, against which we have quotas, not from Malaysia, against which we have quotas, not from India, against which we have quotas, but from the United States, against which we do not have quotas because frankly we are frightened to do so.

Our argument is that in establishing a system of fairer trade, it is important that we treat our trading partners equitably and that we approach them in an even-handed manner. We should stop making the Third World and poorer countries pay the price for competition in some of our poorer, more difficult industries. This competition is in fact coming much more from the United States and other parts of the world which are a good deal better off.

We lay before the House today an approach to trade strategy which emphasizes fairness rather than the freeing of the economy. If we adopt that approach, we will be safeguarding jobs for the future and much more effectively building the capacity to expand our economy through exports and through growth in the future.

Mr. Thacker: Mr. Speaker, I have a comment or two and then a question for the Hon. Member for Essex-Windsor (Mr. Langdon). I disagree that the world is not moving toward free trade. If the Hon. Member as a member of these parliamentary committees will be able to visit Hong Kong, Korea, parts of the Philippines and Malaysia, he will find that the future lies with free trade if we get on the ball and capture our fair share. The whole sense of his speech was that he was fearful of free trade. We should look at Canada with its magnificent resources, our population, the fact that we have a higher standard of education than anywhere in the world, a stable political environment and an effective economic infrastructure. We have huge multinationals. Our banks are huge multinationals. There are four or five big oil companies in Canada, with 700 oil and gas companies mostly based out of Calgary. A good number of them operate on the international sphere. They are incredibly productive and valuable.

Why does my friend fear for their ability to operate? Why does he want to have protections which will hurt us? Indeed, a closed trading pattern will hurt our country more than any

other country in the world. We trade even more than the Japanese for our wealth and welfare. Why does he want protections? Would he not think that Austria's trading practice *vis-à-vis* Germany is a good example to follow? That country has opened itself up, and its productive citizens have found thousands of niches within which they can fit and send products to Germany. As a result, its national wealth has risen enormously. Why does my friend appear to be fearful?

Mr. Langdon: Mr. Speaker, I appreciate the question. It is a very good one. However, I suggest to the Hon. Member that his assumption is wrong. I certainly do not have a sense of fearfulness about the capacity of our country, our companies and our communities to compete. I am concerned about our country sending out our companies on which workers depend into the international market-place unassisted, unaided or unsupported by our Government and our trading strategy.

I have had a certain amount of experience with Southeast Asia. Recently I visited South Korea, Singapore and Hong Kong. I assure the Hon. Member, as indeed I am sure he is aware, that South Koreans do not let their companies go into the international market-place unsupported. We should ask why it is that Hyundai has succeeded in penetrating the market for automobiles in Canada in such a spectacular fashion. There has never been a more spectacular entry into the auto sector than in the case of Hyundai. Hyundai is strongly supported by the Korean Government. There is a major effort on the part of the Koreans to promote such exports and at the same time a very strong effort to see to it that Hyundai cars which are exported have a far higher Korean content than anything we require.

In the case of Hyundai and the Pony cars which come to Canada, over 93 per cent of cars produced in South Korea are produced with Korean content; 93 per cent of the value added in those vehicles is Korean. If we are to realize our tremendous capacity, the way to do it is not to leave our companies on their own. It is not to pretend that the world is some kind of easy picnic in the international market-place these days. It is to be out there supporting our companies, working closely with them and developing a strategy to build effectively upon our capacity.

This is what we are talking about when we talk about fair trade. This is why we make a distinction between that and free trade, which I think is a recipe for leaving our companies unprotected in what is a terribly difficult world. Some of them will still succeed, some of them will still do well. However, many of them could do much better if we worked aggressively with them and we recognized how naive it is to pretend that the world is not moving toward a managed trade system rather than a free trade system.

Mr. Thacker: The Hon. Member opposite referred to the automobile industry. Would he agree with the action taken by the government in the early 1970s? When the oil price was rising, our government stepped in and said that we would not be subject to any blackmail from the Arab community, and we subsidized it. The effect of that was to send signals to Canadians to continue to buy big cars and to manufacturers to continue to build them. In the meantime, Japan, Germany and many other countries with governments that faced reality used their top brains to create more efficient and lighter cars. The reason they are whipping us in the market is that our industry was misled by the government and led down the garden path. It happened because of that action taken by the government.

● (1650)

I suppose I am asking the Hon. Member to consider that as being a case which argues for government being very circumspect in its decision-making and that if it is to help industry, it be very careful in the way it does so. That was a clear example of a government decision that mortally injured the industry. Tens of thousands of people were put on the unemployment rolls because of the decision that was made back in the early 1970s.

Mr. Langdon: Mr. Speaker, having read the Hon. Member's speech earlier, I have heard that argument before. In fact, Mr. Speaker, the direction in which the auto industry moved in the early seventies was a function not of Canadian Government policy but of what was happening in the United States. Unfortunately, the great overwhelming majority of research and development in that industry is now concentrated in the United States and responds very much to changing incentives and regulations imposed by the U.S. Government.

My own view is that the U.S. Government, by forcing its auto companies to move in the direction of more fuel-efficient cars, saved that industry for the 1980s. Without those government regulations, the U.S. auto industry would not have moved fast enough. It would not be in a position to compete in the way that it is finally beginning to compete internationally.

Mr. Nickerson: Mr. Speaker, I have a brief question for the Hon. Member. Who really speaks for the NDP on this issue? Is it the Hon. Member for Kamloops-Shuswap (Mr. Riis), who argued in favour of liberalized trade to help the developing nations? Is it the Hon. Member for Prince Albert (Mr. Hovdebo), who also argued in favour of liberalization by showing figures to the House indicating that western Canadian agriculturalists were subsidizing inefficient industries in eastern Canada? Is it those two gentlemen from the West, or is it my antediluvian friend from the East, who continues to argue in favour of protective trade or managed trade or trade of whatever name he wishes to give it?

The Acting Speaker (Mr. Paproski): The Hon. Member for Essex-Windsor (Mr. Langdon) for a very short answer.

Mr. Langdon: Mr. Speaker, we talk in terms of fair trade, an approach that would look sector by sector and region by region across the country to find ways in which our trade strategy can help to build our economy. Unlike the Conservatives, we do not believe that there is a single easy answer to everything. We do not believe that there is some ideological answer sitting in the textbooks that can be picked out. Instead, we speak for a strategic effort to use trade strategy to build

our economy. This in some cases would lead to more restrictions and in other cases would lead to fewer restrictions.

[*Translation*]

The Acting Speaker (Mr. Paproski): Questions and comments are over.

[*English*]

Is the House ready for the question? The Hon. Member for Hamilton East (Ms. Copps).

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I will be brief because I know that the Government is anxious to move to the question on the issue of the Customs Act and Customs Tariff. Most of those proposals were in fact proposals that had been introduced by the previous Liberal government. Naturally I am anxious, as are my Liberal colleagues, to move ahead with its passage.

At the same time, I wonder if the Minister who is carrying the Bill might clarify something to this House. Was the omission from this particular Bill of any particular response to the U.S. Government's congressional decision to limit the importation of steel products, particularly with respect to the labelling issue, intentional? The labelling issue has been brought to the attention of the Minister for International Trade (Mr. Kelleher) by myself and as well has been brought to the attention of the Prime Minister (Mr. Mulroney) by myself and by my Liberal colleagues. I wonder if the Minister might clarify for the House what action she is contemplating with respect to customs and tariff changes that may come about as a result of the U.S. Congress decision to restrict steel imports into the United States because of peculiar labelling procedures?

I understand that government members have been endorsing the concept of free trade, not only on a sector-by-sector basis but also on an over-all basis. I know that those same Members would be most happy to agree with me and my Liberal colleagues when we say that if there is one industry in the world in which Canadians have shown themselves to be competitive on an international scale, it is the steel industry.

Perhaps the Minister could clarify to the House if, in fact, the labelling situation cannot be resolved through the efforts of Canadian lobbyists who are now working feverishly in Washington on this issue. Perhaps the Minister could clarify to the House what action she would be prepared to take with respect to tariff admendments which would in fact enforce similar restrictions on importation of foreign steel products into Canada.

Mr. Speaker: Tradition requires me to inform the Minister that if she speaks, she closes debate on this matter.

Mrs. McDougall: Yes, Mr. Speaker, I am aware of that. In answer to the Hon. Member's question, the Government is looking at the question of the steel industry. It does not relate particularly to this Bill. I cannot answer the Hon. Member directly on the labelling issue but I will refer it to my colleague and we will respond to her. However, the matter does not relate to this Bill.

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

Some Hon. Members: Question.

Mr. Speaker: Mrs. McDougall, seconded by Mr. Hnatyshyn, moves that Bill C-9, an Act to amend the Customs Act and the Customs Tariff, be read the second time and referred to Committee of the Whole. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to and Bill read the second time.

Mr. Speaker: Accordingly, the Bill stands referred to Committee of the Whole.

I suspect that it is probably in the best interests of the House to consent now to call it five o'clock.

Some Hon. Members: Agreed.

Mr. Speaker: It being five o'clock, the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper. Shall all orders and items preceding Number 6 stand by unanimous consent?

Some Hon. Members: Agreed.

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

THE OFFICIAL DESIGNATION OF NOVA SCOTIA ACT

MEASURE TO ENACT

Mr. Pat Nowlan (Annapolis Valley-Hants) moves that Bill C-201, an Act respecting the official designation of "Nova Scotia", be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, in the true tradition of private Members' hour, there should not be much debate on this Bill which is so patently fair, progressive and highly principled on the face of it. I certainly do not wish to take the entire time of the House between five o'clock and six o'clock, but I do want to describe briefly my private Member's Bill which I brought before the House on another occasion several years ago. After that, I remained quiet about the Bill because of the sensitivity of the bilingual question that seems to come up whenever I raise this Bill.

As far as I am concerned, if there ever was a reason for a private Member's Bill, there is a reason for Bill C-201, which is comprised of only one paragraph. It is a private Member's Bill which deals with a matter of public interest to the people

of Nova Scotia involving no more and no less than the proper use of a proper noun in the proper context.

The proper noun we are dealing with, of course, is the name "Nova Scotia", which is Latin and, in my humble submission, therefore is not translatable to either English or French. If, under the BNA Act and under its original Charter, Nova Scotia was called "New Scotland", then in our day of bilingualism, the translation for that would be "Nouvelle Écosse". However, the fact of the matter is that the name is Nova Scotia. It is a proper name that comes from a grant made by King James I to William Alexander in 1621. This was before Canada was ever even conceived of in terms of any constitutional arrangement. There were Indians present, and I shall return to that.

There are many names in Canada, historic names which reflect our history and heritage, which are not and should not be translated. I must say that this Bill germinated when I was a new Member of Parliament. This is why I am glad to raise it again in a new Parliament which consists of so many new Members. I was a Member of a new Parliament back in 1966 when in this far corner of the Chamber a very eminent Canadian, who happened at the time to be an independent Member and the ex-mayor of Trois-Rivières, Mr. J. S. Mongrain, rose in his place every time an anglophone mentioned the words "Three Rivers". He would bring the proceedings to a halt. I suppose there were times in that new day of bilingualism that anglophone Members were irritated at the question of privilege or point d'ordre being raised on the use of the name Three Rivers.

● (1700)

Then there was the interesting situation of another eminent federal Member at the time, who has had some eminence in Quebec politics since that time, Gilles Grégoire. He represented part of the riding which now encompasses Sept-Îles. I worked in a place which was known as Seven Islands when the Iron Ore Company was only a dream. Before the railway was built along the Moisie River there was a fishing village with a population of 1,500 which was known as Seven Islands. However, quite properly attention was drawn to the fact that under the Charter of Seven Islands the proper noun for Seven Islands was Sept-Îles. Those points were made and they were accepted.

I submit that my case is even stronger than the cases which I have mentioned. I am not talking about a translation; I am talking about the use of a proper noun in the proper context. If there are Members, Nova Scotians or Canadians, who feel more comfortable using other appellations for my Province, then let them use them. The Bill does not restrict anyone or make it illegal to use any other name. Obviously I know the name that a majority of the people in my Province are familiar with, that is the name of la Nouvelle Écosse. If in their social context and in their dialogues they feel more comfortable using Nouvelle Écosse, so be it. Depending on the results of this debate today, the point of truth, frankly, Mr. Speaker, may become perhaps a problem between you and me. I believe it is high time that a name which has existed for three and one-half centuries, which is neither English nor French but is Latin, should be the proper noun which is used for my Province. I will have to consider my position and how obstreperous I will become if this Bill does not find favour with the House.

I will not quote all of the Latin of the King James Charter which was given to Sir William Alexander, although it is beautiful stuff. There are pages and pages of Latin which relate to Nova Scotia. That is the first part of my case.

One can say, "What is in a name?" I will cite some interesting and ridiculous situations with respect to what is in a name.

When I was first in this House, Mr. Speaker, one of your eminent predecessors was Mr. Speaker Lamoureux. He was a very gracious Speaker and obviously a great predecessor of yours. However, on the English side we did not call him "Mr. Lover". Nor did we call Gilles Lamontagne, the former Minister of Defence, "Mr. Mountain". We did not call and do not call Madam Sauvé, "Madam Saviour", although she was a Speaker who certainly saved the decorum of the House from completely breaking down from time to time. We did not do that because it would make a mockery of the sincerity and seriousness of bilingualism for us to become too fervent in deciding that every word should be translated, especially proper nouns. It is grammatically incorrect to translate proper nouns into another language, be it from English to French or from French to English.

In the present Cabinet we have Roch La Salle. Are we going to call him "Roch the Room"? We also have John Wise. Are we to call him "Jean Le Sage"? That obviously points to the absurdity of the matter. We could do it with Andrée Champagne, who is a lovely lady. I have not had the pleasure of formally meeting her too often, but I will certainly call her by her name and not "Andrée Field". That would be a mockery and an insult to her.

All I am asking is for fairness in using the proper nouns in the proper context. The Bill is very simple. Paragraph 1 reads:

> This Act may be cited as The Official Designation of Nova Scotia Act.

That is simple. It does not pose a problem. The second paragraph reads:

> In every place where the words "Nova Scotia" appear in any Act, regulation, statutory instrument, report, contract, lease, licence or other document the proper designation of such name in both official languages is and shall be "Nova Scotia".

I will not get into the situation of wanting rewritten all the laws which must be translated. I simply want to ensure from this day forward that we will not translate proper nouns when those words are not translatable.

I know Members in this House are versed in history and I do not want to take much of the time of the House, but I found it interesting, when I researched this matter, that the very name of Canada is an Indian name. We do not translate that. Ottawa is a very interesting Indian name. It perhaps typifies what we do in this city, but it is not translatable. Quebec,

Ontario, Manitoba, and Saskatchewan are other well-known proper nouns which are not English or French, but Indian and, therefore, not translatable. In terms of the name of Canada, there is some conflict in history which obviously occurred when Jacques Cartier sailed up the St. Lawrence and picked up some guides along the way. Those guides were probably Iroquois. They referred to the villages along the St. Lawrence as Kanata or Canadia. In effect, the translation from Iroquois was that this was the place of cabins or lodges. The translation of that into French from Iroquois became "Canada". That is fine. We do not want to destroy the heritage of 1867. We have the Constitution Act, the flag, the national anthem, and a Supreme Court which can stop things in Ottawa. We have done things to emancipate our national identity and to develop our heritage. Surely we do not want to turn back the clock in this context.

In terms of other names, we could take the great Province of Ontario. "Ontario" comes from two Iroquois words. I will not try to translate them, but in effect Ontario means "beautiful lake". Quebec is Algonquin, and means "where the river narrows". The other side of that is Detroit, but I will not get into that. Saskatchewan comes from the Cree language and means "rapid current". Manitoba again comes from the Cree language and means "the strait of the Manito" or "the strait of the spirit". The most interesting example is that of the capital city itself, Ottawa. I believe "Ottawa" comes from the Algonquin language and means the place to barter or the place to trade. I must say that the Indians knew years ago, before anyone ever thought of this place—which used to be called Bytown—that it would be the place where we came to trade or to barter.

These names are not translatable and they should not be translatable.

I would like to delve into history for a moment to amplify what I said about Sept-Iles and Trois-Rivières. The history of this is perhaps the evolution of Canada and of Quebec. There was a Bill introduced in 1915 in the Statutes of the Province of Quebec which referred to the City of Three Rivers. Then, because of many happenings and obviously the emancipation and the movement of the English and the French, in 1925 there was an amendment under the Statutes of the Province of Quebec which amended the English name "Three Rivers", and in effect said that the inhabitants and ratepayers of the City of Three Rivers would henceforth be known as inhabitants of the "City of Trois-Rivières". It was because of that history, Mr. Speaker, and I believe, quite properly, that Mr. Mongrain, as an independent Member of Parliament—and I sat back there against the back wall—whenever Three Rivers was mentioned by any speaker, would stand and in a very proper way draw to the attention of the House that this was not the proper name.

● (1710)

I will quote from an excerpt of *Hansard* of March 25, 1966, at page 3195. With regard to the estimates of the Department of Transport—that was when we had full supply in the House—Mr. Mongrain said this, among other things:

For the last 15 years, Mr. Chairman, the municipal councils, Chambers of Commerce, both junior and senior, and the school boards of my home town and riding have been writing to the various federal departments to underline the fact that the name of my home city is Trois-Rivières. This is true even in spite of the English version because the city is incorporated under the name of Trois-Rivières. A proper name is not translated and it is a grammatical error to translate a proper name. For instance, the name of our Speaker is Mr. Lamoureux but I would not speak of him in English as Mr. Lover. Mr. Batten is an English name but I would not call him. Mr. Planchette if I were speaking French to him. We have a minister by the name of Mr. Winters but I would not call him Mr. Hiver if I were speaking to him in French. The name of my riding is Trois-Rivières and I do not know how many hundred times we have to emphasize that fact.

Mr. Mongrain continues, in another part of his discourse, saying this:

But the pride we show in wanting our city's name to be expressed in our mother tongue should not be held against us.

This is the point I want to make. I take great pride in Nova Scotia even though I am basically of Irish heritage. We have a fine Scottish heritage. There was a grand fellow by the name of William Alexander. We have the celebration of the meeting of the clans. We have the tartan and the kilt. We take pride in our heritage. The fact that I am today pushing for the use of the proper name when referring to my Province is because of the respect I hold for my province, and for no other reason. It is a principle, as far as I am concerned, Mr. Speaker. I only ask for the same fairness given to me as was given Mr. Mongrain with "Trois-Rivières" today and in the future.

I will not go into the whole evolution of history today, Mr. Speaker, because I would like other Hon. Members to contribute to the debate. But I repeat that I believe we make a mockery of bilingualism by translating names which have the strength of history behind them without the popular acceptance of the people who believe in their heritage. My home town, Mr. Speaker, is a place called Wolfville. It happens to be the seat of Acadia University. The whole history of the area comes from the Acadians. Every Nova Scotian and every constituent in my constituency talks about Grandpré. We do not talk about the "Big Meadow". We do not call Wolfville "La Ville du Loup". My mother was born in a place called Canard. I have heard about canards being used in canard à l'orange, but I have never known the area surrounding my mother's farm being known as "The duck land", Mr. Speaker. We do not call Whitehorse "Cheval Blanc". We do not call Mont Joli "Mount Jolly". We do not call the riding of the former Prime Minister "Royal Mountain". And, Mr. Speaker, we do not call Baie Comeau "Como Bay". I do not think we should.

I say to you, Mr. Speaker, that in fairness, equity and in history, this Bill goes right back to the 1621 Charter. I have a photostat of the BNA Act which is in English because we had evolved from Latin to English. We were not bilingual then. I would like an Hon. Member or the Table Officers to point out to me where there has been the legal move to use the name "Nouvelle Écosse" or "New Scotland" in referring to the Province of Nova Scotia. I can tell you, Mr. Speaker, that by the proclamation of Queen Victoria which brought us into nationhood—and Nova Scotia, of course, was one of the four founding provinces—the Provinces of Canada, Nova Scotia

and New Brunswick are united into one dominion under the name of "Canada". I suggest and submit, Mr. Speaker, that the 1867 proclamation brought us into being. Even in the Constitution Act of 1982, or whenever it was, which in effect reaffirmed the BNA Act and made the Constitution more modern, there is not a section in the statute which gets close to what they did with Trois Rivières—Three Rivers officially to designate the change from Nova Scotia to any other name.

It is for that reason, Mr. Speaker, that I am happy to have had the chance to speak for these few minutes before the House. I hope I have not over-stressed the point, but I do believe it is time we considered this matter seriously. One can say, "What is in a name?" But long ago an Hon. Member of this House, the Hon. Member from Shawinigan, stood in this House during a private Member's hour and wanted the name of Trans Canada Air Lines changed to that of Air Canada. There was quite a debate and the Bill went through. That was many years ago when that Hon. Member was relatively new. I do not expect the same hallelujah if my Bill goes through today. That was one of the first Bills to, in effect, make a name almost "alingual", but I do not even have to face that. The proper name of my Province is Nova Scotia; it is not New Scotland, it is not Nouvelle Écosse.

I ask the consideration of the House to reflect on my remarks. Hopefully, the reflection will conclude before six o'clock so that this Bill can be properly referred to the Standing Committee on Justice and Legal Affairs. I believe that if we do get it that far, it is high time that Nova Scotians, including its Premier, addressed this problem.

[*Translation*]

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am pleased to be taking part in the debate on this Bill.

In fact, I was reading about past debates on the subject in some old volumes of *Hansard*, and I cannot help wondering why another attempt is being made to bring this legislation before the House today. I must say that I wish it were a quarter to six or six o'clock or whenever we are going to vote on this Bill this evening, because it will be very interesting to see how our Quebec colleagues in the Progressive Conservative Party vote on this particular Bill.

I intend to be very brief to give these Hon. Members an opportunity to take part in the debate and show us how they intend to vote.

Mr. Speaker, the history of the Acadians in Canada is very important, although at times many Canadians have trouble remembering that particular history.

The Hon. Member who is sponsoring the Bill referred to the Acadians earlier, but I think his remarks need some elaboration. We should remember what happened in 1755, remember the deportation of the Acadians and their arrival in large numbers in Louisiana and related events.

Today, we should also remember the day when the Conservative Government of our country closed the consulate in Louisiana, which I think was a slap in the face of the people of Louisiana, especially Acadians. Today, this Bill is once more before the House.

Mr. Speaker, I must say that as a Francophone outside Quebec, I am very reluctant to support this kind of legislation. That is why I fully intend to vote against the Bill, and I also wish to take advantage of this opportunity to urge my francophone colleagues here in the House of Commons to do the same, especially our colleagues from Quebec on the other side of the House. I would urge them, first, to rise in the House and let us know what they think of the proposed legislation and give us their views, and second, before the House adjourns this evening, to vote against the Bill.

We are told that the reason for presenting this Bill is that in 1621, the province was given the name "Nova Scotia". That may be so. In fact it must be so, because the Hon. Member said so. However, Mr. Speaker, in 1621 legal texts were probably all written in Latin. I therefore fail to understand why it is so important for us to remember this particular incident today. It is quite possible that at the time, a lot of other things were given Latin names as well, but today, these have been translated into other languages. Prince Edward Island is called "l'île-du-Prince-Édouard" in French, and when I go to the Maritimes next year, I want to be able to go to Nouveau-Brunswick, if that is what I want to call that province, and to "la Nouvelle-Écosse", if that is how I want to call that province. If the Hon. Member wants to go on calling his province Nova Scotia, he is welcome to do so. I think we should keep the province's French name, the way it has been translated for centuries. It is correct, and I think especially in the present context, it is a way of showing the Acadians of our country some small recognition, and we certainly owe them at least that.

• (1720)

Mrs. Monique Landry (Parliamentary Secretary to Secretary of State): Mr. Speaker, as this is my maiden speech in the House as Parliamentary Secretary to the Secretary of State, I would like to start by congratulating you on your recent appointment.

I would first like to provide a few explanations on the origin, the functions and the responsibilities of the Committee responsible for geographical designations in Canada.

The first organization in charge of controlling geographical names in Canada was created by Order in Council in 1897 under the name of Geography Commission of Canada. In 1948, this Commission became the Canadian Commission of Geographical Names, and in 1961, it received its present designation of Canadian Standing Committee on Geographical Names.

The Committee is made up of seven representatives from Federal Departments and one representative from each province in Canada appointed at the provincial level. The

Committee rules on all nomenclature issues involving Canada. Toponyms within the provinces become decisions of the Committee upon a ruling by the provinces involved. The Committee is assisted in its work by four advisory committees in charge of names, linguistic policy and research. There are about 300,000 officially approved names in Canada.

The Official Languages Act and the Canadian Charter of Rights and Freedoms determine the policy of the Federal Government as far as the policy of the Canadian Standing Committee on Geographical Names is concerned. The Committee must therefore see to it that when members of both official language groups use federal maps they are served with consistency and fairness. Toponomy is also one of the essential elements which help create our national image as a country where both official language groups share a common heritage, each one designating major geographical entities in its own language.

To better meet the needs of Canadians of both official language groups, names which appear on federal maps must first of all match those used in legal documents, that is the names adopted by the provincial authorities within their own province and by federal authorities within the regions under their jurisdiction.

The purpose of a federal approach would be to determine which are the place names of geographical entities that are of national interest in both official languages. These names should be considered part of the collective ownership of the Canadian people, or in other words of its national heritage.

Mr. Speaker, the Canadian Permanent Committee on Geographical Names has been guided for a long time by the principle that, excluding entities under the jurisdiction of the Canadian government such as Indian reserves, national parks and Canadian Forces bases, geographical names are a provincial matter. The names of the provinces themselves, of course, are a different problem. According to the Department of Justice, the name of a province is that used in the Constitutional Act under which that province entered Confederation. In the case of Nova Scotia, that act of course is the British North America Act, a statute originally passed in English only. The Department of Justice is currently preparing an official French version of that act. However, all previous French versions of that act referred to "Nouvelle-Écosse". There is therefore no reason to believe that the latest text will be any different.

Be that as it may, since constitutional documents are involved, the Canadian Government could not make changes without having them approved by the provinces. In the same way, provinces could not change their names without requesting the Canadian Government approval. We may therefore conclude in my view that this is an area of joint jurisdiction, where the lead should preferably come from the Legislative Assembly of the province concerned.

With respect to geographical names, past and present practice has been and is one of the main elements to be considered. Now, the use of the name "Nouvelle-Écosse" in treaties, in historical works, on maps and in geographical documents dates back to the 18th century. It has been in continuous use since then and remains current usage not only among French-speaking Nova-Scotians and Canadians generally, but throughout the French-speaking nations. That was the name used in the 1713 Treaty of Utrecht, under which France finally yielded Nova Scotia to Britain. It must be remembered that, first settled by France under the name of "Acadie", Nova Scotia was under French rule from 1667 to 1710. On the other hand, even if the name "Nova Scotia" is indeed of Latin origin, it has long since ceased to be perceived by people in that province and Canadians in general as anything but the English name of a very predominantly English province.

Mr. Speaker, this may be but a technicality, but one should not overlooked the fact that if Nova Scotia's official name were to be changed, changes would have to be made not only to federal statutes but also to all official documents, maps, and so on, bearing the name of that province. On the other hand, such a change, at a point in time where over-all Canadian attitude to bilingualism is entering a phase of greater tolerance and more general acceptance, might very well stress relations between those two linguistic groups and polarize their mutual positions. The name "Nouvelle-Écosse" is part of the cultural heritage of Nova-Scotians and all Canadians.

[*English*]

Ms. Sheila Copps (Hamilton East): Mr. Speaker, as the great great grandchild of a person who came to Cape Breton from the great country of France in the 17th century, it pains me to see that the motion introduced in this House today would see only one version of *le beau nom de la Nouvelle Écosse* in documents from this day forward if this Bill were to pass. It also pains me as a student of Latin who has taken some interest in how languages are developed to look at the rather irregular logic of the Hon. Member for Annapolis Valley-Hants (Mr. Nowlan) in proposing this. He is suggesting that, because the origin of the two words "Nova Scotia" are Latin, it continues to be a Latin name. I think if he takes the opportunity to study the evolution of languages, including English, he will no doubt be aware, as was stated by the previous speaker, that when a word is incorporated into a language for many years, in some cases for many centuries, it becomes part of the idiom of that language. This is clearly the case in the use of the two words "Nova Scotia". The words "Nova Scotia" are incorporated into the English language and, as such, deserve a French translation.

• (1730)

I would point to other current uses of words in the English language which can be drawn from French origin such as the word "serviette". Serviette is a French word which has been incorporated into the English language to illustrate a small

piece of paper towel which we use to clean ourselves after a meal. At the same time, the origin of that word is from the French word "serviette" meaning a towel or towelling. Would the Member then suggest that all use the word "serviette" should be struck from the English language because of its origin in the French language? Of course this would be ludicrous.

Any student of language will know that as time evolves, so does a language. "Nova Scotia" was incorporated as the English appellation of the Province of Nova Scotia at the time of its introduction into Confederation. The Member will agree full well that it must, of need, have a French translation for those of us who have seen official documents translated since that time.

I do not want to speak for very long on this issue, Mr. Speaker, because I too am excited about the prospect of the Government's coming to a vote on this issue. For those Members from the Province of Quebec who were elected in great numbers to represent the Progressive Conservative philosophy in the Province of Quebec, as well as for other francophones *hors Québec*, it must be an absolute embarrassment to see that two weeks into the discussion of private Member's Bills, at a time when Nova Scotia is facing extremely high unemployment rates and difficult economic times as well as a ferry shutdown perpetrated by the Government, the Member for Annapolis Valley-Hants (Mr. Nowlan) can find nothing of greater urgent and pressing public importance to discuss than a private Member's Bill which was roundly defeated back in 1981.

It seems to me, Mr. Speaker, that the people of the House of Commons have spoken. I hope that we will have an opportunity today to hear from the Members on the Government side of the House who will see fit to allow this issue to come to a vote. I am convinced that this particular proposed piece of legislation must be as embarrassing to the government members as it is to those of us who have our roots in Cape Breton and recognize that Nova Scotia has been incorporated into the English language as the name of a province of which every Cape Bretoner, Nova Scotian and Canadian can be proud. It is a province with a strong francophone and Acadian heritage which would certainly find this Bill to be a blot on its contribution to Confederation.

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I would hate to disappoint a couple of the speakers on the opposition side of the House who have recently joined us here in the House of Commons from the provincial Legislature, but there is a distinct possibility that sometimes Bills do not come to a vote in private Member's hour.

Ms. Copps: Because you don't want them to.

Mr. Gauthier: We are ready.

Mr. Dick: I have not seen very many do that.

Ms. Copps: We are ready.

Mr. Dick: That is fine. You can be ready all you want to. I did not say that I was ready. There may be some other Members who are not ready. In this place we have the privilege of speaking our minds. I happen to think that the Hon. Member for Annapolis Valley-Hants (Mr. Nowlan) did a wonderful job in introducing this Bill. I think it shows the freedom a person has to speak his mind and express a point of view. I do not think we have to be locked into the narrow version we heard from a couple of speakers from the official opposition Party who are perhaps titillated by the idea that there may be a vote which they think is going to split the government Party. I hope that there will be votes on days to come when government members will be allowed to express their opinions on both sides.

Mr. Gauthier: Never.

Mr. Dick: The Hon. Member for Ottawa-Vanier (Mr. Gauthier) says "never". Never is a pretty strong word. In politics I have learned that you never use the word "never".

Mr. Gauthier: You just used it twice.

Mr. Dick: I just want to tell you that I will never say it.

Mr. Gauthier: Never mind. Get to the point.

Mr. Dick: That is good of you. If you want any further interjections, go right ahead. I think the Hon. Member for Annapolis Valley-Hants was quite proper in bringing forth a very interesting argument. Having listened to what he had to say, I think he was very persuasive. He said that the name of Nova Scotia has a Latin origin and is a proper noun.

Then unfortunately I heard the speech made by the Hon. Member for Blainville-Deux-Montagnes (Mrs. Landry) who explained that in centuries gone by before Confederation the name appeared as Nouvelle Écosse on a number of maps of the world. It appears that the words "Nouvelle Écosse" have been part of our heritage before some of the items which the Hon. Member for Annapolis Valley-Hants brought up. He said that it was just in the Latin language that it was brought into our British North America Act in 1867.

We must be very sensitive. In the last 15 or 20 years this country has moved a long way toward accepting two languages from coast to coast. That has been an advancement in the country. If we are going to do anything which will derogate from that step forward, we must approach all corners of society very carefully and get their concurrence. Instead of simply having the Bill introduced in the House at this early date in the new session, a person who was serious about getting it passed may have lobbied various government ministries. Perhaps the Province of Nova Scotia itself may make a petition to the Government to have the name used only in the Latin language and not have it translated. Until that sort of lobbying has been completed, I think it would be premature to move away from the use of two official languages. I accept the argument that although Nova Scotia may have been derived from Latin, it has in fact been adopted into the English language as if it were an English word.

I would therefore reserve any final decision on that to see whether there is a wide scope of endorsement of the private Member's Bill. If the province itself wants this to come forward, hopefully it will endorse this. Perhaps it will pass a provincial Act and petition the federal Government. It would be interesting to see all the provincial Members sign a petition and send it to the House of Commons to be presented as a petition in the House of Commons. If some Act of that magnitude did come forward, the House of Commons would have to consider very seriously the representations being made.

As I indicated earlier, until something of that nature happens, I think we must derogate from the bilingual nature of this country, albeit improper nouns, with reticence. I would hope this matter will receive more consideration before it comes back to the House of Commons.

I do appreciate and am thankful, as I believe all Canadians are, that there is freedom of speech and of ideas in the House of Commons. Members can present their ideas in the form of a Bill which may get accepted on the first, second or third attempt, or may never get accepted. It is a right which private Members have. I hope that in the foreseeable future many private Members will take advantage of the opportunity to raise possible controversial matters. I think it is good for us.

• (1740)

Mr. Boudria: This is supposed to be relevant.

Mr. Dick: I think it is good for the House of Commons. Bill C-201 is a clear example of a Member introducing a Bill about which he undoubtedly feels strongly. It is obviously very controversial as evidenced by some of the comments from the two speakers from the Official Opposition.

Ms. Copps: It is embarrassing.

Mr. Dick: I do not find it embarrassing.

Ms. Copps: Let us vote on it, then.

Mr. Dick: If the Member is able to stick around here long enough, she might even find out how the rules work in this place. They are quite different from those in Ontario.

Mr. Parry: Mr. Speaker, I rise on a point of order. I would ask and entreat you to bring the Hon. Member for Lanark-Renfrew-Carleton (Mr. Dick) to order. His speech has deteriorated entirely into vague generalities.

Mr. Speaker: The Hon. Member obviously does not know the ruling in Beauchesne which indicates that one does not have to be anything less than vague to be relevant.

Mr. Hovdebo: We are even helping you out.

Mr. Dick: I appreciate that. I was rather hoping that the Hon. Member would make a longer intervention. However, seeing that he did not wish to make a longer intervention, I will have to continue with some vague generalities about the Bill, which is very interesting for our first private Members' Bill. Since this is not a long Bill, I cannot spend much time going into its numerous clauses.

However, our country has increased its use of the two official languages so much in the last 20 years, that I believe there would have to be a wider consensus before we could proceed with something which I believe derogates from our most recent past. Perhaps this issue could be considered more fully together with the province involved. If it wishes to change its name, perhaps it could bring some evidence to the attention of the federal Government to show that it is taken very seriously by the entire population of Nova Scotia.

Although I have some time remaining, I am sure other Members would like to participate in this debate on this intriguing private Members' Bill. Therefore, I would like to give them that opportunity.

Mr. Al Girard (Restigouche): Mr. Speaker, the Hon. Member proposes that the name of Nova Scotia be the official designation of that Province in both official languages. No doubt, there are practical reasons for such a proposal, the most obvious being the administrative simplicity of a single name which does not need to be translated from one language to the other.

There is also the appearance that one of our official languages, that is, French, is being slighted by the removal of the French name "Nouvelle Écosse" which is a name that has been officially used since France ceded Acadia to the British Crown in the 18th century.

The Government, through the Official Languages Program of the Secretary of State, is making a great effort to promote the equality of the two official languages.

[*Translation*]

People are what really matters to us in the Secretary of State. To foster a legitimate national pride, we are seeking to help Canadians gain a better understanding and appreciation of Canada, its history, cultures and traditions. In fact, our activities affect almost all Canadians.

Canada is an officially bilingual country, French and English having an equal status enshrined in the Canadian Charter of Rights and Freedoms which was promulgated in 1982.

The Charter, however, does not limit the power of Parliament and the legislatures to further the progression toward equality of status or use of French and English.

The fundamental objective of the Canadian government's policy is to reinforce the equal status of French and English and to contribute to the development of the two linguistic groups in Canada. In other words, the government wishes to see the right to use either of both official languages extend to all sectors of our society and serve as a factor of identity, understanding and unity.

The implementation of this policy has been entrusted to the Department of Secretary of State which has redirected its programs and activities with a view to helping Canadians fully

realize the equal status of both official languages and enhancing the opportunities for them to live their lives fully in all areas of endeavour in either French or English. Its services, which take the form of financial or technical assistance, in some cases through the provision of human resources, are directed to the Canadian public as a whole, the communities of both official linguistic groups, the communities of other linguistic groups, the immigrants, as well as the education sector.

The Department of the Secretary of State offers its support and co-operation to voluntary organizations and to the private sector, as well as to governmental and para-government organizations which are seeking information and are anxious to take initiatives to promote the use of both official languages.

Here are the services offered by the Department of the Secretary of State: firstly, financial or technical assistance to national and regional non-profit organizations to develop programs dealing with bilingualism, linguistic exchanges, the use of translation and interpretation services during annual conferences, or to carry out a number of special projects. Secondly, technical assistance to the world of business, industry, trade and commerce. Thirdly, financial or technical assistance to other levels of government to provide or extend services in both official languages. Fourthly, financial assistance to individuals or groups initiating legal proceedings that will contribute to elucidating the purpose and meaning of constitutional provisions on official languages, including those of the Charter of Rights and Freedoms dealing with the equal status granted to the English and French languages, with the right of English-speaking communities in Quebec and French-speaking communities elsewhere to have their children educated in their mother tongue.

Moreover, thanks to the skills of the Translation Bureau, the Secretary of State provides Canadians with a number of linguistic tools, of which in particular, terminological information drawn from the constantly updated computerized terminology bank which various specialized private or public organizations can obtain under certain conditions, and bilingual standardized glossaries.

The translation and interpretation services which are available only to federal departments and organizations take part in the implementation of various programs dealing with official languages and help the government of Canada to communicate effectively in all languages throughout the world.

Services are provided to French-speaking Canadians outside Quebec and to English-speaking Canadians in Quebec to encourage and help them to set up and maintain their institutions, to develop their organizations and take part in their own language in the activities of the Canadian community. They include financial assistance to voluntary organizations that are trying to promote community interests or to provide them with linguistic services; a financial contribution for the setting up of institutions and permanent services; and technical assistance under the form of exchanges or the assignment of experts from the federal government or elsewhere to organizations and institutions in the community. As part of the multiculturalism policy adopted by the Government of Canada in 1971, the Department of the Secretary of State provides grants to support the preparation and publication of works of a historical, literary or educational nature illustrating the cultural diversity of Canadian society, and also for the translation of such works in both official languages. Grants provided for this purpose do not cover all expenses.

• (1750)

Another aspect of the official languages programs concerns the teaching of English or French as a second language to adult immigrants. The Department of the Secretary of State has placed special emphasis on official languages classes for immigrant women, a group in Canadian society that is particularly isolated and disadvantaged.

Since 1970, the Department of the Secretary of State has given the provinces and the territories financial assistance in providing English-speaking communities in Quebec and French-speaking communities in the other provinces and territories with the option of having their children educated in their own language at all levels in the school system.

Mr. Gauthier: On a point of order, Mr. Speaker.

Mr. Speaker: The Hon. Member for Ottawa-Vanier (Mr. Gauthier), on a point of order.

Mr. Gauthier: On a point of order, Mr. Speaker. I do not mean to interrupt the Hon. Member who is reading to the House a departmental document about the programs that are available. However, Mr. Speaker, relevance is important, and I for some time now have failed to see any relevance in the Hon. Member's comments to the bill presented by the Member for Annapolis Valley-Hants (Mr. Nowlan) to change the name of his province.

Mr. Speaker, I would urge the Hon. Member, and perhaps I may rely on your good judgment, to comment on the Bill before the House and not to read a document. We know all about official languages. We know all about the programs. There is a committee of the House that deals with this subject. If the Hon. Member wants to read this to us in committee tomorrow morning at 9:30, that is fine, but today, I would appreciate it if the Hon. Member spoke to the Bill before the House.

[*English*]

Mr. Speaker: I am reasonably certain that the Hon. Member accepts the comments made by the Hon. Member and will now explain to us very clearly the relevance of what he has been trying to put before the House. I am sure that will now happen.

[*Translation*]

Mr. Girard: Thank you, Mr. Speaker. It is because in New Brunswick, which is a bilingual province, we—

Mr. Gauthier: The bilingual province.

Mr. Girard: Thank you. Perhaps I could explain why it is so important for me to talk about these programs. My reason for doing so is that I am from a bilingual province, the Province of New Brunswick, where at one time people suggested that we make similar changes. And here we have a Government Department, the Department of the Secretary of State, which explains a policy and explains its services, and I think it is a good thing for Canadians to see what the Government of Canada is doing to provide Canadians with bilingual services across Canada, from British Columbia to Newfoundland. That is why I was explaining all this.

To recapitulate: Since 1970, the Department of the Secretary of State has been helping the provinces and the territories financially to provide English-speaking communities in Quebec and French-speaking communities in the other provinces and territories with the option of having their children educated in their own language at all levels in the school system.

Two other programs, fully financed by the Government of Canada, are administered by the provinces in co-operation with the Council of Education Ministers. I am referring to the bursaries for language summer courses and the official language "monitors", a program under which post-secondary students—

Mr. Speaker, I wanted to get back to . . . why I read it? Well, it is done.

[*English*]

The proposal before us that the term "Nova Scotia" be used exclusively is one that should be negotiated under the official languages policy. The term may be Latin. We are proud to live in a country that has kept its heritage and its tradition. Nevertheless, the term "Nova Scotia" is perceived as being English as a result of standard usage. We should like to recommend, not necessarily from a judicial or from an historical point of view but from the context of Canada having two official languages, that the name for the Atlantic Province which is designated as Nova Scotia should also be La Nouvelle-Écosse when referred to in French.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Comeau: Mr. Speaker, as the only Member from Nova Scotia—

[*English*]

Mr. Nowlan: Mr. Speaker, I rise on a point of order. I did not interject as the Opposition Whip did who gave a very interesting dissertation outlining all the services provided by the Secretary of State (Mr. MacLean), which ate up about 25 minutes of the one hour provided for the private Members' Bill. This raises the question, which obviously government members and opposition members have to discuss in their respective cauci—

Some Hon. Members: Oh, oh!

Mr. Nowlan: —and cauci is the proper word—as to the place of private Members' Bills in this new Parliament.

There have been several references that this Member's Bill is for a change in name. That is totally wrong. I just want to ensure that we use the proper name.

I thought we had reached a degree of maturity in bilingualism that that canard would not always be raised especially by the migrant from Cape Breton who used that canard and spoke very interestingly. Is the main question for her and for everyone else who participated in this debate—do I understand that to be the drift and the consensus of this Chamber—that if there is a word that has a definite English name it should automatically be translated into French and vice versa?

Ms. Copps: I have a question of privilege. And this is not a point of order.

Mr. Nowlan: That is what I would like Members to direct their attention to, Mr. Speaker. For instance, "Mount Royal" and other names that are good in French or English.

Mr. Parry: This is not a point of order, Mr. Speaker.

Ms. Copps: I want to speak on my own behalf—

Mr. Speaker: It is very difficult in the middle of a point of order to hear a question of privilege. I will now rule that the Member does not have a point of order. What is the Hon. Member for Hamilton East's (Ms. Copps) question of privilege?

Ms. Copps: I have a question of privilege, Mr. Speaker. As I understand it, I was referred to as a transient—I think the Member changed the word transient to "migrant" Nova Scotian.

Mr. Speaker: What is the Hon. Member's question of privilege?

Ms. Copps: My point of privilege is that I was not born in Nova Scotia. I was born in Hamilton, Ontario, and if the Member had listened to my speech—

Mr. Speaker: The hour provided for the consideration of private Members' business has now expired.

Adjournment Debate

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

Mr. Speaker: The Hon. Member for Broadview-Greenwood (Ms. McDonald).

An Hon. Member: It is not six o'clock yet.

Mr. Speaker: We started Private Members' Hour a minute or two early. The Hon. Member for Ottawa-Vanier (Mr. Gauthier) participated in the creation of the ruling sometime ago that produced the ruling that Private Members' Hour lasts precisely one hour and no longer. He will remember the ruling, I am sure, very well.

Mr. Gauthier: Yes, Mr. Speaker.

Mr. Speaker: The Hon. Member for Broadview-Greenwood.

CULTURAL AFFAIRS—BUDGETARY CUT-BACKS—CONSEQUENCES FOR CULTURAL COMMUNITY. (B) ARTISTS' INCOME

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, the promises made by the Conservative Government in the course of the last election campaign in the area of arts and culture were very clear. The Government said very specifically that funding for the arts and cultural agencies would be maintained at least at present levels. They are not rich levels, but the Conservatives promised that at least there would be cost of living increases, if not a better deal for our artists.

The Conservatives said there will be full consultation with the arts and cultural community and consultation came out in every press release and every speech made on the subject. They were also very firm about the principle of an arm's length relationship with the arts and cultural agencies, that there would be no interference with decision-making within these agencies.

The Government has violated all three of these principles with the announcement of the recent cut-backs. The cut-backs are far greater than in other areas of the economy, although this is an area that has suffered from cut-backs in the past. The cut-backs are at least twice the level of the non-cultural areas. There has of course been no consultation with the arts and culture community. The arm's length relationship has been violated by the Minister saying in what areas he wants to see the cut-backs, specifically in the area of administration. We cannot disagree with the area he would choose for the cut-backs, although I wonder whether it is possible to cut back that amount of money in the area of administration.

• (1800)

The Minister is trying to have it both ways. When one raises the issue of cut-backs to artists and the ensuing suffering, because these are people with very poor incomes, the Minister replies that he is trying to avoid that by having administrative cost cuts, not cost cuts to the standard of living of artists or to programs. When we ask him for specific assurance that there will not be cut-backs in real programs and that creative artists will not be suffering, he says he has to respect the jurisdiction of the arts and cultural agencies and he cannot say what they will be. Suddenly the arm's length relationship is re-established.

More seriously, the Minister announced a review of the mandate of the CBC, a major cultural area and a major area of independent programming in Canadian broadcasting. He suggested that this will be a very fundamental review of the entire mandate, purpose and activities of the CBC. It is not clear what consultations will take place.

[*Translation*]

Why is the Minister in favour of budget cutbacks for cultural agencies? Is the Minister unaware of the economic situation of Canadian artists? Does he not know that a great many artists live under the threshold of poverty? Artists are the patrons of cultural life in Canada. Artists are the ones who give grants through their salaries and incomes subsidize Canadian culture, for us and for all Canadians who watch their programs, read their works, listen to their music. The Government claims that cuts have become necessary now as a result of the fat years we have been through. However, Canadian artists never did get a fair share during those years of prosperity, they never did enjoy budgets full of economic benefits. There has been no such life for artists in Canada. Cultural agencies have never been given generous amounts of money. Cuts have already been made in the area of administration because their increases have not kept up with the rise in the cost of living in recent years.

[*English*]

I suspect there is not much more fat to be trimmed from budgets and that cuts now will be cuts into the muscle, bones and vital organs of the cultural life of the country. We do not need budget cut-backs. We need increases. The Applebaum-Hébert Commission in most domains recommended very substantial increases to give artists the financial support they need.

Why do we need good support for our cultural life? We want to have an independent society. We have made that decision politically, socially and economically. We could have assimilated into the United States if we had wanted, but we chose not to do that. We chose to develop our own country. That was a political decision. We have to back it up with our cultural life. It costs money, and will always cost more money to develop our own programs, to publish our own books, to have our own poets and to have our own cultural life here than to import extra runs from other countries, the United States, or from other European countries such as France, Britain or wherever.

While there will be economic costs, I suggest they are important to bear because there will be economic costs from the cut-backs as well. There are good economic reasons for resisting cut-backs in cultural areas. The arts and cultural industry employ large numbers of people at good jobs. Often they are low-paying jobs, but they do valuable and interesting work which is very satisfying. The cultural industry is very important for tourism in Canada. There are areas where it is the attraction of the theatre or music festivals which brings in the tourists. There are estimates that for every dollar invested in museums, $4 come back in expenditures on the part of tourists for goods and services in the area. There are good economic reasons for saying no to cut-backs.

• (1805)

However, I would want to make the case on the basis of the political, cultural and social life we want for Canada. We have artists of whom we can be proud. They deserve our support. More important, we need them more than they need us. We need to have an independent country—

The Acting Speaker (Mr. Paproski): I am sorry. I now recognize the Hon. Parliamentary Secretary to the Minister of Communications (Mr. Scott (Hamilton-Wentworth)).

Mr. Geoff Scott (Parliamentary Secretary to Minister of Communications): Mr. Speaker, before dealing with the most important matter raised by the Hon. Member for Broadview-Greenwood (Ms. McDonald), may I say how delighted I am to be working once again with the hon. lady in this significant field of Canada's national identity. The Hon. Member and I have shared similar views on many committees in the past, and I must say that when it comes to the dignity, preservation and viability of the Canadian cultural community, we are in agreement again.

As has previously been noted in the House by the Minister of Communications (Mr. Masse), the Government believes that the impact of any budget restraint measures on individual artists and arts organizations can be greatly minimized by the Canada Council and the National Arts Centre through reductions in administrative costs and non-essential services. We have no doubt that this task will challenge the wisdom and determination of the agencies concerned. However, the current rate of growth of the national deficit makes it imperative that every possible savings in program administration and delivery be made by government Departments and agencies.

These decisions will, quite naturally, demand a fundamental re-examination of the roles, objectives and activities of the Government of Canada in support of the arts. The Government is committed to undertaking such a review. The Government's objective in this review will be to ensure that the public resources devoted to support of artistic expression are employed in the most effective manner possible and that budgetary restrictions do not jeopardize the federal Government's investment in the cultural development of the nation.

With specific reference to the CBC, the Minister has emphasized that he expects the cut-backs to be made primarily in administrative areas and not affect Canadian producers and artists whose development the Government intends to encourage. According to the Minister, real change at the CBC must be based on the creation of an environment that will make it easier for creators, artists and producers to work and to develop. The objective is to ensure that the public resources now committed are being used as effectively as possible to contribute to Canadian cultural development. To this end, the Minister has hired three consultants to advise him on the budgetary cut-backs proposed by the CBC. Regarding consultations, the Minister specified that they will take place with due regard for the respective responsibilities of the Ministry of Communications and the Canadian Broadcasting Corporation and will not infringe on their respective mandates.

With respect to the Canada Council and the National Arts Centre, the budget reductions were $3.5 million and $1 million respectively. In the case of the Canada Council, this represents 4.8 per cent of the current parliamentary apppropriation of approximately $72.5 million and 4.2 per cent of the council's total operating budget which totals almost $84 million. The council's total operating budget—

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

THE CENSUS—JUSTIFICATION FOR CANCELLATION OF 1986 CENSUS. (B) REQUEST THAT CANCELLATION BE RESCINDED

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I rise to bring to the attention of the House the entire matter of the census and the reply that the Minister gave to me on Wednesday of last week regarding the cancellation of the 1986 Census. I must tell you, Mr. Speaker, that the answers I have received thus far are most unsatisfactory, as I am sure you will agree.

The 1986 Census of this country cannot be totally cancelled since there are obligations under the Alberta Act, under the Saskatchewan Act and perhaps under other provincial legislation preventing the cancellation of the 1986 Census. Of course, you will know, Mr. Speaker, that the Alberta Act and the Saskatchewan Act now form part of the Constitution of our country. Therefore, there is a constitutional obligation to continue with the census, and the Government recognized that when it made its announcement a few weeks ago. However, in reply to a question that I put last week, the Minister answered the following, and I am sure that you will recall it vividly, Mr. Speaker.

[*Translation*]

As to whether Statistics Canada will provide the data required by the various departments to make sound decisions about the problems mentioned by the Hon. Member, I can assure him that Statistics Canada will indeed be in a position to gather this data. They have every technical resource at their disposal and can rely on very competent professional staff. But,

Mr. Speaker, we are not here today to question the competence of Statistics Canada personnel, we know of course that they are quite competent. It is the competence of the Minister who gave that kind of answer which prompts me to raise the question today.

Mr. Speaker, I draw your attention to page 7 of a document entitled "Working Paper, Plans for the 1986 Census" published by Statistics Canada in August 1983. Here is provision 13 of this document:

As indicated earlier, as a result of a Cabinet directive, Statistics Canada has considered the possibility of using administrative and investigative resources instead of census data for 1986.

Here is the significant part, Mr. Speaker:

The conclusion was that it is impossible and that there is no other solution for the 1986 census.

So you can see the obvious contradiction between the answer the Minister gave me recently when he said that there were other sources of information to prepare affirmative action programs, other sources of information to do all the rest of the work related to the five-year census, when it is definitively not so, at least not according to Statistics Canada the very agency which the Minister claims told him it was possible. How was it possible for Statistics Canada to have set up a whole new administrative structure, to have developed an entirely new approach, an entirely new course of action, and an entirely new mechanism to gather information since their report of August 1983? That is what matters and that is what the Minister's parliamentary secretary should address today. It is unfortunate that the Minister was unable to be in the House and set the record straight himself since he misled the House. I am sure it was not intentional, but in any case, Mr. Speaker, the Minister himself ought to set everything straight.

Mr. Speaker, I draw your attention to a letter I received from the Social Science Federation of Canada. I quote the concluding statement of the letter:

• (1810)

[*English*]

The scholarly community fears that the Government may have sacrificed an irreplaceable national resource for a short-term gain which may never materialize. We hope, therefore, you will reconsider your intention to cancel the 1986 census.

This is an example where academics, social groups, the Opposition Parties in this House, and big business are in agreement. I have never seen another incident in which all of those groups were in agreement. Everyone is of the opinion that it is imperative that the 1986 Census should proceed, including Statistics Canada, in spite of what the Minister has told us.

It is important for the Parliamentary Secretary or the Minister to inform the House that the Government has changed its mind, that the previous scheme will be withdrawn, and that it will immediately implement the 1986 Census. The plans for that census were complete. I have a copy of the Order-in-Council which was signed by the Clerk of the Privy Council. That is evidence that the Government was ready to proceed with the census.

Much, if not all of the work has already been done. The only thing left to be done is to place the people who will collect the information which will be used to provide the necessary programs which must be established.

Mr. Bud Bradley (Parliamentary Secretary to Minister of Supply and Services): Mr. Speaker, it is indeed a privilege to be able to respond to the Hon. Member on behalf of the Minister, as well as on behalf of the Prime Minister (Mr. Mulroney) who he questioned the other day.

First, let me reiterate that all decisions of the Government announced in the Minister of Finance's (Mr. Wilson) Economic Statement were taken in light of the Government's determination to take action to control the federal deficit. Many programs were reduced or eliminated. They are indeed socially valuable, but are not fully cost-beneficial in view of the financial position of the federal Government.

Second, let me again make it clear that this Government recognizes fully the requirement for comprehensive and reliable statistical information to run the affairs of the nation. We are committed to meeting those information needs, and we support the mandate of Statistics Canada to meet those goals. Moreover, we have full confidence in the management and professionalism of Statistics Canada to fulfil that mandate.

• (1815)

The issue regarding the previously authorized 1986 Census is not the value of the information or the competence of Statistics Canada, but rather the cost effectiveness of the program as authorized by the previous Government.

Coincident with the Government's decision, the Minister has directed the Chief Statistician to re-examine user needs and develop options for more cost beneficial alternatives to the previously approved 1986 Census. This re-examination of priority needs and development of lower cost alternatives is vigorously underway, aided by the substantial number of reactions and representations which have been volunteered by various organizations and respected professionals. This Government has pledged itself to full consultation in its decision-making process, and I can assure you that that pledge certainly applies to the information development responsibilities of Statistics Canada.

It is too soon, and this is not the proper forum for a report on possible alternatives to the previously authorized 1986 Census. Suffice to say at this time that there are various possible approaches which would improve cost benefit and cost effectiveness. Those approaches may lead to a somewhat reduced information availability, but that would be justified by corresponding cost savings in view of the essential need for control of government expenditures.

In summary, we fully recognize and support the requirement for accurate and objective statistical information. We believe the priority information which the previously authorized 1986 Census would have produced can be obtained by more cost

beneficial approaches. We are expecting from Statistics Canada in the near future a report on more cost effective alternatives to the previously approved 1986 Census.

AGRICULTURE—FLOOD DAMAGE COMPENSATION FOR FARMERS IN NORTHEASTERN SASKATCHEWAN. (B) REQUEST FOR IMMEDIATE PAYMENT

Mr. Maurice Foster (Algoma): Mr. Speaker, on November 13 I asked the Minister of Agriculture (Mr. Wise) when the Government was going to get on with the payment of flood compensation for five rural municipalities in northeastern Saskatchewan. This question arose because this Government has not filled a commitment made by the previous Government. During the summer months the Prime Minister (Mr. Mulroney) made a commitment that some $16 million would be paid for flood damage to about 1,700 agricultural producers in the northeastern part of Saskatchewan. This was based on the province putting up $8 million and the federal Government putting up $16 million. When I put the question to the Minister of Agriculture on November 13 he indicated that the matter was before the Treasury Board and that he was not sure whether or not it had been approved. I checked with the Treasury Board a few days before putting the question to the Minister and I was told that indeed the funding had been approved in mid-August but was being held up for a further review by the new Government.

The background of this matter is a devastating two years for some 1,700 producers in those five rural municipalities in which serious flood damage was suffered. There was a commitment by the two levels of Government in the early part of the summer. The Province of Saskatchewan came through on its part of the bargain. The cheques went out, I understand, in July. We are now waiting on the federal Government to come good on its funding.

The day after I put the question to the Minister, he indicated to me that he understood that some $7 million was going to be approved. He suggested that I check the details of that. We have checked further with his office and it was indicated that in fact the matter went to Treasury Board last Thursday, but the funding has still not been approved.

There is considerable urgency for those producers in that part of Saskatchewan. The deadline is November 30, just four days from now, when they have to make a commitment as to cash advance payments. Some producers are waiting to find out whether the Government is going to come good on this commitment. I am sure the Parliamentary Secretary wants to be helpful this evening, and perhaps he will indicate that the Government is going to honour its commitment and approve the funding. I hope the Government will move on that before November 30 for the benefit of these producers who have to signify by that date their acceptance of cash advance payments on farm stored gain.

It certainly appears that the Government is procrastinating on this decision. The early indications are that the Government will either not make any payment at all, or at best make a payment of some $7 million, half the amount the previous government authorized and the Prime Minister announced early this summer, and which Treasury Board approved in mid-August. I certainly hope, for the sake of these producers who have been waiting now for several months, that the Parliamentary Secretary will not further embarrass the Government by not making a decision tonight. I hope he will announce that the Government is going to come good on its commitment, just as the Saskatchewan Government did, so that these payments for flood damage can go out within a very short period of time. They are urgently needed by those producers in northeastern Saskatchewan.

[*Translation*]

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, the Hon. Member for Algoma (Mr. Foster) could probably have asked his question to the Hon. Member for Shawinigan since he volunteered the information with a sly smile that the cupboard was indeed bare when his party was defeated last September 4. This partly explains the answer to his question.

The week before the election, Mr. Speaker, more specifically on August 29th, the previous Government announced assistance payments of $20 an acre would be made to farmers in north-easthern Saskatchewan in view of the losses they had incurred as a result of floodings the two previous years.

[*English*]

The payment was to be based on the provincial Government's program criteria, but the federal payment was to be twice as great per acre as the provinces. Immediately following the election the federal Government initiated a general review of discretionary spending, including the assistance program for northeastern Saskatchewan.

[*Translation*]

As everyone knows, this review proved to be necessary so that the new Government would be better informed about financial commitments for the present fiscal year and could take action to reduce the deficit, and especially to stabilize it.

The review of this specific program is not yet completed, but I hope that a decision will be made in the near future. We are conducting an objective review of this program, but we cannot view it separately from other requests for assistance. I can assure you, Mr. Speaker, that they are numerous and come from everywhere.

I wish to emphasize that the Minister is aware of the nature and extent of the problem in northeastern Saskatchewan as

well as in the adjacent areas in Manitoba. Indeed, the Minister has discussed the situation with his provincial counterparts and also with his Cabinet and caucus colleagues.

We share the concerns of the farmers who have suffered heavy losses over the last few years and we shall certainly take their concerns into account when reviewing the program. The Minister will make another statement on the subject as soon as these programs have been fully examined.

[*English*]

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

At 6.20 p.m. the House adjourned.

HOUSE OF COMMONS

Tuesday, November 27, 1984

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—NO-CONFIDENCE MOTION—INFORMATION GUIDELINES

Right Hon. John N. Turner (Leader of the Opposition) moved:

That, in the opinion of this House, the guidelines issued by the Prime Minister on November 23, 1984, with regard to the provision of information to the public, are inadequate and retrogressive and confirm the Government's mistrust of and cynicism toward Canadians.

He said: Mr. Speaker, I would like to say that I almost did not get to the House this morning because of the fog. The trip from Vancouver Quadra was a little longer than I had expected. Mind you, this fog has been descending over the capital ever since the Prime Minister (Mr. Mulroney) announced his guidelines on Friday.

I rise today, Your Honour, on a very serious issue which goes right to the heart of this institution of Parliament and to the good workings of democracy itself; the right of every Canadian to complete information on the policies, plans and projects of the Government. Openness in government, Sir, is absolutely vital and fundamental to parliamentary democracy. It reinforces the confidence of Canadians in the way our system works and it promotes sound and intelligent debate among the citizenry of our country.

The Prime Minister, at his press conference on Friday, introduced guidelines for public servants as to how they must deal with members of the press, the news media and the public, indeed as to how they must deal with Hon. Members of this House. He indicated a willingness to table these guidelines in the House when I questioned him last week, but as yet I do not believe he has done so.

[*Translation*]

Mr. Speaker, the Prime Minister's guidelines are important because they affect the right of all Members to be informed about Government policy in order to serve their constituents, and also the right of Canadians to have this information. However, the guidelines will not give us the open and accessible government we were promised. Far from it!

[*English*]

The effect of these guidelines, Mr. Speaker, will be an even tighter control on information. The Prime Minister made a solemn pledge during the campaign which I recited during Question Period a week ago and which is found in *Hansard* of November 20, 1984, at page 404. These are his words:

Secrecy in government . . . is an addiction; the more the Government can have of it, the more it wants of it.

The Prime Minister also said: "The first benefit of the first day of a new government will be the knowledge that the public business will be once more in the hands of those who trust the people and seek their goodwill and trust in reform". Those were his words. Like the economic commitments the Prime Minister made to the Canadian people, this commitment for openness in government has already been broken. First, the Deputy Prime Minister (Mr. Nielsen) gagged all the Ministers. They could not talk. As I said on Leaders' day during the debate on the Throne Speech, they would be fired unless they "checked with Erik". The Secretary of State for External Affairs (Mr. Clark) then gagged his Department, gagged Canada's ambassadors and gagged our trade representatives around the world. The Secretary of State for External Affairs was particularly concerned that someone might learn something at a cocktail party.

[*Translation*]

Senior officials were hesitant to go to conferences to discuss nuclear disarmament, because they were afraid their Minister would insist on controlling whatever they said. The Minister of Finance (Mr. Wilson) even refused to give us information regarding the effects of severe cutbacks on the employment situation.

• (1110)

[*English*]

So we asked the questions in the House of Commons. We pressed the issue and forced the Prime Minister to go before the national press gallery with the guidelines. The result was that he finally came up with some rules and regulations, but instead of being the road to open government we expected they are nothing more than a forced march down the dead-end street of government secrecy. Yes, the Prime Minister lifted the gag order all right, but he replaced it with a straight-jacket on all our public servants and the complete government apparatus in Canada.

Background briefings are no longer in order. We are told in the guidelines they will only be permitted in exceptional circumstances and must have prior ministerial approval. These guidelines raise more questions than they answer. We know

this Government puts a high priority on managing the news, but what constitutes an off-the-record, background briefing? If a member of the news media, for example, asks a public servant for information on a previous policy announcement which may not be consistent with current policy, will he have to check first with the Minister before giving out that information? Does it mean that every time a policy is changed all previous policy announcements must be deep-sixed? Is every statement in support of government policy a fact and every critical statement an off-the-record briefing?

The Prime Minister's letter accompanying the guidelines says that Ministers must, and I use his words, "ensure that communication with the public is managed effectively in accordance with the priorities of the Government". The key word in the statement is "managed". What about the public interest and the public right to know? Are public servants going to be punished for talking about subjects affecting the public interest which are not necessarily priorities of the Tory Government? If a member of the public wants to know why a particular policy option was chosen over another, does the public servant in question have to check with his Minister to give that information?

What is at issue here, Mr. Speaker, is that it is one thing to allow facts to be confirmed or revealed by public servants within an umbrella of government policy, but what is important for public debate and public scrutiny is that members of this House, the media and the people of Canada know the options in front of the Government. Why was one choice made rather than another? What were the reasons and facts and policies behind that choice? What were the choices that were disregarded and refused? In other words, by limiting, in the guidelines, public servants to the mere relevation of facts within a very tight stricture and under a very strictly controlled parameter, the Prime Minister is, in effect, controlling the ability of this country to debate options, choices and to understand the reasons why the Government made a decision. That is absolutely true.

Some Hon. Members: Shame!

Mr. Turner (Vancouver Quadra): We have now seen the sophistication of managing the news taken to a new height in the history of our country. This is a cosmetic government, one that is operating in imperial, even presidential style, everything having to be channeled through the Prime Minister's office. I tell you, it is an awesome machine, Mr. Speaker, reinforced through the Prime Minister's office by the appointment of chiefs of staff, personally appointed in every department of government. I have called them political commissars; they are the eyes and ears of the Prime Minister in every department of state.

I thank you, Mr. Speaker, and our system that we are not, despite the Prime Minister's inclination, living under a presidential system. We are living under a parliamentary system and every day he and his Ministers will have to appear before this House. I warn him that the system he is trying to constrict and construct will not work because, while we may be short in numbers at the moment, the House of Commons will insist that this veil of secrecy be torn aside and this shroud lifted.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, in an editorial entitled "Mulroney Shuts Out Public" *The Toronto Star* makes the following point on the impact of these guidelines in restricting information to the public. I use *The Toronto Star*'s words: "By reducing the opportunity for informed debate before the Government decides what it wants to do, this limits the public's ability to help shape that decision".

[*Translation*]

The Government has a very sizeable majority. Why is it so afraid that the press and the federal public service are going to gang up on it? Does the Government have so little confidence in its programs and policies that it has to resort to this kind of gross manipulation?

• (1115)

[*English*]

Why do they assume that public servants will not tell the truth? Or are they afraid that public servants will tell the truth?

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): As a result of the pressure put on the Government by the Official Opposition, the Prime Minister has quietly shuffled the Deputy Prime Minister out of the sensitive role of communications overseer in the Cabinet. He has been replaced with three new Ministers; the Minister of National Revenue (Mr. Beatty), the Minister of Transport (Mr. Mazankowski) and the House Leader (Mr. Hnatyshyn). The question is, who is the spokesman? Is this the new communications troika? Will a dissenting report be published when they do not agree unanimously? How will they interlink with the political commissars to control the flow of information from the Government?

Instead of policy objectives which stand or fall on their own merit, we now have government by one-liners, government by 30-second clip, government by photo opportunity, in short, government by controlled access. If ever I saw one, this is a peek-a-boo government.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Perhaps they want to manage the news because they are afraid they cannot manage the Government. The Prime Minister says that public servants are not to defend or criticize, only to explain. How can public servants explain when they are not allowed to say anything except to spout the Party line as dictated by Ministers and political commissars? The Government's attitude to the Public Service of this country is churlish and patronizing.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): The Prime Minister says that his Government is open. Well, the opposite is true. I suppose he feels that if he repeats it over and over everyone will eventually believe it. Mr. Speaker, we on this side of the House do not buy it. I do not believe the media accepts it, and the people of Canada certainly do not accept it.

I have said on other occasions that it is a matter of trust that governments will do what they say they will do. The Prime Minister and his colleagues said that we were to receive open, accessible and available government. That is not happening here. What we are seeing is symptomatic of an attitude, a tone and a style of government. It is manipulative and operates on imagery. It is contrived. What is the Prime Minister afraid of? Is he afraid of the inexperience of the Ministry? He could be excused for that. Is he afraid of the incompetence of the Ministry? Is he afraid of an informed electorate? Is he afraid of the revelation of his failure to live up to his promises during the election campaign?

In putting this motion to the House I say to the Prime Minister, let the people judge. Take Canadians into your confidence. Come clean with the citizenry of our country. Disband these guidelines and open up the Government to the light and corridors of power and let us have some fresh air.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: Mr. Speaker, at the outset I would like to thank the Leader of the Opposition (Mr. Turner) for a very amusing speech. He will, of course, want to answer some questions. He has come forward with a new spirit of openness previously unknown to the Liberal Party.

With regard to manipulation, could the Leader of the Opposition explain why, before the last election, the Liberal Party increased the advertising budget of the Government of Canada by some 65 per cent over what it was in previous years? How can he justify standing before the House and making specious allegations with respect to the whole question of alleged secrecy when we are the most open government Canadians have ever had in the history of this country? How can he make this allegation when he is part of an administration which has increased manipulative advertising? How can he stand in his place and make these kinds of allegations with a serious face?

• (1120)

Mr. Turner (Vancouver Quadra): Mr. Speaker, the hon. gentleman has tried to regain some momentum here this morning. At least advertising of public programs is increasing the information flow to government, not stemming and choking it as the hon. gentleman and his colleagues would like to do.

Mr. Robinson: Mr. Speaker, I would like to ask the Right Hon. Leader of the Opposition (Mr. Turner) a question with respect to this new-found interest of the Liberal Party in openness in government. Is he prepared, unlike the former Prime Minister and his colleagues, to trust the courts in this country with respect to the view of claimed exemptions under access to information legislation?

One of the glaring loopholes in the freedom of information legislation which was brought forward by his Party and unanimously condemned by all of the groups in this country who are concerned about openness in government was the Mack truck exemption clause in the Bill which meant that the Government did not trust the courts to review claimed exemptions with respect to the possibility of Cabinet documents. That flew in the face of the previous government's Bill. Although the new Government has been silent on that particular question so far, one can always hope that it might practice in government what it preached in opposition.

Is the Right Hon. Leader of the Opposition prepared to change the position of secrecy and cover-up of the previous government and trust the courts of this country in order to allow full judicial review of any claimed exemptions under access to information?

Mr. Turner (Vancouver Quadra): Mr. Speaker, I would think that the legislation to which he refers was a great step forward in this country in opening up the avenues of public scrutiny of legislation and also of the inner workings of government.

With respect to whether the courts should review any particular claim for an exemption, this is a classic case of parliamentary review versus judicial review. I have an open mind about it. We might well respond in a constructive way if the new Government were to move along the lines that the Hon. Member suggests.

Mr. McDermid: Mr. Speaker, I was interested in the Right Hon. Member's speech. He made it sound as though there have never been guidelines produced by any government before. I remember when the government in July 1981 produced the document entitled "Communications Roles and Responsibilities". It states that Ministers:

> —have the responsibility for establishing, with their Deputy Ministers, the framework of priorities, strategies and objectives for communications with the public, and the communications responsibilities which are appropriate for their personal staffs and department officials?

Is it not true that this document was produced before, that there have always been certain guidelines and that in fact one of the guidelines was that public servants were not to be quoted by name in the press?

Mr. Turner (Vancouver Quadra): Mr. Speaker, of course, I have not seen those particular guidelines. I suspect that they resemble those drawn up by the previous administration under the Secretary of State for External Affairs.

In any event, what makes this particular debate so crucial is that we were led to believe by the Hon. Member's Party and his Leader, the Right Hon. Prime Minister, that whatever the history of openness in this country—we believe that we had an open government—he gave an explicit undertaking to the people of Canada in obvious reference to the past that his was going to be an open and accessible government that would tear

away what he believed were the traditions of secrecy in parliamentary life and conduct.

It is because of those undertakings which he has breached that this debate assumes the proportions it does, not only on the principle that open government is necessary for the proper workings of a free country but as a result of the fact that the Prime Minister once again is reneging on a commitment made to the Canadian people in a free and open election.

• (1125)

Mr. Blenkarn: Mr. Speaker, first would the Leader of the Opposition (Mr. Turner) go to his House Leader and get a copy of that famous Liberal document passed by Order in Council entitled "Communications Roles and Responsibilities" of July, 1981? The Leader of the Opposition is so complaining on this matter. Is it his view that the Public Service should be politicized, that members of the Public Service should be out there arguing policy issues in a partisan sense, as the former Liberal government attempted to use public servants? Or is it his view that the Public Service should act in a responsible management fashion, answering proper questions, as our guidelines indicate, and not be politicized? Does the Leader of the Opposition want to politize the Public Service? Does he want the Public Service to be part of the political debating process? Is that his attitude?

Mr. Turner (Vancouver Quadra): No, of course not, Mr. Speaker. We do not want a politicized Public Service. We want a Public Service that is free to explain the policies of government as dictated and organized by their political masters, the Ministry of the day. That means they cannot be limited to merely factual explanations. They have to be free to explain within the mandate given to them by their Ministers the reasons for their choice and for policy decisions. They have to be able to do that.

The problem here is that by forcing each public servant to reveal his or her name at every interview, in effect a discreet silence will be imposed upon the Public Service of Canada because an individual public servant will not take the chance that what he has to say, even in a factual sense, does not meet the approval of his Minister. That is what is happening here.

Some Hon. Members: Hear, hear!

Mr. Blenkarn: Mr. Speaker, the Right Hon. Leader of the Opposition is very upset about this matter.

Mr. Turner (Vancouver Quadra): You are damn right.

Mr. Blenkarn: He is worried about public servants giving their names out. Surely to goodness, if somebody is going to make a statement of fact, he or she should be prepared to give his or her name. If these people are not prepared to give their names they should not be giving a statement.

Some Hon. Members: Oh, oh!

Mr. Blenkarn: Why does he want to have it so that some un-named public servant said some un-named thing? Is that the way to build confidence in government? Is that the way to build responsibility? Is that his attitude? Is that the kind of government he would have us run?

Mr. Foster: You sound brainwashed, Don.

Mr. Turner (Vancouver Qudra): Mr. Speaker, I think the tone and substance of the hon. gentleman's remarks indicate the innate suspicion he has of the Public Service of this country.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Deputy Speaker: Order. The Hon. Minister of State for Small Businesses (Mr. Bissonnette), for questions or comments.

Mr. Bissonnette: Mr. Speaker, as far as the Leader of the Official Opposition (Mr. Turner) is concerned, senior officials may make all the statements they want. They are only being asked to identify themselves, which should be seen as a form of protection, should certain points be misunderstood or misinterpreted.

I think this is a very important point. During the last election campaign, we saw what poor communications could do to our hon. friends opposite. We would rather not have that experience.

Mr. Speaker, I interpret the speech made by the Leader of the Opposition as provocation. Why should anything be off the record? Why can we not identify ourselves when we have something to say?

I wish the Leader of the Official Opposition would answer that question. Why not identify oneself?

Mr. Turner (Vancouver Quadra): Mr. Speaker, I think that the upshot of all these guidelines, especially the emphasis on public servants being identified, is that public servants are de facto silenced.

[*English*]

Mr. Deputy Speaker: The comment and question period on the speech of the Leader of the Opposition (Mr. Turner) is now over. We shall now resume debate.

• (1130)

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I want to speak today about secrecy in government. Not since the last war have Canadians had a government so obsessed with secrecy as they have today. Of course, the reason for government secrecy in the last war was to keep vital information from the enemy, but the reason for government secrecy today is to keep vital information from the Canadian people.

Secrecy and stonewalling have become a habit with the Government of Canada. We will never break the habit until we change the Government. I should like to say that I am

plagiarizing the words of the current Prime Minister (Mr. Mulroney) when he was the Leader of the Opposition and stated: "The differences between the present administration and a new Conservative government is simply this: the present government believes you only have limited rights to know; Conservatives believe you have every right to know". That was the statement of the Prime Minister last August when he was Leader of the Opposition.

The people of Canada should not accept such secretive behaviour. Secrecy, stealth and stonewalling have become trademarks of the present Government. What do they have to conceal from the people of Canada? What sort of parliamentary government is it when we have a system within which Cabinet can create a corporation by Orders in Council, staff it with patronage appointments at undisclosed salary, and then lock the door to keep out the Auditor General, to keep the watchdog of Parliament at bay? That was the position of the current Prime Minister with respect to the responsibilities of the Auditor General when he was in fact the Leader of the Opposition. However, when he in fact became the Leader of the current Government, he denied the access of the Auditor General to the very information which he had pledged as part of his open government and his open government policy prior to the election.

As my Leader has stated, it becomes an issue of trust, an issue of whether the statements made by the current Prime Minister when he was Leader of the Opposition were in fact pre-election pap or whether he had every intention of developing the kind of open government which he promised when he was in Opposition.

It seems to me that when we look at the policy guidelines, the mumming effect of this Government on public servants across the country since the appointment of his political commissars and since his new move into media management, it is clear the Prime Minister had no intention of introducing the kind of open government which he pledged to Canadians.

I should like to bring to the attention of the House a very simple incident in which I happened to be involved as an invitee of the Edmonton Jaycees. A few weeks ago I agreed to participate in a conference on, of all subjects, women in politics and how we could get more women involved in politics. The Jaycees had invited representatives of all political parties to attend and to discuss a subject which I think the Prime Minister has stated is a policy and a priority of his Government.

Nonetheless, when I arrived at the conference I was advised that political commissar Elizabeth Willcocks in the office of the Minister of State for Multiculturalism (Mr. Murta) was ordered by the Prime Minister's office not to attend this conference for fear that in fact she would say something bad about the involvement of women in politics across the country. The political commissar in question had been invited to this conference as a result of her pursuit of the presidency of the Progressive Conservative Party of Canada. I find it incredible that this Government would attempt to muzzle a political commissar who had past experience and certainly past involvement with Progressive Conservative policies relating to women. It is just another indication of a government that says one thing when it is in opposition with the full intention of not carrying out its political promises when it is elected.

Let us look at the very first initiative of the Government with respect to the economic statement of the Minister of Finance (Mr. Wilson). It has become clear from questioning in the House that the Minister of Finance had information which would tell Canadians that, as a direct result of his Government's policies, his Government's short-term financial intervention, there would be a loss of jobs. In fact, the Government refused to table that information in the House. It refused to make available to Canadians information which would have clearly shown that the economic statement tabled by the Minister of Finance would in fact reduce jobs. I cannot agree more with the Leader of the Opposition (Mr. Turner) when he states that Canadians will not be fooled. It is my understanding that Canadian voters in the Province of Prince Edward Island were not fooled by this Government. I suppose I should congratulate the Finance Minister because he handed the Liberals of Prince Edward Island an election issue on a platter when he introduced an economic statement which wrought tremendous economic difficulties for the Atlantic provinces, in particular the ferry situation with respect to Prince Edward Island. I should congratulate him on his initiative. I should say that the Canadian people will not be fooled by secrecy or by the broken promises of the Government because they are recognizing that the trust factor which became an issue during the election campaign has not subsided.

When I read the statement of the Public Service Alliance of Canada—I think it puts the question very carefully to Canadians—to suggest that there need to be more restrictions placed upon public employees is to suggest that there need to be two classes of citizens in this country. The Alliance agrees that Public Service employees should provide information to the public and the media regarding government programs and policies and that in the past government employees have been needlessly prevented from doing so.

The issue here is a promise made by the current Prime Minister to run an open government and to tell Canadians upon what basis the current Government will make decisions with respect to economic policy. What we have instead is a government run by political commissars, a government run by "check it with Erik", a government where the Prime Minister has clearly violated the promises which he made to Canadians for an open system.

I suggest that if the Government is to begin to go back on the road of broken promises upon which it has already set itself, the first issue it should address is the issue of secrecy in government. Instead of issuing guidelines to muzzle public servants and instead of having Ministers such as the Minister of Transport (Mr. Mazankowski) memo departments on witch-hunts for former Liberal employees, et cetera, the Government should in fact tell Canadians that as of this day forward public servants will certainly have the right to speak

out on issues and to lay out policy options and let them know that the Government is not afraid of letting information out.

If I look at the department responsible for housing, Canada Mortgage and Housing Corporation organizations across the land know that CMCH is developing its priority list for housing projects. Yet I was advised earlier this week that in fact the housing priority list cannot be given out to interested groups and organizations because again the Government is attempting by media manipulation to manage the news and to prevent information which is of vital importance to interested parties in the housing industry from in fact being exposed.

I refer also to a simple peace conference which was held recently and an article indicating that the muzzle may affect that peace conference. There is no Hon. Member in the House who would disagree with the initiatives of the peace conference. The Hon. Secretary of State for External Affairs (Mr. Clark), notwithstanding his reticence about the media, would agree that information of the sort which would emerge from this peace conference will be very important. However, it was indicated in a recent newspaper article that organizers of a university seminar on nuclear disarmament said that they had been receiving telephone calls from worried public servants who were reluctant to attend meetings because journalists were also scheduled to attend. I know there are a number of former journalists on the government side of the House. I am sure they would agree that it is appropriate, when trying to give out information to allow policy decisions to be made, that all policy options be explored and that public servants have the authority from their Ministers to give out this kind of information.

• (1140)

This Government through its political commissars, media management and mass manipulation has denied that right, not only to the Canadian people but to Members of Parliament who of necessity have the need from time to time for off-the-record briefings with Ministers' staff and departmental officials.

If this Government is willing to repair its current image in the minds of Canadian voters—and I do not have to remind Government members of the massive mandate for change they were given in the last election—it will not refuse to open the doors of information, allow Canadians access to information and allow Members of Parliament the tools that we need to carry out our function as an effective, critical Official Opposition. If not, it will have broken the first of many promises it made to the Canadian people.

I am sorry that the Prime Minister is not here currently to join in the debate. He stated last August that he believed in open government. He stated that Conservatives were not afraid of letting information out to the Canadian people. He said that a new government would result in a massive new direction, including access to information by the Auditor General. Having said all that, I am sure that he will stand in his place this afternoon and clarify to the Canadian people why his Government has changed course, why he has broken his promises and why the open government which he pledged last August has become a government of secrecy, a government of manipulation, a government which is not prepared to let the Canadian people in on the economic situation of this country.

I expect the Leader of the Opposition, as he has done so ably in the last few weeks, to continue to press on this issue. It is a matter of liberty and rights, not only for Members of Parliament but for all Canadians. All Canadians have a right to know how many jobs were eliminated as a result of the financial statement. Canadians have a right to know what policy initiatives this Governmment will be studying with regard to universal accessibility.

Is this Government going to do away with the baby bonus, as has been suggested in the economic discursives of the Minister of Finance? Is this Government going to jack up the cost of unemployment insurance benefits and reduce them to the point that unemployment insurance will become the right of welfare recipients only?

Is this Government going to do away with the child tax credit in a move that has been described by some as the most anti-child and anti-young people initiative ever ventured upon by any government in this country? Is this Government going to carry out these initiatives or will it allow the Canadian people to be involved in a full and open discussion on the initiatives introduced in the economic statement tabled by the Minister of Finance?

Canadians want to know the answers to these questions. They want to know whether old age benefits are going to be reduced as a result of this Government's lack of commitment to universal access. Canadians want to know what the future of the child tax credit will be. They want to know whether it is government policy to eliminate summer jobs for young people. Canadians want to know what kind of two-step shuffle this Government was embarked upon when it made promises to the Canadian people last August that it refuses to deliver upon in November.

[*Translation*]

Mr. Speaker, I just want to add that Canadians have a right to know what kind of policies the Government is considering. Before being elected, the Right Hon. Prime Minister (Mr. Mulroney) promised all Canadians they would have open government, government that would give all Canadians access to information. We know what happened. As soon as he was elected, the Prime Minister forgot all his promises and now, we have a Government where secrecy and political commissars are the order of the day. As they say in Parliament, you always have to—

[*English*]

"Check it with Erik". That is the hallmark of this Government: "Check it with Erik". The Canadian people did not elect just one Member of Parliament. They elected Members of Parliament on all sides of the House, all of whom are charged with the responsibility of getting access to information and ensuring that the Canadian people have access to information

so that we can make informed policy decisions, and in the case of the Official Opposition offer constructive criticism. That is our role in Parliament.

[*Translation*]

And I believe the Government made a number of promises in that regard during the election campaign. But after election day, all those promises went out the window, and they have been replaced by a Government that wants to run this country as though Members were political representatives appointed by the Prime Minister, by the leader of the Government.

It is clear that with all its promises, this Government never intended to give the Auditor General access to all Cabinet documents, nor did they ever intend to inform Canadians. Why? If we look at the economic statement made recently by the Minister of Finance, for instance, everybody knows that prior to the statement, discussions within his department had made it clear that there would be cuts in employment as a result of this Government's policies. Obviously, the Minister of Finance (Mr. Wilson) does not want to give Canadian information and does not want to give them the facts. He knows perfectly well that the Prime Minister promised that as soon as he was elected, the Conservative Government would create thousands of jobs. In fact, as soon as he was elected, he decided that jobs would be cut, to concentrate on reducing the deficit. That is a complete turnabout on the part of a Government that came to power promising Canadians jobs which, as we all know, never materialized because the Prime Minister and his Cabinet never intended to stimulate employment. Their intention has always been to reduce the deficit on the backs of Canadian workers, although they were not going to tell Canadians this before they were elected. As soon as they were elected, we saw this Government do an about-face.

Mr. Speaker, I would like to focus on a question that should be addressed by Canadians. It is a question of confidence. Canadians have given the Progressive Conservative Party an extraordinary mandate. Why has this Government, why have the Conservatives now decided that they are not going to keep their promises? Because they never intended to do that. They never intended to keep all the promises they made from the Atlantic to the Pacific.

In Prince Edward Island, in a recent election, it was very clear that although Canadians there also expected the Conservative Government to keep its promises, the Government never intended to do so, and I am thinking of the ferry service. This is being done on the backs of the Conservative Members from the Maritimes who are not very happy about the Government's policy in this respect, and also on the backs of people working in Prince Edward Island who need the service year round. Mr. Speaker—

[*English*]

The Canadian people have to look at this Government and examine its mandate. They must recognize, as has been recognized by the Official Opposition and in the press, that the paranoia and media manipulation that has been the hallmark of the first few weeks of the mandate of this administration is totally unacceptable. It is an abrogation of this Government's promises to the people. It is a clear indication that the road of broken promises which has been embarked upon by this Government is only the precursor of what we can expect over the next few months.

I challenge the Prime Minister to stand in this Hosue this afternoon and clarify once and for all to the Canadian people the impressions that Canadians have about this Government, its trail of broken promises and media management. This Government has to lay all the facts on the table, including the economic information that led this Government to introduce an economic statement that was going to result in direct job reduction in this country. If the Government is going to put its political money where its mouth is, it can demonstrate to the Canadian people by tabling those documents in the House today that it is clearly prepared to let the Canadian people have all the facts. Where the Prime Minister's promise of tens of thousands of jobs is concerned, the Canadian people have a right to know why the Government chose to emphasize deficit reduction at the expense of jobs for Canadians, on the backs of the working people.

• (1150)

Mr. Robinson: Mr. Speaker, I have a brief question for the born-again Liberal from Hamilton East. I listened with great interest to the comments of the Hon. Member with respect to the decision of the Government to refuse access to documents which were sought by the Auditor General regarding the Petro-Canada takeover of Petrofina. The Hon. Member waxed eloquently about the shortcomings of the Government in refusing to grant access to those documents. I share that concern. However, perhaps she could enlighten the House as to whether the previous government was not the first government which refused the request of the Auditor General for those documents, explain why it was that the Auditor General had to demand that the documents be released, and that when the previous Liberal government refused to release those documents the Auditor General went to court?

We have hypocrisy on the part of the Liberal Party. I appreciate that the Hon. Member for Hamilton East (Ms. Copps) was not a Member at that time, but she might explain to the House if she supports the decision of the previous Government in stonewalling the Auditor General with respect to the documents, or if that Party has changed its position on this very important question.

Ms. Copps: Mr. Speaker, first I would like to explain to the Hon. Member that I was a Liberal before he was born.

Some Hon. Members: Oh, oh!

Ms. Copps: If not in spirit, then in my mother's womb.

I am not sure whether the Hon. Member had an opportunity to hear all the arguments which were put by myself and by my Leader. If he had, he would know that we are discussing an

issue of promises broken. It is an issue of promises broken by a government, not my government but a government which was elected with a massive mandate by the Canadian people on September 4. It was elected on the mandate of open government, which included the full exposure of documents to the Auditor General. I am not here as an apologist for the broken policies and promises of the Government. I would suggest that the Hon. Member should embrace his role as a constructive critic in opposition and deal with the issues in 1984 as they exist.

Mr. McDermid: Mr. Speaker, I have a question for the Hon. Member. She talked about this Government manipulating the ladies and gentlemen of the Press Gallery. Could she give us one example of how this Government has manipulated the Press Gallery?

Ms. Copps: As a sometime former journalist myself, I know that part of the job of a journalist includes being involved in off-the-record briefings. Journalists should not be denied access to information about policy initiatives which may be embarked upon by government departments.

We could take, for example, the issue of the Canada Mortgage and Housing Corporation. As a Member I have been trying desperately, as have members of the media, to get information about the policy initiatives which are being explored with respect to cuts in CMHC. We have seen a part of the social housing budget decimated by 25 per cent cut-backs and we cannot find out what initiatives are being considered with respect to where those cut-backs will be applied.

If the Hon. Member had taken a look at the article which appeared in *The Toronto Star* last weekend, he would know that any member of the media who is attempting to write a think-piece, perspective-piece or an introspective piece on government's past and future records must have access to off-the-record briefings. The decision by the Government to abolish off-the-record briefings is a denial of information. It is an attempt to run government by photo opportunity, much in line with the kind of policies and politics which we have seen south of the border over the last number of years.

I am not surprised that the Prime Minister has jumped in bed with the President of the United States. He has taken a page from the book of the United States in that access to information is being extremely limited. The Prime Minister only wants pictures of himself having tea with the President in the Rose Garden.

I asked the Prime Minister previously, when he visited the President of the United States, why he did not discuss the issue of steel quotas. He was too busy having a photo opportunity in the Rose Garden. The issues about which Canadians and journalists are concerned were never exposed for public discussion. That is the kind of off-the-record briefing which has been a hallmark of Parliament since Confederation and it is one which should be continued.

Mr. Blenkarn: Mr. Speaker, the Hon. Member made quite a thing about the statement of the Minister of Finance (Mr. Wilson). She will be apprised now that the Minister of Finance will appear before the Standing Committee on Finance, Trade and Economic Affairs to answer questions on Wednesday evening at 8.00 p.m. I expect her there. However, before she goes to that meeting, would she take a look at the discussion paper which was filed with the financial papers in the economic statement? That discussion paper goes into a whole series of questions on policy options. Perhaps she and her Party would contribute to that discussion, instead of contributing to the crying, wailing and gnashing of teeth about political commissars that we have heard this morning.

I want to ask the Hon. Member, seriously, what is wrong with demanding that when people give interviews they give their names and set out the record for attribution? What is wrong with that kind of a rule?

Ms. Copps: I would like to throw a couple of questions back at the Hon. Member. I realize it is unparliamentary, so I will simply do it rhetorically. In his long experience as a Member of Parliament has he ever had an occasion to have an off-the-record discussion with a journalist? If he can state categorically that he has never had such an off-the-record discussion, that his Party has never had such an off-the-record discussion, or his departmental officials have never had such a discussion, I think the Hon. Member is clear in making that statement. However, I would suggest to him that in an attempt to gather information about a number of policy options—and I raised the issue of CMHC because it is a case in point—as a Member, I cannot obtain information about where the prospective cuts are being considered.

With respect to the question regarding the Minister of Finance and his appearance before a parliamentary committee, I am pleased. I know it is part of the parliamentary process for Ministers to appear from time to time before committees. I realize that some government political commissars may like to replace them in this regard, but since they are unable to do so I welcome the appearance of the Minister of Finance at this committee meeting.

The point which I made in my brief discourse, is that the Minister of Finance has a responsibility to Canadians to table the documents relating to the economic statement, and in particular, those documents which clearly demonstrated that the short-term results of his economic statement will be the reduction of jobs for Canadians. When the Minister of Finance tables those documents, including the number of jobs which will be lost and the sectors in which they will be lost—and it is predicted that the number will be in the thousands—then I will be very happy to stand in my place and say that the Government has returned from the road of broken promises back to an open government. However, I do not see that forthcoming.

Mr. Robinson: Mr. Speaker, I have a brief supplementary question. The Hon. Member for Hamilton East has quite properly criticized the Tory Government for its position in

refusing to expose documents to the Auditor General. Is it Liberal policy that those documents should have been disclosed?

Ms. Copps: Mr. Speaker, the Hon. Member will no doubt know that as the Liberal critic in the matters of labour and housing, I am not the Party spokesman on that particular issue. I am sure the relevant spokesman will be very happy to answer that question.

I am glad the Member gave me an introduction to an issue about which I have not had the opportunity to speak. As the housing spokesman I have spent the last month apprising myself of the national housing situation and the labour situation across Canada. I have not been involved in the discussions but I am sure the Hon. Leader of the Opposition would be very happy to enlighten the Hon. Member on that subject and I welcome his intervention.

• (1200)

Mr. Deputy Speaker: The period for comments and questions is over. We shall now resume debate with the Government House Leader (Mr. Hnatyshyn).

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, entering into a debate of this sort is a pleasure for me because I am anxious to respond to the very questionable proposition put forward by the Opposition. I waited for a reasonable period of time, Mr. Speaker, to see just who was the real opposition. Where is the other Opposition Party; where does it stand with respect to this matter; and what were those Hon. Members going to say? I was interested to find out whether the other opposition was going to sing from the same song sheet or whether it might take a more enlightened view with respect to the whole question of "seek and see" and communications from government.

I would have thought that the Leader of the Opposition (Mr. Turner) would have started off this debate by demonstrating that the path taken by the Liberal government in years past was a mistake, that it has accepted the error of its ways and is now prepared to disclose and reveal all of the information which it so candidly kept behind closed doors during the time of its administration of this country. I am referring to things we pointed out during our time as an opposition, the same things we are now bringing forward; for instance, improved accessibility and consultation in terms of going to the Canadian people and allowing them to have a real input into government policy.

What we are doing now is changing the shameful record of the Liberal Party and I would have thought, Mr. Speaker, as a simple gesture, that the Leader of the Opposition might have tabled at the outset the letter which he wrote to Mr. Trudeau with respect to the $84 million patronage deal which was made. If the Leader of the Opposition was really interested in disclosing information, certainly this kind of letter, a factual letter, a letter which probably has some interest and impact on the question of whether a government has the confidence of its people and is doing the right job in its appointments, should be disclosed. Of course, the Leader of the Opposition is not prepared to do that.

I want to ask the Leader of the Opposition if moving forward with respect to the question of secrecy is a new idea. We have a story to tell. We have a policy to put forward. We have an openness which is unprecedented in the history of our country. We are going to demonstrate that to the Canadian people because we are proud of our record.

I will wait for the New Democratic Party to speak. I am sure the Leader of that Party will have something to say about this subject. Perhaps he can tell me, as someone who comes from Saskatchewan, why his Party in that province has a long record of resistance and opposition to any form of access to information legislation? It has for years refused to bring in any of that kind of legislation notwithstanding the requests made by many of us in that province.

I would have thought, Mr. Speaker, that we would have heard from the Leader of the Opposition about the fact that we in this Government in a very short period of time have accomplished enormous gains in terms of an agenda for policy and planning for our country and a sense of direction which was lacking for so many years. But perhaps we will hear about this from other Hon. Members opposite.

I must say to you, Mr. Speaker, that we came in as a new government and those of us who are privileged to be members of the administration and of the Cabinet worked very hard because we had a lot of serious problems we had to face. We worked very hard in terms of Cabinet work, consultation across the country and dealing with our caucus colleagues in order to prepare a Speech from the Throne. We worked very hard at a variety of other demands on our time including, I might say, a visit by Her Majesty the Queen, the papal visit and a visit by the Prime Minister of France.

Mr. Broadbent: Oh, it has been a burden!

Mr. Hnatyshyn: There were a number of other demands upon our time but, notwithstanding that fact, Sir, we were accessible and open to any member of the press who wanted to come to our office, and we continue to be so at any time. In fact, I always invite Hon. Members of the Opposition Parties to present any queries or questions to us and we are prepared to give them the information which is available in order for them to do their job. We have set out a number of consultative initiatives which I believe the people of Canada appreciate.

Starting with the economic statement, I can tell you, Mr. Speaker, that the Minister of Finance (Mr. Wilson) is preparing extensive discussion documents. He is preparing documents which will allow the people of Canada from all levels and pursuits, from all minorities, to participate fully in an examination of options which we have on the economic front. This kind of initiative is unprecedented. Consultation with the public has never taken place to the extent to which we are now prepared to do so. The people of Canada want it that way. That is why they elected us as their government, so that they could have full access to policy development, full input and full opportunity for exchange of views.

This is our attitude. This is the way in which we approach government. We trust the people of Canada. We do not believe, as the previous administration, that the word "management" is tantamount to and synonymous with "manipulation". I say that, Mr. Speaker, because that is the underlying drift of everything which has been said by the Leader of the Opposition. When he says something about management of communications, what he is talking about is the Liberal definition of that word, "manipulation". When we on this side talk about management, what we are talking about is the effective release of information and the effective delivery of information to Hon. Members of Parliament and to members of the Press Gallery. By the same token, the average member of the public in Canada should have the right to have this information to the same degree that it is available to any Hon. Member of Parliament or to any member of the Press Gallery.

There are a number of other initiatives in a parliamentary sense which we are taking. We are opening up the process. The motion which I have the privilege to move with respect to reform of the House of Commons is unprecedented in the extent and scope of the ability of Members of Parliament to have full input into the operation of this institution. This will be done in a spirit of openness and accountability. I challenge any Hon. Member of this House to come forward with any terms of reference which have been so broad and encompassing with respect to the operation of the House of Commons as is in this motion. At no time have Ministers of the Crown been so accountable. We have accountability in committee. We have the ability of Private Members of this House to operate within the democratic system. This is another initiative we have taken.

I simply point out that the Government said in the Speech from the Throne that we are now going to have a full-ranging and wide discussion of foreign policy undertaken in this country. It is not going to be a unilateral, behind-closed-doors investigation. It is going to be not only an all-Party investigation but an examination which is going to go out to the people of Canada so that they can say what they think we should be doing in terms of public policy with respect to international affairs. I would ask you to think back in the course of history, Mr. Speaker, and remember the last time we had that kind of openness demonstrated in terms of the policy of any government of our country.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: A lot has been said, Mr. Speaker, about the guidelines put forward by the Prime Minister (Mr. Mulroney). I was very interested in the responses we received with respect to these guidelines. You would think, Mr. Speaker, that we have brought forward some sort of new monster, some draconian set of rules which are unprecedented in terms of public policy. Nothing could be further from the truth. I believe what we have now, Mr. Speaker, is a very responsible initiative taken by the Prime Minister.

These are not new guidelines. They are in effect the guidelines which were first initiated by the Right Hon. Member for Yellowhead (Mr. Clark) when he was Prime Minister. Ultimately, after some public pressure, they were accepted by the Right Hon. Pierre Trudeau, when he was Prime Minister, and his administration. These are the same guidelines, with one exception. I want to address myself to that exception because it has been the subject matter of some comment not only in Question Period but also in statements made by spokespersons for the Liberal Party.

• (1210)

I think we all recognize the basic premise as stated by the Prime Minister and enunciated in the guidelines. The Public Service has not only a right but an obligation to give full and factual information to the people of Canada. This is not the preserve of a few people in the Press Gallery or those few of us who have been privileged to be elected as members of the House of Commons. The people of Canada have a right to information and the preservation of that right is one that we in this Party and the Government regard as the most serious undertaking we have.

Some Hon. Members: Hear, hear!

Mr. Broadbent: You might call it a sacred trust.

Mr. Hnatyshyn: Mr. Speaker, the Leader of the New Democratic Party (Mr. Broadbent) has this condition: Whenever he hears a statement of fact he twitches and shouts. I want to tell him that if he twitches and shouts much more I may have to ask for an extension of time, because he is interrupting a very important message.

What we are determined to do, Mr. Speaker, is ensure that information is obtainable from the Public Service to everyone in Canada. We want to establish the clear and understandable precedent that people in the Public Service have an obligation to give out this information. Indeed, we feel so strongly about that that we have no compunctions about this being done without any concern on the part of public servants about making their identity known when making information public and on the record. Now, what could be more helpful to the dissemination of information? Public servants know that when they give information out they cannot be subject to any disciplinary action because they are in fact quite free to say: "Yes, I am a public servant but I say these are the facts". This does not require any clearance from any Minister.

Unlike the Opposition, we in this Party have the highest regard for the Public Service of this country. We believe them to be intelligent people of great judgment. We do not say that they have to speak off the record. These people are enormously talented, they are working in the interests of Canada, and we have no compunctions about saying that if you are a member of the Public Service it is quite all right that you speak for attribution. You have responsibilities in your department and there is nothing wrong with that.

I ask you, Mr. Speaker, what do we want to have in this country? Do we want a situation where every story that is written refers to sources from certain departments who refuse

to be identified and are quoted as saying this or that because under previous guidelines there was great confusion as to whether or not they had the right to speak to the press or to anyone else? Are we going to continue this kind of regime or are we going to offer an up-front, straightforward set of guidelines that everyone understands? We say that they have an obligation to deal with certain areas concerning public policy. They are entitled to give the facts and do not have to worry about whispering it over the phone or whether it is attributed to them or not.

I do not have a suspicious mind, Mr. Speaker. Unlike some members of the Opposition who see everything in very grey areas, we believe the members of the Public Service of this country are worthy of the trust we have demonstrated in them through these guidelines. I simply say that we intend to make sure the system works efficiently, not because of any interest we have in putting ourselves in the best possible light, but because we think the public, and particularly the media, must have full access to government information. We want the Public Service to have a very clear understanding of their role in communications. We do not want them to feel they are somehow going to be our advocates on a political position we have taken. We want them to speak out and give the facts, notwithstanding that we have taken a political position. We want to ensure that deputy ministers and senior public servants realize that this Government takes seriously its communications with the public. We want them to understand the basic premise that we must be prepared to deliver information to the public. We want to ensure that each department has people to whom there can be access, either by the media or the average citizen. We want to make sure they get answers on specific issues and do not get that run-around which everyone who has tried to get information from government knows exists within our system. We want to make sure there is a clear understanding of the responsibility of the Public Service to give out the maximum amount of information.

We have not tampered with any policy on communication first enunciated by the Clark Government and subsequently by the Trudeau Government. We want to ensure that there is a clear understanding of what we are doing in the interests of freedom of information and freedom of access to the Public Service. We view this most strongly.

We have taken some initiatives which I think even the Opposition will applaud. What we are going to do in two or three areas will be a clear indication that we are not going to try to manipulate the news or use taxpayers' funds for the purpose of putting across our point of view and political philosophy, as the last government did during the Constitution debate and the energy debate. Hundreds of millions of dollars of taxpayers' money were used for crass political purposes. We are going to stop that regime and do it on a sensible and fair basis. We are going to do it through a substantial reduction in the advertising bill of this Government with respect to what transpired in the past.

We are going to take some other initiatives, as we already have by doing away with the propaganda arm of the previous government; the Canadian Unity Information Office has been terminated. No longer will we have a situation where a government has had—and I say this for the benefit of Liberals who do not understand the difference between the proper meaning of "management" and the word "manipulation"—an arm whose sole function was to manipulate the news, manipulate opinion poll sampling, and manipulate everything that went on in government for the political well-being of the Liberal Party.

I can assure you, Mr. Speaker, that the people of Canada understand fairness and the idea that there is a message which has to be delivered concerning government services. There are many services we deliver. But we are going to move away from the crass political way in which the previous government attempted to politicize the Public Service of this country. From now on the tradition of an independent Public Service is one which we are going to defend and bring to people across Canada, and it will be seen to be a fair policy and a fair initiative on our part.

I see you are indicating that I am near the end of my time, Mr. Speaker, so I simply want to say in conclusion that we in our Party have a history of consultation. We had the Revenue Canada task force, and task force on VIA Rail. We have gone out to see the people. We are not embarrassed or ashamed to take the people of Canada into our confidence. That has been demonstrated by us as a historical tradition, and it is a policy we will continue within this Government.

One has to ask the question: Why has the Liberal Party brought this issue before the House? Where do they stand on the important issues with respect to the economy? What policies do they have to bring forward with respect to unemployment? What is their attitude concerning economic thrust? Who speaks for the Liberal Party? What does that Party stand for on the issues the people of Canada want to hear about? I simply say that we have the opportunity to deal with important issues. I make the commitment to you, Mr. Speaker, on behalf of my Party that we are a Party of openness and we will continue to operate in the best interests of accessibility. We have the most consultative government in the history of our country. We intend to carry on with our mandate by consulting with the Canadian people and we will see the results of the policies we are initiating after full consultation in a spirit of openness.

• (1220)

Mr. Gray (Windsor West): Mr. Speaker, I have a question for the Hon. House Leader (Mr. Hnatyshyn). He has just said that he and his Government are not embarrassed or ashamed to take the people of Canada into their confidence. If this is an accurate statement, why has the Government steadfastly refused to table in the House the studies carried out for the Minister of Finance (Mr. Wilson) in the preparation of his economic statement? He admits that the studies show there will be a loss of jobs as a result of his policies. He says he does not want to table the statement because the impact on jobs is statistically insignificant.

If my hon. friend and his Government are not embarrassed or ashamed to take the people of Canada into their confidence, why does he not show his Government's confidence in the people of Canada and table those projections right now?

Mr. Hnatyshyn: Mr. Speaker, like a broken record, the Hon. Member repeats questions which have been answered very effectively by the Minister of Finance and the Prime Minister. Not too long ago the Hon. Member was a member of a federal Cabinet. He of all people will understand that in terms of Cabinet documents and advice which one receives from public officials, there is a question of confidentiality which must be examined with regard to the parameters within which we operate in the country.

I was pleased to bring forward a motion dealing with review of the Access to Information Act which includes the question of Cabinet confidences. That matter will be examined by a committee. I made that offer to show my determination to have a full examination of the access to information legislation by a special committee. That was not acceptable to the Opposition. My second preference would have been to refer it to the Regulations and Other Statutory Instruments Committee, but that was not acceptable to the other Opposition Party. It has now been referred to the busy Justice and Legal Affairs Committee.

We believe that parliamentarians should be involved in defining the rules. This shows our determination to carry out our commitment made before, during and after the election. That area should receive the fullest attention of all Parties through the process of a parliamentary committee.

Mr. Robinson: Mr. Speaker, I have a brief question for the Government House Leader (Mr. Hnatyshyn). Walter Baker, who spoke on behalf of the Conservative Party in opposition, promised the people of Canada that one of the first initiatives of the next Progressive Conservative Government would in fact be to restore the power of the courts to review all claims for exemption, including claims for exemption on the basis of Cabinet confidentiality. As I well recall, the Hon. Member supported that position while he was in opposition.

How can the Governmet House Leader possibly defend the position which he is now taking, which is not to bring forward legislation to amend access to information legislation? That commitment has suddenly been shelved and rather than amending the legislation the Government is going to ask a committee to study it. That is not the commitment which was made by that Party when it was in opposition. The commitment was in fact that the Government would change the Bill. How can the Government House Leader possibly defend this significant step backward from the commitment which was made to openness in government when he was in opposition?

Mr. Hnatyshyn: Mr. Speaker, I appreciate that question because I think it is a fair question. The statement by our very revered colleague, Mr. Baker, who is no longer with us, is an indication of a serious proposal which was put forward. Legislative initiatives will be taken under consideration in our deliberations in Cabinet. I am concerned about the rights of all Members of Parliament to participate in this process. We now have a review which takes place within three years of the operation of that Act. This was brought about primarily by the initiative of Mr. Baker. The Leader of the Opposition said today that the jury is out with respect to that matter. I have a problem in terms of acting unilaterally because I respect the ability of Members of Parliament to come to grips with the matter and work on consensus to attain the best possible solution.

The are two options. The first is to move ahead without consultation. The second is to allow the process to proceed, to have a full examination and hopefully reach a consensus with respect to the matter which will give us the best possible result.

I am not moving away at all from the statements I have made in the past. I have a belief in this institution. I believe that Members of Parliament can operate in the best interests of the people of Canada. I am hoping that this committee will deal with these issues and reach a consensus upon which we can operate.

Mr. Tobin: Mr. Speaker, the Hon. House Leader has attempted to wax eloquent and convince us that the Government will be more open than any we have ever seen. He has the face of a robber's horse to make that kind of speech in the face of the editorial comment, discussion and publicly articulate comments we have heard from people who are concerned with civil liberties. That he would make that kind of statement is unbelievable.

The Hon. Member talks about consultation. He says that the Government is going to consult and then move. It is going to be decisive. How does he square that commitment to consultation with the fact that in Atlantic Canada alone 24 major cut-backs, reductions and freezes were put in place as announced in the economic statement of the Minister of Finance, the mini-budget? Who was consulted about the cutbacks in ferry rates? Who was consulted about the $16 million reduction in the fisheries programs? Who was consulted about the cancellation of the federal forestry centre in Newfoundland? Who was consulted about the cancellation of the Summer Youth Program? Who was consulted about the dramatic reduction in the RRAP Program? Who was consulted about any of the 24 measures? The new buzz word, Mr. Speaker, is freeze. The new buzz word is going to become a reality. A lot of people in Atlantic Canada are going to freeze this winter. Who consulted them, their representatives or spokesmen before these measures were put in place?

How can the House Leader, on the one hand, with the face of a robber's horse, talk about openness and consultation, and on the other hand gloss over and ignore a $4.2 billion so-called media management economic statement that in fact was a mini-budget and dramatically affects people where they live in the small towns and communities of Atlantic Canada? Where was the consultation? Can the Member show us the action papers which were prepared that singled out these 24 programs for cuts?

Mr. Deputy Speaker: I would ask the Government House Leader to be brief in his answer.

Mr. Hnatyshyn: Mr. Speaker, from one pretty face to another, I would like to respond to the Hon. Member's question. The Hon. Member has a pretty face and I accept all the descriptions of my own inadequacies.

• (1230)

I think the Hon. Member must have been sleeping and, mysteriously to all of us on this side, he woke up and was re-elected. I do not think anything could have been clearer during the election campaign than the fact that our Party indicated that responsibility and management of the affairs of this country was a very key part of our policy.

I will tell you with whom we consulted, Mr. Speaker. We consulted with the people of Canada. As a Liberal, the Hon. Member would not understand this concept.

Mr. Tobin: What you promised was not what you delivered.

Mr. Hnatyshyn: In terms of these policies and programs, we have attempted to be even-handed. We have an even-handed approach to bringing control of government spending within our ability to manage the affairs of this country. The result will be a new prosperity and a new economic beginning for this country for which we in the Progressive Conservative Party will work morning, noon and night to accomplish.

Mr. Deputy Speaker: Resuming debate.

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I listened with great care and the usual attention I give to the Government House Leader (Mr. Hnatyshyn) when he speaks. I will deal with his very interesting comments in just a few moments.

First, in speaking about this very important subject, I want to make a few observations about the Party to my right that moved the motion. I listened with care to the Right Hon. Leader of the Opposition (Mr. Turner) and to the remarks made by the Hon. Member for Hamilton East (Ms. Copps). She raised concerns about not being able, as a Member of Parliament, to get information about housing programs. When her Party was in government we tried to get information about housing, agriculture, the fishery and the automotive industry but received no information at all. If she thinks that the situation is bad with the new Government, she should have been here last spring.

Perhaps it is understandable that the Right Hon. Leader of the Opposition who moved the motion did not have much to say about the preceding Liberal government with respect to the important question of the public's right to have access to information. However, what disturbs me is that if one goes beyond the rhetoric of what he had to say about the right of the public to know, the importance of open government and his opposition to a manipulative approach to the news, we did not get a specific criteria laid down by him about what a Liberal government would do if it was in office. He did not make one specific suggestion. All that we heard was the usual rhetoric and general condemnation of the Government in power that comes from the Opposition Party. There was no specific commitment to make a policy change that is different from the new Government if the Liberals were back in office.

The Hon. Member for Hamilton East said that what the Conservative Government was doing amounted to so much pap. With respect, I say that what I heard from the opposition members today amounted to so much mush. I believe the people of Canada are tired of both. They do not want pap and they do not want mush. They want the freedom to know what the Government of Canada and public servants are producing. They want information.

Before I leave the Liberals and deal with what the Government is doing, there should be no illusion about the fact that the last debate we had in the House on the access to information legislation that was passed in 1982 was followed up in committee with an amendment moved by the Liberal government of the day that took the substance out of the legislation. The Liberals moved what has been appropriately called the "Mack truck" amendment in which the Cabinet gave itself the right to decide upon matters that were to remain confidential. If there was anything designed to vitiate the substance of a measure, it was that amendment moved by the Liberals to their own legislation. The Liberal Party of Canada is the last Party in this country that has anything relevant or credible to say about the right of the people of Canada to have access to information.

Some Hon. Members: Hear, hear!

Mr. Broadbent: I notice that the Conservatives are clapping. Let us see what they have to say in a few minutes.

Throughout the campaign I listened to what the Prime Minister (Mr. Mulroney) had to say about a number of interesting subjects. On August 12, he told the people of Canada: "The past few years have seen a veil of secrecy fall over vast areas of government activity". Then he lowered his voice and we all listened, took it in, and paid careful attention to what he had to say, as I am sure Hon. Members in the Cabinet do daily. Of course, he was right. He was right about the government of the day and the same is true for the Conservative Government of today.

I say with complete candour that in his criticism of the Liberals he was following the good tradition of his predecessor, the Secretary of State for External Affairs (Mr. Clark), when he was in office. I believe that when that former Conservative Prime Minister was in power for that short period he did move in a commendable way in terms of providing the people of Canada with greater access to information. I believe he used his power correctly to provide greater access.

Mr. Hnatyshyn: You threw him out.

Mr. Broadbent: That was the one good thing the Conservatives did. They were in office all of seven months and they might have tried to accomplish more.

The people of Canada had some reason to have positive expectations about a new government moving in a systematic and democratic way to provide more access to information. The present Prime Minister made statements and indeed the former Conservative Prime Minister had taken action when he was Prime Minister that gave us reason to be plausibly optimistic.

What happened after September 4? First, there was the reaction of the Deputy Prime Minister (Mr. Nielsen) whose approach to what the Cabinet and the new Government was doing clearly did amount to an attempt to manipulate the news. What we say from the former Prime Minister, the current Secretary of State for External Affairs, can only politely be described as a slight case of paranoia with regard to the media. A most extraordinary set of statements came out of the office of the Secretary of State for External Affairs about some powerful elite in the country, which is actually rather a scruffy group, given the three names that were used. They would be the last people whom I would describe as an elite. However, personalities aside, for a new government that preaches openness and concern for democratic rights, the response of the Deputy Prime Minister and the Secretary of State for External Affairs was totally reprehensible. In a matter of days they began to reverse what the Conservatives had promised during the summer campaign. The Conservatives no more believe in freedom of information than they believe in a number of other promises that they made during the election campaign.

Let me deal specifically with the substance of the issue at stake here, as I see it. Within the Cabinet system of government what limitations, if any, ought to be imposed on the public who, in an ultimate democratic sense, have a much deeper and profound right even than Members of Parliament to have access to information? I noticed that the Government House Leader did not spell this out in his speech. Certainly the Right Hon. Leader of the Opposition did not lower himself to suggest a specific criterion that the Liberals would believe acceptable.

I want to suggest a criterion that is consistent with the principles of democratic government, particularly a parliamentary democracy, and ought to be applied by the Government of Canada. I would like to hear some Government members respond to the view of my Party.

● (1240)

In terms of documentation prepared by public servants, whether of a factual or analytic nature, concerning present policy, or factual and analytic nature in terms of an assessment of future impact of present policies, if such studies do not contain material that would impinge negatively on the security of the state, if they do not contain material that would be clearly libellous, if they do not contain material that is pertinent to on-going negotiations of an intergovernmental nature, if, in short, they do not cover one of these three bases, all such factual analytic material ought to be made available to the people of Canada.

Some Hon. Members: Hear, hear!

Mr. Broadbent: That is the important point and that is precisely the point being denied by the new Government of Canada which claims it is going to be more open than its predecessor.

I want to take a minute, Mr. Speaker, to explain clearly why I think the Government of Canada is not practising what it is preaching. The Prime Minister gave it all away yesterday in Question Period. I and my colleague, the Hon. Member for Burnaby (Mr. Robinson), were asking questions about the new guidelines. At one point in the Question Period concerning these guidelines I asked the Prime Minister if it were his interpretation that if members of the public, the media, and Members of Parliament requested factual, analytic information with reference to the future, that it was part of the task or the obligation of a public servant to provide information consistent, I believe, with the second guideline that, factual matters of public policy ought to be made available by a public servant. The answer from the Prime Minister, when asked in that form, came in a lowering of the voice. In a sincere tone he said: "Of course. Yes, it should be provided". But when I got more specific and asked if that therefore included studies that might have been done about the impact of multi-million dollar cut-backs in employment programs, multi-million cut-backs in the CBC's operations, multi-million dollar cut-backs in a whole variety of programs, he gave what I can only describe as an incredible answer. He said: "No, not at all". He said that information should not be given. He went on to suggest that if it were, this "would effectively paralyse the Public Service". He described as an impropriety the revelation of such factual studies, such analytic material. He said impropriety would be the way he would describe it in the context of parliamentary democracy; that somehow it would be wrong for a public servant working for the Government of Canada to provide such information.

My response to the Prime Minister's answers yesterday, and I repeat here today, is that he was talking complete and utter nonsense when he said that would be inconsistent with the requirements of parliamentary democracy. What he did and what has been systematically done by this Government in the last week is to equate any kind of factual documentation or analytic study as an item of concern with the right of a civil servant to make private advice and recommendation to his Minister. I see the Government House Leader says that is right.

Mr. Hnatyshyn: No.

Mr. Broadbent: On the one hand he said it was right and now he shakes his head. He has changed his mind in three seconds.

Mr. Hnatyshyn: No, you are confusing yourself.

Mr. Broadbent: I ask him to check the record and the guidelines, specifically guidelines two and three produced by the Prime Minister last Friday. What the Prime Minister said

yesterday is that such information, analytic studies, impact studies, should not be made available. Why, Mr. Speaker? Because it would be inconsistent with the right of the public servant to make confidential recommendations to a Minister of the Crown.

In my view, we are at the heart of the matter in a discussion of this particular matter. It is one thing for a public servant to have his traditional right respected, namely, judgment that he offers—

Mr. Hnatyshyn: That is right.

Mr. Broadbent: —or proposals that he offers to his Minister—

Mr. Hnatyshyn: Absolutely.

Mr. Broadbent: —are to remain confidential.

Mr. Hnatyshyn: You are against that?

Mr. Broadbent: No. The Minister says I am against that. Quite the contrary. I am in favour of maintaining the traditional right of a public servant to advise a Minister of the Crown and to have his personal advice kept a matter of confidence.

Mr. Hnatyshyn: We do not disagree.

Mr. Broadbent: The Minister says "We do not disagree". I tell him to read his own Government's guidelines. He should read *Hansard* with care in terms of the Prime Minister's answer in the House.

While my Party accepts that, what we do not do is equate any kind of study, any assessment of government policy that may be prepared in a department, with private advice being given by a public servant to a Minister of the Crown. There is a world of difference between the two. A public servant may indeed offer advice, as I suspect was the case with the Minister of Finance, when he was talking to his deputy minister, and was given some advice on the impact of his mini-budget. It is one thing to say there is some advice forthcoming that can be given to the public, but it is quite another, I repeat, to say all such advice, of a personal or confidential nature traditionally, which we are not demanding, ought to be made public. It is one thing to say that the tradition of confidentiality ought to be respected. It is quite another thing to assert that all studies, any assessments, that that senior civil servant might have had prepared of a technical nature by his officials ought to be kept confidential as well. There is a world of difference between the two points.

That is precisely what the Opposition in this House have been trying to get at ever since Parliament came back, and more precisely since the Minister of Finance brought down his mini-budget. The Minister seems to be shaking his head in a way to suggest that he still does not understand the point.

Mr. Hnatyshyn: You do not understand.

Mr. Broadbent: Maybe he will understand it if I put it this way. When he was on this side of the House, he used to castigate the Liberals, with the rest of us, for keeping so many matters confidential. He nods his head in agreement. During that period of time when he was in opposition and before I became Leader of this Party and had a specific area of critic's responsibility, for example, the automotive industry in Canada, I used to go at least once a year to Washington. Why did I go once a year to Washington, Mr. Speaker? I knew that I could go into any three branches of the government in Washington, walk into a civil service office and get statistical information about the operation of the Canada-U.S. automotive agreement, not only current information but assessments of future trends. They would provide it so quickly that when I first had the experience I was flabbergasted.

Then I would come back to Canada, participate as a member of the Opposition in Question Period, demand equivalent sorts of information be made available to Canadians and to me as a Member of Parliament, and it was systematically denied. It was denied under the same rubric as the Prime Minister used in his reply yesterday in the House and that the Minister of State (Government House Leader) is now using today, namely that any such documentation and analysis prepared by civil servants, financed by the people of Canada, ought to be kept privy, ought to be kept a Cabinet secret, because it all ought to be within the framework of confidential advice to the government of the day.

• (1250)

I repeat that that is the essence of the question. The clear view of the New Democratic Party is that Cabinet has a right to confidential advice and that the public servant giving personal advice has a right to remain confident that it will be kept private. However, we also say that all studies and all analytical material prepared by public servants of Canada which do not impinge on national security, which do not involve libellous material and which do not have a bearing upon current financial negotiations, ought to be made available to the people of Canada. That is what we are demanding. If the Minister does not understand that, he does not understand very much.

We are not talking of something about which only we in the House are concerned. Just the matter of an hour or so ago I was given a wire service story out of Winnipeg. It indicated that a briefing book was left by the Minister of Finance (Mr. Wilson) in his hotel room in the City of Winnipeg. If the Minister thinks that we are talking about some abstract matter of news manipulation and if he suggests, as his back-benchers said earlier, that we are a little off base in terms of our concern, then I advise him to read his colleague's briefing book. There are stories now going across the country about what was in that briefing book. Part of what was in it is very disturbing to me as a Member of Parliament, as I think it would be disturbing to all Canadians. What was suggested in there was nothing less—

Mr. Deputy Speaker: I am sorry, but I have to ask the Hon. Member to conclude his speech shortly.

Mr. Broadbent: If I have the permission of the House, I will conclude my comments very quickly. I should like to give one quotation from the news story:"The notes warn Wilson not to deliver too harsh a message to Manitoba right now in light of the controversy the federal cuts have already created here". In short, it was advice to the Minister upon which he was clearly acting to keep back information not only from the people of Canada, which we have seen in the House of Commons for some weeks, but also from another government in Canada which was concerned about the employment prospects of citizens within its own borders. This kind of manipulation or keeping secret data from another government which wants to act is what we regard as being totally unpalatable in a democratic system.

I conclude by saying that we have a government of secrecy. Perhaps for the first time in the history of our country we have a government which does not say that people have the right to know. We have a government which says that people have a right not to know or that people do not have the right to know certain things which we believe they ought to know.

Mr. Deputy Speaker: On questions and comments, the Government House Leader.

Mr. Hnatyshyn: Mr. Speaker, I listened very carefully to the comments of the Leader of the New Democratic Party. In fairness to him, I think he raised a question which is the subject of legitimate debate. I am very interested in the fact that he wants to pursue the question of what kind of information should be regarded as having Cabinet confidentiality.

I preface my remarks by reminding him that had it not been for the Progressive Conservative Party of Canada, the Party which started the freedom of information legislation and pursued it with vigour, we would not have access to freedom of information legislation. It was our Party which gave leadership in that role. Our legislation was the basis upon which the Liberal government was finally forced to move during the course of the last Parliament.

On the basis of his analysis, is the Leader of the NDP suggesting that advice given to the Government, a Minister or Cabinet should be dissected by someone and that those parts of the information, such as certain charts or statistics used in the course of that advice with approbation and approval to Cabinet or to a Minister, should be hived off and made public? Or does he not believe that in the course of giving advice—and he will understand that Ministers obtain advice which is backed up by a variety of statistics and information—information should be kept in its proper context and that the Minister should be allowed to receive the advice of public servants and not be concerned about its being the subject of partisan and acrimonious debate on the floor of the House of Commons or in the press across the country because it was taken out of context? In the context of advice to a Minister, does he not agree that statistics form part of the advice, or does he want to hang public servants out to dry so that anything they say can be hived off and the Deputy Minister to the Minister of Finance, or to the Minister of the Environment (Mrs. Blais-Grenier) or whomever, will not have any opportunity to put it back into the context within which it was given to the Minister? Is that what he is proposing, or does he have some other way in which he would propose providing this factual, so-called analytical material?

I am simply saying to the Leader of the New Democratic Party that it is very easy and very facile for him to make these observations and suggestions, but when we have statistics and information forming part of the advice being given to Ministers, how does he propose to deal with it?

Mr. Broadbent: Mr. Speaker, the Minister asks a reasonable question to which there is a reasonable answer. I wish he would act upon it. Clearly, as I indicated in my comments, judgments about the wisdom or lack thereof in terms of the pursuit of certain policies of a judgmental nature that are submitted in writing to the Minister for consideration in reaching a decision should be kept confidential. Of course, from time to time in such documentation or such argumentation some statistical reference would be made.

Mr. Hnatyshyn: Quite often.

Mr. Broadbent: We all know that in presenting arguments—I hope this is the case with the present Government—some facts will be relevant to the argument and therefore some data will be submitted. However, if I agree with the Minister on that point, he must surely understand that, in addition to the argument, advice or proposal which might be offered, there are other supporting documents or supporting analytical information, for example, the assessment of cut-back proposals running through the economic model of the Department of Finance. This is technical information which is fed into a computer. Data are submitted and results come out which are analysed by economists who are trained to do that job.

All such analyses or documentation which do not come with the judgment as to whether or not one should act upon them and which are strictly speaking, an analysis of the consequences, whether it is in finance, agriculture or industry, have been available in the United States to ordinary citizens for years. They have been denied year in and year out in this country by Liberals. They are now being denied by the Conservatives, and we say that they should be made available.

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

SOCIAL SECURITY

PURPOSE OF REVIEW EXERCISE

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, in a recent interview with George Radwansky, the Editor in Chief of *The Toronto Star*, the Prime Minister (Mr. Mulroney), when asked if money saved by a review of social security would be used for deficit reduction purposes, replied 'No, absolutely not—absolutely not'. At the same time, however, the Minister of Finance (Mr. Wilson) was saying that any money saved in such a review could be used to reduce the deficit. I take this opportunity to urge the Prime Minister, in concert with his Finance Minister, to clarify for the Canadian people whether the real purpose of this review exercise is income redistribution as he would have us believe, or deficit reduction as the Finance Minister would like.

* * *

[*Translation*]

ELECTION ACT

EFFECTS OF ELECTORAL BOUNDARIES REDISTRIBUTION

Mrs. Lise Bourgault (Argenteuil-Papineau): Mr. Speaker, I would like to comment on the new redistribution of electoral boundaries.

Basically, my comments will concern three points.

First, costs. We are now in the midst of a period of budgetary restraint, and adding new electoral districts will bring about an increase in direct and indirect costs which would be difficult to justify, considering the state of the deficit.

Second, regional boundaries. New electoral boundaries are always a problem because they may cut across natural regional boundaries. The sense of community remains a very strong concept, and any changes will have a social and economic impact on our constituents, in addition to the fact of having to adjust to a new administrative and political milieu which is complex enough as it is.

Third, the solutions proposed. These almost always require shifting populations from one constituency to another. However, since there is an increasing movement towards the urban centres, why not consider a more practical and permanent solution based both on the number of people and the geo-economic milieu?

Mr. Speaker, we hope that these items will be taken into account when the Election Act is discussed.

[*English*]

POLITICAL PARTIES

PRINCE EDWARD ISLAND—LIBERAL PARTY'S WIN IN BY-ELECTION

Mr. George Henderson (Egmont): Mr. Speaker, yesterday the people of the provincial riding of Fourth Kings on Prince Edward Island registered their scores on the performance of the federal and provincial Parties on P.E.I. The final score: NDP, 161; the Conservatives, 1,061; the Liberals, 1,428.

Islanders have said no to higher energy costs, no to higher gasoline prices, no to higher ferry rates, no to increases in national park fees, no to cuts in agricultural programs, no to increases in berthage fees for fishermen, no to reductions in housing programs and, most important, no to the provincial Conservatives who have said that the Mulroney Government understands Prince Edward Island's problems and needs. Islanders have said: "Where are the jobs, jobs, jobs?" The federal Government has given each and every Islander a job—a snow job. Perhaps now Premier Lee will see that being a yes man to Mulroney's Government is not enough. Perhaps now the federal and provincial Tories will sit up and listen.

* * *

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

CNCP APPLICATION TO ENTER LONG DISTANCE TELEPHONE BUSINESS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, over the past 50 years Canadians in all parts of Canada have benefited from telephone systems which are almost universal, systems that provide them with good, efficient telephone service at a moderate price.

At the present time the CRTC is considering an application from CNCP Telecommunications to enter the long distance telephone business, which would change the whole system of telephone usage in Canada. That application is being opposed by a variety of groups. It has been opposed by the three prairie Governments. I quote from a letter from the Minister of Justice and Attorney General of the Conservative Government of Saskatchewan:

> It is the Saskatchewan Government's position that CNCP's entry into long distance service would benefit only a few select customers in Ontario, Quebec and British Columbia.

If the CRTC were to approve that application, it would change our whole system. The application raises a policy question which should be dealt with at the federal-provincial level. We urgently call on the Minister of Communications (Mr. Masse) to convene a federal-provincial conference on telecommunication policy and to instruct the CRTC to hold its decision until a national policy is established by the elected representatives of the people.

S.O. 21

[*Translation*]

TRANSPORT

ABOLITION OF TOLLS ON CHAMPLAIN BRIDGE, MONTREAL

Mr. Fernand Jourdenais (La Prairie): Mr. Speaker, I would like to point out that one of the important issues during my election campaign was the abolition of tolls on the Champlain Bridge, a personal commitment that was never mentioned during the campaign, and that I had the blessing of my leader and my Party. I want to give the House and my constituents in La Prairie the assurance that I will continue to meet the commitments I made, especially concerning the Champlain Bridge tolls, an issue that my Opposition colleagues never bothered about when they were in power. I also want to say that I have every confidence in the Right Hon. Prime Minister (Mr. Mulroney) and his Cabinet, because of their open attitude to dialogue and consultation.

Finally, Mr. Speaker, I want to say that I am not going to let my Opposition colleagues tell me what to do, and that I have no intention of resigning, even if I am the only Member to have been elected twice during the same election.

* * *

AGRICULTURE

MARITIME LIVESTOCK AND POULTRY INDUSTRIES

Mr. Gerald Comeau (South West Nova): Mr. Speaker, the purpose of my statement is to draw the attention of Hon. Members to the urgent problem facing the livestock and poultry industry in the Maritime provinces.

Livestock and poultry production in the Maritimes was worth $375 million in 1983. That industry has a labour force in excess of 6,500 people and the economic activities related to the industry inject $1 billion into our economy every year. However, the survival and future growth of the industry rest on the possibility of equalizing feed grain prices between the Maritime provinces and the rest of Canada.

[*English*]

In 1966 the Livestock Feed Assistance Act was passed. One of its stated objectives was "the fair equalization of feed grain prices in eastern Canada". In 1984 this assistance covered only 20 per cent of the transportation costs, creating a $30 a tonne difference in costs between the Maritimes and central Canada.

[*Translation*]

Mr. Speaker, the solution would be that the Maritime provinces become self-sufficient in the production of feed grain. Self-sufficiency would make for a secure and stable industry and contribute to better agricultural land use. The Maritime provinces have enough land to achieve self-sufficiency within 15 years, but immediate action must be taken.

[*English*]

In summary, we have a feed cost disparity problem which is creating an emergency situation for our pork industry and a heavy burden on other livestock sectors. Left unattended, we stand to lose 4,000 to 5,000 jobs. Properly addressed, we could add 4,000 to 5,000 new jobs.

* * *

SPORTS

RETIREMENT OF GUY LAFLEUR, HOCKEY PLAYER EXTRAORDINAIRE

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, in most of the world "flower power" may have come and gone with the 1960s, but in Montreal it started in 1971 and lasted until yesterday when Guy Lafleur finally said:

[*Translation*]

"Enough is enough".

This is the end of a great era. Yesterday, after playing 14 years in the National Hockey League, Guy Lafleur announced that he was hanging up his skates permanently. With a career total of 518 goals, he was the second best goal scorer in the history of the Montreal Canadiens, just behind Maurice Richard. He is one of a very select group of nine NHL players with a career total of more than 500 goals. Between 1974 and 1979, he had six consecutive 50-goal seasons.

During 14 years, Guy Lafleur was truly a great star, an idol of the 1970s. He is the last in a line of superstars which included Jean Béliveau and Maurice Richard.

I am sure the House and all Canadians wish him the best of luck in his future endeavours—

[*English*]

—and thanks for the memories.

* * *

[*Translation*]

INDUSTRY

PETROLEUM SECTOR INCENTIVE PROGRAM

Mr. Louis Plamondon (Richelieu): Mr. Speaker, this brief statement is naturally addressed to all the Members of this House, but it is particularly intended for the Minister of Energy, Mines and Resources (Miss Carney), the Minister of Transport (Mr. Mazankowski) and the Minister of Regional Industrial Expansion (Mr. Stevens).

Hon. Members as you are probably aware, the total value of shipyard production decreased by 18.3 per cent during the first three quarters of 1984 as compared to the same period in 1983.

In view of the fact that my constituency is particularly affected by this situation, I would like the Ministers concerned to only consider granting financial assistance under the Petroleum Incentive Program to companies which are being supplied in Canada or which maximize the Canadian content.

We know that this program is now being reviewed and will perhaps be cancelled, only to come back in a new form. In any case, the basic problem being the lack of protection for the industry, I hope that the Ministers concerned will take my proposal into account and will add it to the existing or completely revised program.

As I have already mentioned, this proposal is certainly not unreasonable in view of the fact that Section 19 of the GATT allows a country to take protectionist measures when a national industry is threatened. I will want to come back to that because the shipbuilding industry was clearly forgotten by the Liberals for more than 30 years.

To improve the situation of the entire shipbuilding industry—

Mr. Speaker: I am sorry to interrupt the Hon. Member, but his time has expired.

* * *

• (1410)

[*English*]

ENERGY

HIBERNIA OILFIELD—ENVIRONMENTAL IMPACT STUDY

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, the Prime Minister of Canada (Mr. Mulroney) and the Premier of Newfoundland have engaged in a conspiracy of silence regarding the report of Mobil Oil, the operator of the Hibernia oil field, its environmental assessment impact study. This study outlines the mode of production, the timetable for production, and the environmental damage, if any, which would occur as a result of moving that development forward. It is a critical document which was scheduled to be given to both Governments on November 15.

Last week the federal Minister of Energy, Mines and Resources, (Miss Carney) at a press conference with the provincial Minister, agreed to delay the release of that document for six months, despite the fact that both last Wednesday in this House and again yesterday the Prime Minister of Canada admitted, because he does not have his homework done—the right hand does not know what the left hand is doing—that the federal Government had received a copy of this very sensitive report.

What is being covered up? It is known that the Government of Newfoundland is on record as insisting that the mode of production for Hibernia oil be floating concrete platforms to be constructed in Newfoundland. It is equally known that Mobil has determined that the mode of production should be semi-submersible rigs, eliminating 45,000 jobs from the Province of Newfoundland.

The Government has the report in its possession. The Prime Minister promised to table it a week ago. The report has not been tabled. It is time now—

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

* * *

[*Translation*]

TRANSPORT

REQUEST THAT STUDIES MADE BY SAGUENAY AND LAC-SAINT-JEAN REGIONS REMAIN PRIORITY

Mr. Clément M. Côté (Lac-Saint-Jean): Mr. Speaker, as the member for the constituency of Lac-Saint-Jean, I should like to point out to the House that in the past, several reports and reviews have been delivered to the government by various organizations in outlying areas such as the Lac-Saint-Jean region.

One of those reports was the study submitted in 1981 by the Regional Association of Economic Councils to the Canadian Transport Commission about the transportation problems facing our area. Mr. Speaker, in view of the efforts and consultations devoted to those studies, we expect that they will be considered by the departments concerned and will remain a priority of this government, so that remote areas such as Saguenay-Lac-Saint-Jean may finally hope to play a more substantial role in the Canadian economy.

* * *

VISIBLE MINORITIES

INTERNMENT OF JAPANESE CANADIANS DURING WORLD WAR II

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I was quite amazed at the comments made by the Minister of State (Multiculturalism) on the report "Democracy Betrayed" issued by the National Association of Japanese Canadians.

The Minister's reaction is just another example of those loud promises that are put off indefinitely. As a matter of fact, on the very day he was sworn in, on September 17, 1984, the Minister stated that Japanese Canadians would receive national apologies and compensation of a form to be later specified. That was two months ago, and the Minister has yet to start on the process that thousands of Canadian men and women of Japanese descent whose rights have been seriously encroached upon during World War II are looking forward to.

Since the Minister of State (Multiculturalism) is dragging his feet on this issue by setting up a committee to better postpone any decision as long as possible, the Prime Minister

should assume responsibility. Because, as reported in the *Globe and Mail* of May 16:

[*English*]

Conservative Leader Brian Mulroney says he is in favour of compensation for Japanese-Canadians who were unfairly interned during the Second World War.

[*Translation*]

Why set up a committee, when the Prime Minister has already stated that he has agreed on the principle of a compensation?

ORAL QUESTION PERIOD

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

MANITOBA REQUEST TO EXTEND EQUALIZATION PAYMENTS—DEPUTY FINANCE MINISTER'S ADVICE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. Of course he is aware that a debate is currently being held in the Chamber regarding open and accessible government. My question concerns the $1.3 billion memo which was left behind in Winnipeg by the Minister of Finance, that being the estimated cost of raising equalization payments for Quebec, Nova Scotia, and Manitoba.

The question concerns the integrity of the Prime Minister's Government and the commitment which he made to open and honest government. A CP story from Winnipeg today states that the documents left behind by the Minister of Finance indicate that the Minister has been less than forthright with the Government and people of Manitoba, and indeed, the people of Canada.

The Minister of Finance told the Government of Manitoba that he would consider its request to extend equalization payments. At the same time the Deputy Minister of Finance is quoted in the documents as telling the Minister that he should not build hopes in Manitoba for a review of the equalization payments, and that "no compelling arguments have been advanced thus far which suggest you", meaning the Minister of Finance, "should encourage Manitoba to believe that such assistance is a possibility".

Did the Prime Minister tell the Premiers at their recent meeting that the cost of honouring commitments to Manitoba, Quebec, and Nova Scotia in terms of equalization would be $1.3 billion? I assume that the Prime Minister spoke to the Minister of Finance about that $1.3 billion this morning. After that conversation, did the Minister of Finance tell the Government of Manitoba that he already had advice from the most important public servant of the Government of Canada, the Deputy Minister of Finance, which contradicted that Government's arguments? Why did the Minister of Finance not tell the news media and the people of Canada of this conflicting advice?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think my right hon. friend has inadvertently committed an egregious error. He has quoted one line from the advice which was tendered by the Deputy Minister of Finance. In the sentence which follows immediately thereafter, the Deputy Minister is apparently advising the Minister that perhaps the Minister of Finance from the Government of Manitoba might have arguments which would persuade the Minister in a different way.

The Right Hon. Leader of the Opposition should not be too quick to believe the negative side. In fact the Minister of Finance went to Winnipeg and conducted himself very honourably, as he always does.

Some Hon. Members: Hear, hear!

COST OF INCREASING FEDERAL GOVERNMENT PAYMENTS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, when the Minister of Finance was in Manitoba he said that he did not know what the cost of reviewing and raising those equalization payments would be. Yet he had in his possession a memorandum from the Deputy Minister of Finance saying the cost would be $1.3 billion.

Did the Minister say that he knew the cost on the basis of the memorandum, and yet not tell the people of Manitoba that he had the cost in his hands? Did he mislead the people of Manitoba by telling them that he could not estimate the cost?

In order that the House may see the entire document, because I believe that I have quoted from it accurately, will the Prime Minister table these documents in the House so that we will all have an opportunity to see them?

Some Hon. Members: Hear, hear!

• (1420)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have no idea of what document the Right Hon. Leader of the Opposition is referring to.

Some Hon. Members: Oh, oh!

Mr. Mulroney: The Minister of Finance went out to Manitoba. He had in his possession, I am informed, advice from his senior departmental officers. The Right Hon. Leader of the Opposition will not be a stranger to that kind of information. The Minister dealt with the Manitoba Minister of Finance in a proper and above-board manner. The Hon. Minister is a man of unimpeachable integrity. I know that the Right Hon. Leader of the Opposition would not allude to anything to the contrary.

The best information I have is that the meetings went well, and we hope there will be others which will be mutually advantageous to Manitoba and to Canada.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, the Prime Minister says he does not know about a memo from which he has just quoted.

Mr. Mulroney: You quoted.

Mr. Turner (Vancouver Quadra): You indicated I quoted from a single line, and that you had information which indicates that that was not a substantive report of what the memo said.

REQUEST THAT DOCUMENTS BE TABLED

Right Hon. John N. Turner (Leader of the Opposition): I ask the Prime Minister to table the documents, Mr. Speaker, so that we can compare what the Minister of Finance said in Manitoba with the advice he received prior to that meeting.

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Right Hon. Leader of the Opposition was selectively quoting from a memorandum and I was merely attempting to correct it for his benefit and to bring forward the evidence.

Some Hon. Members: Oh, oh!

Mr. Mulroney: I indicated to my right hon. friend as I had been informed. The documents in question were apparently removed from an area that the Minister had been attending. I am not informed of what was in his confidential file, but I will be happy to meet with the Minister as soon as he comes back, to review it with him—

Mr. Deans: It does not sound good!

Mr. Mulroney: —and to deal with it in a fair and open manner here in the House of Commons.

Some Hon. Members: Hear, hear!

CONSULTATION WITH PROVINCES

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is also directed to the Prime Minister. I should say that we do have some admiration for the ingenious way in which the Minister of Finance has gone about getting around the guidelines tabled by the Prime Minister last Friday. Hotel lobbies, I guess, are the new repository of information.

The Prime Minister has promised open consultation with the provinces. It is clear that the Minister of Finance had in his possession information relating to a very important economic issue with respect to the Province of Manitoba which he did not share with the Manitoba Minister of Finance. Is it to be standard procedure that, when this Government consults with the provinces, it will not give the provinces full, honest and forthright information on matters affecting that region? And will the Prime Minister instruct the Minister of Finance to consult from now on in a more honest and open way?

Right Hon. Brian Mulroney (Prime Minister): I hope, Mr. Speaker, that my hon. friend is not suggesting that when he was a member of the Ministry and negotiated with the Government of the Province of Quebec, he opened his files and said "Here is the federal position". I hope that is not the suggestion, because that was never the case.

The Minister of Finance is a representative of the Government of Canada. He went out to deal with his provincial colleague. The Minister of Finance had information, I assume prepared by his senior ministerial officers, which put the federal case. His *vis-à-vis* on the provincial side, I am sure, was equally well briefed from the provincial perspective. That is the way in which consultations and negotiations take place. Background information and advice to Ministers have always been—to protect the Public Service and the integrity of the process—have alway been privileged. I know my hon. friend would agree with that. I know he would not read anything into that beyond a complete statement of truth by the Minister of Finance.

REVIEWS OF EQUALIZATION PAYMENT MADE TO MANITOBA

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, the Prime Minister said that he wants to continue this process of consultation. Is he aware that there was a commitment made by the previous Government to undertake a review of that equalization payment and to share the information with the Province of Manitoba? If so, would the Minister tell us if that review has been completed, and will the Government share that information with the Province of Manitoba? Will the Government table those documents in the House? And will the Prime Minister, in terms of his own letter that was revealed in those hotel caper documents, indicate why he is contradicting his own Ministers—

Mr. Speaker: Order!

Mr. Axworthy: —when he said you must continue—

Mr. Speaker: Order!

Mr. Axworthy: —negotiating, when the Prime Minister—in fact says he cannot?

Mr. Speaker: Order!

Mr. Axworthy: That is an important issue to my province.

Mr. Speaker: Order. It is not up to the Speaker to decide the quality of the issues. It is up to the Speaker, when an Hon. Member tries to put three questions in a supplementary question, to stop it.

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, clearly, the funds to which the people of Manitoba are entitled were impacted negatively by decisions taken by a Government of which my hon. friend was a member. The provincial Government of Manitoba has raised concerns about

this attitudinal problem which developed under the previous Government. These concerns have been conveyed to us. The Minister of Finance, together with my Manitoba colleagues, is trying to work out a formula which might perhaps be more equitable. The intention of the Government is to repair some of the damage done in the past by the Liberal Government.

CONTENT OF ADVICE GIVEN TO MINISTER OF FINANCE

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister on the same subject. The Prime Minister has talked about the need for open government on the one hand, and about the need for open consultation with provincial Governments on the other hand. Considering that in the brief which was left behind was advice to the Minister that he ought not to "leave too harsh a message to Manitoba right now" would the Prime Minister tell the House—because we are talking about facts here—what the "harsh message" was in terms of facts which the federal Minister had and which he refused to share with his provincial counterpart?

Mr. Clark (Yellowhead): You are not even a good fisherman.

Right Hon. Brian Mulroney (Prime Minister): I suspect my hon. friend would agree with me that if a Minister of Finance for the Government of Canada is sent off to negotiate with provincial Governments, he is entitled, as a representative of the duly elected Government of Canada, to seek and obtain private information from his Deputy Minister which bears upon the manner in which these negotiations might be conducted, consistent with the desire of the Government of Canada to be fair and open. I believe that when the Minister of Finance went to Manitoba—as he went elsewhere—his officers tried to brief him as best they could, and I believe that information should not be considered as isolated variables. It is a package of advice which is given to a Minister of the Government of Canada who is negotiating with a provincial Government in the interests of Canada and that province. Surely there is nothing wrong with that.

ECONOMIC STATEMENT—EFFECT OF BUDGETARY CUT-BACKS ON MANITOBA

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I want to come back to the "harsh message" about the facts. If the Government is going to preach open negotiation and frank consultation, it ought to practise what it preaches. Considering that the factual dispute between the Manitoba Government and the Government of Canada, as reported in newscasts, concerns the number of jobs which would be lost in Manitoba as a result of the cut-back policy announced by the Government, does the Prime Minister not think that it is entirely appropriate for the Government of Canada, through its Minister of Finance, to give to the Manitoba Minister of Finance, and to the people of Manitoba, its own factual analysis of the economic consequences of its own program?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am far from certain that that is the document which may or may not be available. However, I point out to my hon. friend—

Mr. Broadbent: Well, what is?

Mr. Mulroney: I do not know. I did not pilfer the document, so I do not know.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I do not know. However, I point out to my hon. friend that consultation, indeed, is indispensable. Here is an observation from the *Winnipeg Free Press:*

> The provincial Treasury Board of Manitoba has asked Cabinet Ministers to scrutinize department expenditures and submit programs and services that could be cut back or eliminated, a senior Cabinet Minister has confirmed.

● (1430)

They are cutting back in Manitoba, but they did not consult with us. I respect the fact that they are entitled to act within their sphere of competence entirely, and that is what we are trying to do.

Mr. Broadbent: Mr. Speaker, it is a curious world when a Cabinet Minister is so sloppy and careless to leave behind a document that the Prime Minister accuses someone else of pilfering. It is a strange Government we have.

REQUEST THAT GOVERNMENT PROVIDE INFORMATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister of Finance has acknowledged that there are going to be jobs lost as a result of the cut-backs announced in this House a couple of weeks ago. Many of those will affect the people of Manitoba. That Government, as well as other provincial Governments, have the right to know the consequences of the federal Government's policy. Will the Prime Minister not live up to what he promised the people of Canada and the Provinces, and provide such necessary information?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, that is exactly what we have been trying to do. That is the basis of the ongoing consultation with the First Ministers. That is the kind of information that will be exchanged prior to the First Ministers' Conference on the economy. I can tell my hon. friend, because I know he would be pleased, that all provincial Premiers have expressed delight at the improved climate of federal-provincial relations.

QUOTATION FROM ALLEGED LETTER TO MINISTER OF SCIENCE AND TECHNOLOGY

Hon. Herb Gray (Windsor West): Mr. Speaker, the Prime Minister just told us that all provincial Premiers have expressed delight with the spirit of consultation. If that is the case, why is it that the material in yesterday's hotel caper revealed a letter the Prime Minister wrote to his Minister of

Science and Technology on November 20, 1984, which reads, and I quote in part: "I wish to remain—"

Mr. Axworthy: "consistent".

Some Hon. Members: Oh, oh!

Mr. Gray (Windsor West): "—consistent about our determination to achieve economic renewal which may have to override specific concerns of various groups about the hard decisions we have reached in making expenditure reductions"?

Does this letter not make a sham of everything the Prime Minister said about consultation? He is singing one song in public—

Mr. Speaker: The Member had asked a question, I believe.

Mr. Gray (Windsor West): —and singing another song in private.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think the record will show that my hon. friend choked on the word "consistent", and I can understand why.

Some Hon. Members: Hear, hear!

Mr. Mulroney: He seemed to be dismayed at the fact that all of the Premiers were delighted. I meant all of the Premiers except the Liberal ones.

Some Hon. Members: Oh, oh!

LETTER QUERY

Hon. Herb Gray (Windsor West): Mr. Speaker, the Prime Minister worries about the revelation of the text of his letter, but is he denying that he sent such a letter to his colleague, the Minister of Science and Technology, saying that the strategy of his Government is to override specific concerns of groups in the community about budget cuts and their impact on jobs? Is he denying that in the House?

Right Hon. Brian Mulroney (Prime Minister): Yes, flatly.

REQUEST THAT EQUALIZATION FORMULA BE RENEGOTIATED WITH PROVINCES

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is also directed to the Prime Minister and relates to the memo which was either lost or pilfered, and to the consistency that the Prime Minister is talking about. Will he be consistent and keep the promise he made during the election campaign, and renegotiate an equalization formula which affects so many provinces? That is the real question. Will he renegotiate those equalization payments which are so necessary?

Right Hon. Brian Mulroney (Prime Minister): I agree with my hon. friend; that is indeed the question. The provinces are confronted with new situations as a result of unilateral decisions taken by the previous Government. That is the genesis of the problem. The Minister of Finance is in the process of meeting with his provincial colleagues to see the extent to which we might be able to satisfy the points raised by my friend.

GOVERNMENT POSITION

Mr. Rod Murphy (Churchill): I repeat the question. Are you going to renegotiate the—

Some Hon. Members: Order.

Mr. Murphy: —equalization formula? Are you doing that? That is not what this memo says. The memo says the exact opposite. Are you going to negotiate?

Some Hon. Members: Order.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, clearly the agreements have a term and they all must be renegotiated. We will renegotiate agreements at an appropriate time in the interests of Canada and the provinces affected.

* * *

ENVIRONMENTAL AFFAIRS

CHEMICAL POLLUTION OF NIAGARA RIVER

Mr. Joe Reid (St. Catharines): Mr. Speaker, I would ask the Minister of the Environment how she proposes to rationalize the cut-backs in her Department with a report not yet released but quoted in the Ottawa *Citizen* this morning as saying that Lake Ontario, as a source of drinking water for 4.5 million Canadians, faces destruction unless more is done to stop the flow of toxic chemicals into the Niagara River?

Some Hon. Members: Hear, hear!

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, my colleague seems to be referring to a report drafted by two department officials who comment on certain parts of the report I intend to table this afternoon, namely the report of the joint commission on toxic chemicals in the Niagara River.

The interesting aspect of this report by two department officials is that it has been made public a few hours before the tabling of the 600-page joint commission report and that it was drafted in June 1984. One might wonder about the advisability of releasing that report to the media. It has now been made public and I quite agree that it should be examined. My department will make an appropriate response within a few days. In answer to my colleague, I would add that we are still concerned about toxic chemicals in the Niagara River.

[*English*]

PROPOSED WEATHER SERVICE INFORMATION CHARGE

Mr. George Baker (Gander-Twillingate): Mr. Speaker, my question is for the Minister of Fisheries and Oceans but, as he is not here, I will direct it to the Minister of the Environment. The Minister announced that her Department would be charging Canadians for telephone information on weather services. This will not increase revenues as the Minister claims, but it will alienate people from calling the weather office, people like fishermen who should be calling for weather updates. How is the Minister going to impose this ridiculous charge on the Canadian public?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, we are still considering the possibility of imposing user fees for the public at large on certain calls to the weather services because, in any case, that kind of information is always available on a continuing basis in the media.

I repeat what I have already told other media, including certain newspapers and radio broadcasters: fishermen and special clients will not be affected by service cuts.

[*English*]

Mr. Crosbie: Try some more spurious indignation, George.

Mr. Baker: I have a great teacher.

METHOD OF IMPLEMENTATION

Mr. George Baker (Gander-Twillingate): Mr. Speaker, will the Minister not agree that, if she is going to exclude certain occupational groups, it will be impossible to police and control via the telephone, and the interpretation process will actually cost the taxpayers money and no money will be raised?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): I think I have already answered the question, Mr. Speaker, and it stands to reason that we will not implement a measure which might lead to administrative chaos.

* * *

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

GOVERNMENT MEASURES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also for the Prime Minister. What precisely were the harsh measures that the Minister of Finance was not to reveal to the people of Manitoba?

Right Hon. Brian Mulroney (Prime Minister): I do not know, Mr. Speaker, inasmuch as I have not read the document. I know my hon. friend would want that any document be read in its entirety and that we should not be isolating phrases therefrom.

• (1440)

It is clear that all provincial Governments have had to cut back on their public expenditures. The Government of Canada, in the interest of restoring a degree of economic sanity to the finances of the nation, has done the same thing. There have been impacts in Manitoba, which we regret, but we hope that the renewed economy will mean more jobs for Manitobans.

IMPACT OF MEASURES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, does the Prime Minister believe that it is an appropriate action of the Government to refuse to tell the people of a province the impact of the federal Government's measures?

Right Hon. Brian Mulroney (Prime Minister): I hope my hon. friend would agree with me that there is nothing improper in a Minister of the Crown for Canada visiting with a provincial counterpart and having in his possession briefing documents received from his superior officers in the interests of the Canadian position on all matters. It seems to me this is an entirely logical and consistent position to take. His provincial counterpart would have similar documentation. That is the necessary dynamic of negotiation. That is what we are trying to do in Manitoba and elsewhere.

* * *

[*Translation*]

ENVIRONMENTAL AFFAIRS

REPORT ON EFFECTS OF ACID RAIN ON QUEBEC MAPLE TREES

Mrs. Lise Bourgault (Argenteuil-Papineau): My question is directed to the Hon. Minister of the Environment. I would like to know whether there has been a report on the effects of acid rain, and more particularly on the effects on maple stands in Quebec.

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I think my hon. colleague is referring to a study being conducted by Quebec. The Province is concerned about the possible effects of acid rain on maple trees in Quebec and the fast deteriorating condition of these trees in the Province. The study follows a joint study prepared by my Department and Quebec in 1983. We receive all the data on these studies because we have a federal-provincial committee on long-range pollution. We are working together with Quebec and exchanging expertise to keep a close watch on this problem.

EXTERNAL AFFAIRS

IMPORTATION OF JAPANESE CARS—GOVERNMENT POSITION

Hon. Jean Lapierre (Shefford): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. The Minister has just announced his forthcoming visit to Japan, and he is of course aware that in the spring of 1985, which is quite soon, restrictions on Japanese car imports will be lifted. I know the Minister will be meeting with his Japanese counterpart, and I would therefore like to know what position the Secretary of State for External Affairs will be taking on these restrictions, namely, whether they will be continued or lifted.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as the Hon. Member is aware, any decision on this policy will be announced here in Canada, in the House of Commons, before being announced elsewhere.

STATEMENT BY UNITED STATES OFFICIAL

Hon. Jean Lapierre (Shefford): Mr. Speaker, I would like to know what he thinks about what Mr. William Brock, his American counterpart, said, and I quote:

[*English*]

"I would think that there would be no alternative but to fall in line with the American decision". What is the reaction of the Secretary of State to that?

[*Translation*]

Right Hon. Joe Clark (Secretary of State for External Affairs): First of all, Mr. Speaker, I would like to say that Canada's policy is determined by Canada and not by U.S. spokesmen. Second, I am not in a position to indicate today when an announcement will be made with respect to the points raised by the Hon. Member.

* * *

[*English*]

FINANCE

TAX BREAKS FOR CORPORATIONS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, does the Right Hon. Prime Minister agree with the chairperson of the Economic Council of Canada when he says that tax expenditures, usually in the form of tax breaks to corporations, are too numerous, greatly overused, expensive, inequitable, and, worst of all, create very few jobs?

Right Hon. Brian Mulroney (Prime Minister): I agree with the spokesperson of the Economic Council of Canada who said today that the deficit has helped erode business and investor confidence and slowed the growth of jobs in the private sector, and it could be an even more serious problem in the future unless government takes steps to control it.

Some Hon. Members: Hear, hear!

ECONOMIC COUNCIL OF CANADA—STATEMENT BY OFFICIAL

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, if I had wanted that answer I would have asked that question. I will, however, repeat my question. Does the Right Hon. Prime Minister agree with the chairperson of the Economic Council of Canada when he says that tax breaks to corporations are too numerous, greatly overused, expensive, inequitable, and, worst of all, create very few jobs?

Mr. Broadbent: Yes or no?

[*Translation*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think this is an opinion that deserves some consideration.

* * *

ACCESS TO INFORMATION

EFFECT OF GUIDELINES ON PUBLIC SERVANTS

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. Considering this Government's obsession with secrecy and the fact that we have no way of obtaining any information on the studies being conducted by the Deputy Prime Minister on 1,000 programs, $92 billion and 170,000 person-years that are under review, could the Prime Minister inform the House whether guidelines will be published for lay-offs resulting from the Government's review of federal programs?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, perhaps I should explain to the Hon. Member that the idea for the task force chaired by my hon. friend was born as a result of a statement by the Leader of the Opposition who said during the television debate on the French network that billions and billions of dollars were being wasted in Ottawa. That is why the Deputy Prime Minister is now trying to find those billions of dollars.

Mr. Gauthier: Mr. Speaker, once again, I did not get an answer to my question.

Have public servants been consulted on the guidelines that will apply in the case of lay-offs subsequent to the studies being conducted by the Deputy Prime Minister, and can he, and this is my supplementary, give us the assurance that the merit principle will be strictly applied in the guidelines issued by this Government?

Mr. Mulroney: Mr. Speaker, the Hon. Member is jumping to conclusions. We have not reached that point yet. This task force, which, we hope, is a faithful reflexion of Canadian society, has only one objective, and it is not any different from the objective being pursued by my hon. friends opposite, and that is the proper utilization of taxpayers' money. That, and nothing more. We want to spend the taxpayers' money as

effectively as possible, and that is the purpose of my hon. friend's task force.

* * *

[*English*]

FINANCE

ENCOURAGEMENT OF PRIVATE INVESTMENT

Mr. Bill Attewell (Don Valley East): Mr. Speaker, my question is for the Minister of State for Finance. Canadian businesses need more equity investment, not just to create jobs but to help improve their balance sheets and reduce the excessive burden of debt. In the United States about one in four adults invests in common stocks—

Mr. Speaker: With great respect, at this point a question is appropriate.

Mr. Attewell: Thank you, Mr. Speaker. Would the Minister please comment on what measures are being taken to encourage Canadians to invest more in common stocks, and specifically the whole subject of capital gains tax?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I am very happy to answer the Hon. Member's question. The Government agrees, as I certainly do, that the country does need more risk capital and investment which creates jobs.

Some Hon. Members: Hear, hear!

Mrs. McDougall: With regard to the specific taxation policy the Member is addressing, I can only say that we are reviewing all aspects of taxation policy with a view to fairness and equity. We are, of course, concerned that more Canadians take risks in the private sector to create the jobs we need.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

BUDGETARY CUTBACKS—REQUEST FOR DETAILS

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, my question is for the Minister of Communications and concerns the budgetary cutbacks affecting the CBC.

Can the Minister explain how he can possibly consult with the cultural community, the unions and Parliament within the prescribed time frame?

Is the Minister aware that any lay-offs, and there will probably be some, must be announced before next December 7?

If such is the case, how about the promised consultations, when and with whom will they occur?

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, the Hon. Member is well aware that it is up to the CBC to present a program to the Minister of Communications and that this should be done within a few days.

• (1450)

[*English*]

NATURE OF CONSULTATIONS

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, would the Minister flesh out his answer and the answer given by the Prime Minister last Friday to a similar question about CBC cut-backs? The consultations referred to so far only refer to internal CBC consultations. Is this what the Government meant by consultations when it was understood that they would be with the cultural community, not just internal consultations? How can these take place? The Prime Minister referred to informing Parliament of the answer—

Mr. Speaker: The Member has put a supplementary question. Perhaps the Minister should be allowed to answer.

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, the CBC is now reviewing how to use its budget for next year. The Minister will receive the program of the CBC around the beginning of December, and we shall look into the matter at that time.

* * *

[*English*]

PETRO-CANADA

RESIGNATION FORMS PRESENTED TO DIRECTORS

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. The Chief of Staff of the Minister of Energy, Mines and Resources has confirmed that blank resignation forms have been presented to the members of the board of directors of Petro-Canada. Will he tell us what members of the board have been asked to resign, and what criteria have been used in asking for resignations?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I suppose the same criteria that applied for their appointments.

Some Hon. Members: Hear, hear!

Mr. MacLellan: Mr. Speaker, the Prime Minister is saying, then, that resignation is asked for purely on the basis of politics.

Some Hon. Members: Oh, oh!

FOREIGN INVESTMENT REVIEW AGENCY

FUTURE OF BLACK AND DECKER PLANT AT BARRIE, ONT.

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my subject is slightly more serious. I wish to direct my question to the Minister of Regional Industrial Expansion. Last month 600 Black and Decker workers in Barrie, some of whose representatives are here today, were told that their plant was going to be shut down even though Black and Decker had promised FIRA this past spring to keep its operations open as long as it was profitable. All evidence shows that the operation is profitable.

Will the Minister require FIRA to review Black and Decker's figures and plans, which the union feels were not accurately put to FIRA, and direct FIRA to tell Black and Decker to keep the plant open as promised?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I am pleased to inform the House that a representative from my office met with the union officials today. We heard their representations and I will be taking up the representations with the officials of FIRA later in the day. I can assure the Hon. Member that we will not allow their representations to go without getting to the facts of what did occur.

CONSULTATION WITH COMMUNITY

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, will the Minister also consult with the community involved, which is particularly hit because of the possible changes in UIC as well, and then urge his Cabinet colleagues to move on this matter?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, again, I thank the Hon. Member for his question. I can assure him that that has already been done. That community has excellent representation at the federal Government level in the Hon. Member for Simcoe South.

* * *

UNEMPLOYMENT INSURANCE

POLICY APPLICABLE TO PENSION INCOME AND SEVERANCE PAY

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Minister of Employment and Immmigration. As the Minister knows, the Minister of Finance stated in his economic statement that "social policy is about people", and "this Government is committed to the principle that people come first". Would the Minister explain why she has allowed the Minister of Finance to treat pension income and severance pay as income for the purposes of defining unemployment insurance benefits for older Canadians?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I replied to these issues yesterday, in response to a question by the Hon. Member for Kamloops-Shuswap, that we would take his points of view into consideration. However, I want to say to the Hon. Member that indeed we do look upon the economic statement as having social values. That is the whole purpose of the economic statement. It is to create jobs. It is to tackle the deficit. It is to attract investment—

Mr. Speaker: With due respect, I hate to interrupt any Minister but I think it is important for me to indicate that bootlegging is not popular with the Speaker.

CALCULATION OF BENEFITS

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, in view of the rhetoric of the Minister and the Government about their commitment to social policy, will she give an undertaking to the House that pension income and severance pay will not be included for the purposes of calculating unemployment insurance benefits, so that thousands of older Canadians will be rid of the fear which the Government has struck in them?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I want to assure you that I am not a bootlegger, although I have heard the term before.

Some Hon. Members: Oh, oh!

Miss MacDonald: I want to tell the Hon. Member that these benefits will be calculated in a way that is equitable and fair and which treats every Canadian the same as far as unemployment insurance benefits are concerned.

* * *

ENERGY

HIBERNIA OILFIELD—ENVIRONMENTAL IMPACT STUDY

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, the Prime Minister has had a chance to reflect for 24 hours. I ask him again if he will clarify whether or not his Government has received a copy of the environmental assessment impact study on the Hibernia development, prepared by Mobil Oil? The Prime Minister said last Wednesday, and again yesterday, that it had.

His Minister announced in the press last week that in fact the study would not be released and not formally received for six months. Could he please clear the air?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I hoped that the Minister would be back in the House today. She has been detained in Toronto. She will provide my hon. friend with an answer as soon as she returns.

RECEIPT OF REPORT

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, would the Prime Minister indicate to the House on what basis he answered a question last week, and again yesterday, confirming that such a report had been received by his administration?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, on the basis of accuracy.

* * *

SPORTS

SPONSORSHIP OF AMATEUR SPORTING EVENTS BY TOBACCO COMPANIES

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, my question is directed to the Minister of State for Fitness and Amateur Sport. There is much concern about the financing of amateur sport in Canada, especially when the present Government believes that every area of Canadian life must suffer the consequences of its misguided economic policy of cut-back and trim.

Sports bodies are being encouraged to seek corporate support. Would he confirm reports in the press—another was published in yesterday's *Citizen*—that he supports tobacco company sponsorship of sporting events?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport)): No, Mr. Speaker, I cannot confirm that. I said that the Government is studying the situation in Cabinet at the present time. We are meeting with officials from the Sport Medicine Council, the sports associations and, in fairness, from the tobacco companies.

I have said that my personal view is that we should not cut back tobacco sponsorship immediately until we come up with a fair and equitable solution. That solution will be forthcoming in the very near future.

REQUEST FOR BAN ON TOBACCO ADVERTISING

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, will the Minister take under advisement the call which came at a conference on preventative medicine over the weekend for a total ban on tobacco advertising, and to discourage sports bodies from spotlighting tobacco companies in their activities?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I think I answered the Hon. Member's question in my response to his first question. I can assure him that I do not support the promotion of the smoking of cigarettes or any of the other stuff that the NDP is so used to.

Some Hon. Members: Oh, oh!

Mr. Jelinek: I can only repeat that I, along with the Minister of National Health and Welfare and other Cabinet colleagues, am studying the situation and we will resolve it in the very near future.

* * *

• (1500)

BUSINESS OF THE HOUSE

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, I just want to take this opportunity to outline the Government's intention with respect to the calling of House business for tomorrow and Thursday.

As a courtesy with respect to the House, Mr. Speaker, I should like to make a clarification of last Thursday's initial statement on House business. I want to advise the House that the business for tomorrow, in light of the progress we have made for which we are very grateful and appreciative, will be the consideration at second reading of Bill C-11, an Act to provide borrowing authority. If the House completes second reading of Bill C-11, we will move on to the consideration in Committee of the Whole and third reading of Bills C-7 and C-9, in that order.

In the event, Mr. Speaker, that we complete that business, and if there is a spirit of co-operation in this House, which has been the case since the beginning of this session, we propose consideration of Bill C-12, an Act to amend the Excise Tax Act and the Excise Act.

On Thursday morning I propose, depending upon the progress being made, to proceed again with the same order as I have outlined for Wednesday. However, following Question Period and Routine Proceedings on Thursday, it would be my intention to call the motion establishing the parliamentary task force on the reform of the House of Commons. That motion now stands as item No. 3 under the heading of Government Business on the Order Paper. If the House concludes its consideration of this motion prior to the commencement of Private Members' hour on Thursday, we will return to the business that was before the House prior to the midday break.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, the Minister of State (Government House Leader) (Mr. Hnatyshyn) was both giving information and seeking information and I want to help him in planning the next two days. Unless there are changes to the Borrowing Authority Act, it will not go through tomorrow.

Mr. Hnatyshyn: Mr. Speaker, I am sure that we will have the benefit of the point of view of the Hon. Member and any of his colleagues for whom he speaks.

Mr. Deans: I was just trying to be helpful.

Mr. Hnatyshyn: First we listen and then we act.

ROUTINE PROCEEDINGS

[*English*]

GARRISON DIVERSION

TABLING OF DIPLOMATIC NOTE TO UNITED STATES GOVERNMENT

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the other day in the House of Commons the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) asked if I would lay upon the Table copies of a message delivered by the Governments of Canada and Manitoba with respect to the Garrison Project. I am pleased to make available those documents in French and in English.

* * *

[*Translation*]

THE ENVIRONMENT

TABLING OF SUMMARY AND RECOMMENDATIONS OF REPORT ON TOXIC SUBSTANCES OF NIAGARA RIVER COMMITTEE

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, under Standing Order 46(2), I am pleased to table in both official languages the summary and recommendations of the report of the Niagara River Toxics Committee. The full report of 600 pages is being translated and will be available in the next few days.

The review was jointly conducted by the Canadian Department of Environment, the Ontario Department of Environment and the Environmental Protection Agency of the United States as well as the Department of Environmental Conservation in New York State.

* * *

QUESTION ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Government House Leader): Mr. Speaker, the following question will be answered today: 27.

[*Text*]

DEPARTMENT OF CONSUMER AND CORPORATE AFFAIRS LAWYERS

Question No. 27—**Mr. Howie:**

How many lawyers are employed by the Department of Consumer and Corporate Affairs?

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): There are 14 lawyers assigned to the Department from the Department of Justice.

[*Translation*]

Mr. Dick: Mr. Speaker, I would ask that all other questions be allowed to stand.

Mr. Speaker: The question indicated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—NO-CONFIDENCE MOTION—INFORMATION GUIDELINES

The House resumed consideration of the motion of Mr. Turner (Vancouver Quadra):

That, in the opinion of this House, the guidelines issued by the Prime Minister, on November 23, 1984, with regard to the provision of information to the public, are inadequate and retrogressive and confirm the Government's mistrust of and cynicism toward Canadians.

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I rise today to speak on the motion before this House. I think it useful that I remind Hon. Members of what the motion says in light of the extraordinary Question Period we have just witnessed. The motion reads:

That, in the opinion of this House, the guidelines issued by the Prime Minister, on November 23, 1984, with regard to the provision of information to the public, are inadequate and retrogressive and confirm the Government's mistrust of and cynicism toward Canadians.

I want to underline two words from the motion, "mistrust of" and "cynicims" toward Canadians.

We have just had the spectacle of the Prime Minister (Mr. Mulroney) desperately reaching way back to his St. F.X. debating days, to his Laval debating days when he was for two years in a row, we are told in his official biography, the student club debating champion, to try and find some way to gloss over what was very apparent in this House—an attempt by his Minister of Finance (Mr. Wilson) to be, on the one hand, presenting as government policy and the official position of the Government facts a, b, and c, while in his back pocket the real position of the Government of Canada, the real facts with respect to the transfer of payments as they affect the Province of Manitoba, were disguised. They were available to him but deliberately withheld from the representatives of the people of Manitoba and indeed Manitobans themselves.

My real concern, having witnessed that spectacle of the Prime Minister flippantly defending that action by his Minister, is that somehow the Prime Minister, who comes here every day with 210 cheerleaders and 210 who clap their hands, misunderstands the mood of the country. He misunderstands the very serious state at which his Government after only a few

months in office has arrived. Each day, no matter what the issue or how flippant and cynical the Prime Minister's answer, he hears 210 pairs of clapping hands in this House. He has taken to listening to the applause. He goes out of this House believing that he has won the day because he has heard the most applause, believing that the fundamental issue of a government's relationship to the people, and the fundamental issue of openness and honesty between jurisdictions, has gone by the wayside.

I have a piece of advice for the Prime Minister, Mr. Speaker. If he wants to understand how deeply the concern is by Canadians today about the approach of this Government and its dealings with the public, with Members of this House and with provincial governments, he should bring a pair of earplugs into this House and stick them in his ears so that he can weigh questions and the flippant answers he has provided more objectively. For days I have been asking the Government, which claims that it wants to consult, to be open and honest, to clarify what has happened to a report known as the environmental assessment impact study by Mobil, the operator of the Hibernia development. Last Wednesday and again yesterday and today, the Prime Minister told us in the House that his Government had the report. In the November 23, 1984 edition of *The Globe and Mail*, an article concerning the Minister of Energy, Mines and Resources (Miss Carney) headlined "Carney awaits Hibernia decision" read in part as follows:

● (1510)

I delayed Mobil's acceptance . . . pending clarification of how the resource should be developed—

She has not accepted the report. The Premier of Newfoundland has risen in the Newfoundland House of Assembly almost daily for the last two weeks to deny that he has seen the report. The Prime Minister fell into a trap, the trap of truth. He answered a question truthfully. He said: "We have the documentation, we have the information", but he forgot to find out what his Minister of Energy was saying in Newfoundland to a reporter from *The Globe and Mail*. I wonder how he will square that one when the Minister of Energy returns.

What is in that report? What does that report address? How will Hibernia be developed? That is a very complex question with dramatic economic impact for Newfoundland, be it floating concrete platforms or semi-submersible rigs. It is the difference between 1,500 and 50,000 jobs. The answer is contained in the report which has been mugged and gagged by order of both governments for six months. How fast will production take place? What will be the rate of development? That is addressed in the report. How will the federal-provincial management agency function? Who is the great Solomon who will be the neutral chairman proposed by both agencies? That question and how that should be undertaken and accomplished is addressed in the report.

How will the so-called 25 per cent back-in provided to Petro-Canada, a portion of which is to be shared with the provincial government, be handled when the federal Government committed itself to getting rid of the 25 per cent back-in? Indeed, the Government of Newfoundland—and the Government of Nova Scotia already has an agreement—has as part of the agreement a share of the 25 per cent back-in provision.

These are not esoteric questions. These are questions which will impact directly on how Newfoundland can expect to share in the benefits of a resource adjacent to its shores. We have seen nothing but a conspiracy of silence from this Government.

Earlier this morning the Government House Leader stood and told the House that this was the most open government in the land, that this Government in all matters affecting Canadians, regardless of where they live, would consult them, ask for their opinions and ensure that they understood the impact of government policy. He even assured us that he would try to understand the impact of government policy.

In the economic statement of November 16, 1984, presented by the Minister of Finance, we see either cancellations or dramatic cuts in Atlantic Canada alone affecting 24 programs. They will impact negatively upon the people who live in the poorest provinces of Canada. They involve 24 programs and there has been no consultation. A Liberal member of the House of Assembly in Prince Edward Island was elected yesterday. The member who vacated that seat to run federally sits across from me now. The fine gentleman that he is, he knows why they lost that seat. It was because without any consultation in an island province a rate increase was applied to ferry transport. It is not a scenic route by the sea or a pleasant way to spend a day; it is a mode of transportation to move goods and services. Ferry transport was attacked by the Government and a rate increase of 15 per cent was applied with no consultation with the people of P.E.I. There was no discussion. There was no regard to the reality that 99 per cent of the goods consumed by the people of P.E.I. is moved by ferry traffic. It is not flown in. It is not trucked in. It is not driven in. It is not flung in. It is moved across the water. The same is true for Newfoundland. Therefore the people of Prince Edward Island returned a Liberal member to the Hon. Member's vacated seat because they were not consulted. They did it because they did not hear the voice of Conservative members from P.E.I. in this Chamber demanding redress for the arbitrary and unilateral action of the federal Government.

Where was the consultation when RRAP was scrapped? Where was the consultation when COSP was scrapped? Where was the consultation when CHIP was scrapped? Where was the consultation when the Prime Minister of Canada broke his solemn word in cancelling the federal forestry centre for Corner Brook, Newfoundland?

I should like to relate a little history. For two years I fought inside and outside the House, publicly and privately, with Ministers, including members of my own Party, to have the forestry centre moved from St. John's, Newfoundland to Corner Brook. It was a $16 million project approved by Cabinet. The funding was provided by Treasury Board under the adminsitration of the former Prime Minister, the Right Hon. Pierre Elliott Trudeau. During the election campaign it became an issue. I suggested to my constituents that this

Government, taking its orders from the hon. joker from St. John's West, would cancel that centre if it were elected. The local candidate in my riding was so aggrieved that he announced that unless the matter was clarified he would cease to be a candidate. He sent a telegram to the Prime Minister saying: "Will you confirm that if our Party is elected this forestry centre will proceed?" The Prime Minister sent a telegram to the candidate in question. He also sent one to the mayor of Corner Brook, George Hutchings, in which he said:

> The allegations by the Liberal MP for your area to the effect that I or my party is opposed to the proposed federal forestry centre being located in Corner Brook are completely without substance. I assure you as I have assured our PC candidate, Mike Monaghan, that I fully support the establishment of the federal forestry centre in Corner Brook.

Those were the Prime Minister's own words over his signature. What did the Minister of Finance announce on that fateful Thursday when he brought down his financial statement? One of the cut-backs he announced or one of the programs cancelled was the federal forestry centre move from St. John's to Corner Brook, Newfoundland.

I do not know what kind of definition the Prime Minister of Canada applies to truth. The people I represent face an unemployment rate of 27 per cent, according to the latest statistics of the Minister of Employment and Immigration (Miss MacDonald). These people have seen 750 industrial jobs lost in a pulp and paper mill a year ago April. They have just been advised that another 160 jobs will be lost in the next six months. They have seen a very serious decline in the fishing industry. They live in a geographic area of 550 miles wherein 60 per cent of them live in communities with populations under 500.

The people I represent believe that a man's word is worth something. It is not having the Prime Minister on paper that was important. That did not really matter. It was a piece of correspondence to a mayor. What was important was that they had his word. All 90,000 souls, most of whom live in small isolated communities, saw him on CBC, the only television network they receive. They heard him on CFCB and on CBC radio. They heard his words—"I am not opposed to this move which will create jobs for your area. If my Party is elected, the move will go ahead as budgeted for under Treasury Board". They believed him because they are good, decent and believing people. They think that any man who aspires to be Prime Minister of Canada would keep his word when he gives it. That is the right, proper and decent thing to do. They do not expect to see a man stand in his place and treat flippantly and as a joke, to the applause of 211 pairs of senseless clapping hands, that kind of important question.

● (1520)

I would ask the Prime Minister, were he here, whether he thinks that is a good joke, or is the Prime Minister a liar? That is what I would ask him. The people in the area I represent take as an act of faith a man's word. They do not mince words. That same man has played them for a fool. It is a simple one word description. They ask him if he is a liar. If he were here, I would be interested in seeing how he would answer.

I did not expect and no member of this House expected, whether it be NDP or Liberal, that a few months after the election we would be sitting here engaged in this kind of debate about the fundamental credibility of the administration elected on September 4. I thought we were going to proceed with caution but not with paranoia. I thought we were going to see a government be decisive, but not unduly quick, not to the point of riding rough-shod over the rights of journalists, Members of Parliament and the public of this country.

I thought there would be what has been traditionally described as the period of grace before any heated words were exchanged in this Commons. Much to my surprise and I am sure to the surprise of the people of Canada—and we knew they could not meet the promises of the summer of 1984—not only do they refuse to keep their promises, but they have put under attack the fundamental social programs that are the underpinnings of the least advantaged areas of this country—Atlantic Canada, the North and parts of the West. I give the Prime Minister warning to draw upon all his oratorical skills and great debating experience because I will have the opportunity in a few days to ask him in this House if he has lied. I will ask him is he a liar. I will put that question to him.

Mr. Hnatyshyn: It doesn't enhance your reputation.

Mr. Tobin: The House Leader suggests it does not enhance my reputation. However, as I said earlier, the people who sent me here took as an article of faith the word of the Prime Minister of Canada. It is quite simple. It is not complicated. They did not ask for it in blood. They did not even ask for it in writing, although they got it in writing. They will equally want a straightforward and simple definition of what has gone wrong.

How could such a promise made by a Prime Minister be contained in the list of programs to be cut in a budget provided to this House under the direction and with the approval of the Prime Minister by the Minister of Finance? That is the question that is addressed in this motion today. The cynicism is not the fact that this Government has broken promises. It is the ease with which it is prepared to break promises that is bothersome. It is not the fact that it is prepared to be secret, not the fact that it wants to manipulate and manage the news which bothers us so much; it is the flippant way in which they defend it, with big grins on their faces, as the crowd applauds. The best advice I can give this Prime Minister and his Cabinet is to get some ear plugs and wear them. They might be able to get a much more objective view of this country. I warn them that the eyes of the people of Canada are on you in those first few months. They best not try their patience much further.

Mr. Deputy Speaker: Question or comments?

Mr. Robinson: Mr. Speaker, it was interesting to hear the death rattle of the Party to my left in this discussion of cynicism. Certainly those of us who were here in the last Parliament recall all too well the manipulation and secrecy which characterized the Liberal government. It was interesting to hear the Hon. Member talk about respect for Parliament

and for the role of the Member of Parliament when it was his Prime Minister who talked about parliamentarians being nobodies 50 feet from Parliament Hill. There must be a new attitude. As I said this morning, they are born-again Liberals.

The Hon. Member indicated that he is concerned about openness in government, the spirit of openness, accessibility and trust. What is the position of his caucus with respect to the decision of the Auditor General to ask for confidential documents which relate to the Petro-Canada takeover of Petrofina? Do the Hon. Member and his caucus support the request of the Auditor General or do they not?

Mr. Tobin: Mr. Speaker, the Hon. Member spent so much time preparing his question and was so anxious to get to his feet that he began to talk about the death rattle of the Party to his left. I believe that the Tories are in big trouble, but I think it is a bit much to go that far when they have only been in this House a few months. The Hon. Member would much better serve himself, those wo are interested in this House and the listening public if he would bring himself to a position of relative calm before he gets to his feet so that he can stay oriented.

With respect to making information available about Petro-Canada's takeover of Petrofina and with regard to Petro-Canada's development in the offshore, for example, something I am very interested in and have spoken about at length in this House, I as a Member of Parliament would be totally in favour of seeing whatever documents can be placed on the Table of this place. That is my position. I give it openly and with great joy in my heart. I hope it makes the Hon. Member feel a little better.

Mr. McDermid: Mr. Speaker I have a question for the Hon. Member.

Mr. Deputy Speaker: If the Hon. Member will permit me, I would like to make a short statement on this, and on the matter of supplementaries.

On Thursday, November 22, 1984, the Hon. Member for Notre-Dame de Grâce-Lachine East (Mr. Allmand) asked for clarification on the application of the 10-minute question and comment period covered in Standing Order 35. I undertook at the time to comment at a later date, and now might be an opportune time to reiterate the guidelines under which this 10-minute period should operate.

Members will, of course, realize that the recognition of Members during this 10-minute period is totally within the discretion of the Chair. However, as much as possible the Chair will operate under certain guidelines. These were clearly set out by Speaker Sauvé on January 17, 1983, and Members may wish to refer to this statement for more complete details.

To summarize briefly, the Chair will attempt to give priority to Members representing Parties other than that of the Member who has just spoken. Members recognized should keep their questions and comments short, in order to allow as many members as possible to participate. The Chair will cut off any Member who attempts to monopolize the entire 10-minute period when other Members are attempting to participate. Questions or comments must relate to the Member who has just spoken and should not be used as an occasion to bring forward new issues.

With the co-operation of all Members, these 10-minute periods will operate efficiently and to the benefit of the House as a whole and will enhance the quality of debate which, of course, was the intention of this new rule.

I would like to add that on the question of supplementaries, the Chair would prefer that these supplementaries be asked at the end of the 10-minute period so that the Chair is able to see as many Members as possible within the short 10-minute period that we have.

Mr. McDermid: Mr. Speaker, I trust that that time taken did not bite into the 10-minute period that we have to question the Hon. Member.

In the last few days the Hon. Member has been raising in the House the situation in Newfoundland regarding offshore resources and the delivery of same. Could the Hon. Member inform the House—if he can speak on behalf of his caucus—of what method of delivery of that natural resource they favour?

● (1530)

Mr. Tobin: Mr. Speaker, I can tell the Hon. Member right now what method I favour. I favour the use of floating concrete platforms which would be constructed in the Province of Newfoundland. I am four-square behind the position as articulated by both the Premier of Newfoundland and the Leader of the Opposition in Newfoundland. I do not have to consult with my caucus to tell the Hon. Member where I stand with respect to the unacceptably high level of unemployment in my province. In my own riding, the level of unemployment is 27 per cent. I am four-square behind the Premier of the Province, the Leader of the Opposition and every Newfoundland MP—which I hope would include the Minister of Justice (Mr. Crosbie)—in ensuring that a method is used which will bring some economic benefits to the poorest province in Canada. That is the reason for the decision by the federal Minister and the Minister from Newfoundland. There is a large area of controversy between the federal Government, the provincial government and the industry about putting a gag order on the release of the documents which were ready to be made public on November 15.

Mr. Blenkarn: Mr. Speaker, the Hon. Member criticized the Government throughout his remarks for giving him information, for answering questions and for supplying the details of changes in programs. He did not like the changes in the programs, nor did he like the information. I was wondering if he could tell the House, is he supporting the Government on this motion, or is he supporting the Opposition? The motion calls for further information. In that respect, could he perhaps tell us where he has been missing information on the Government's attitude with respect to programs?

Mr. Tobin: Mr. Speaker, if the Hon. Member would take the time to read the motion, he would realize that it condemns the cynicism and the mistrust with which his Government approaches the people of Canada. I can think of nothing more cynical than a government which, on the one hand, preaches consultation with the public and with the people who will be affected by government programs, but, on the other hand, unilaterally announces in the House—consulting nobody, least of all those affected—that there will be $4.2 billion in cuts, especially when one examines those documents and finds out that the cuts apply mostly to the rural, northern and most disparate parts of this country. If the Hon. Member were doing the job he was sent here to do—that is, to be his constituency's spokesman in Ottawa, not Ottawa's apologist in his riding—he would be on his feet and joining me in condemning the actions of his Government.

Mr. Robinson: Mr. Speaker, I am sure that the Hon. Member inadvertently failed to answer the question which I asked initially, so perhaps I might ask a supplementary question.

Does the Hon. Member support the decision of the previous Liberal government to refuse access to the documents requested by the Auditor General with respect to the Petrofina take-over?

Mr. Tobin: Mr. Speaker, I did my best. I tried hard. I jumped up and down in the House and tried to do my homework, but I never made Cabinet. I was not there when those discussions were held. I do not know the context in which they were made.

However, I will tell you as a Member—because in our Party we do not have to check with the Whip in order to open our mouths—that I will support, and do support, access to all the documents that can be made available and tabled in the House. I can say that in this Party—unlike members of the Party opposite—without consulting anyone.

My constituents sent me here to represent their interests, not the interests of my Pary first and my constituents second. That is an unusual position for the NDP to come to grips with. They often speak with one voice. They all sound the same. Surely to goodness when we see that kind of unanimity all the time, we know that the mind has ceased to function on its own and that the ability to receive instruction has been enhanced greatly in that Party.

Mr. McInnes: Mr. Speaker, if the Hon. Member is so concerned and sensitive about this particular issue, would he indicate whether he has made an inquiry of his caucus as to why the information concerning Petrofina was not furnished when it was requested?

Mr. Tobin: Mr. Speaker, I have an earth-shattering revelation which is long overdue in this House. This is November 27, 1984! While it may be mentally overwhelming, Members opposite are in the Government. We must go forward and get on with the job. We are the Opposition. As I can tell by the strained look on the Hon. Member's face, we are the Official Opposition—the only Opposition in this House. I can tell by the glow on his nose that he found that out.

[*Translation*]

Mr. Deputy Speaker: Order, please. The period provided for questions and comments has now expired. The debate will proceed with the Hon. Minister of Communications.

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, in our democratic system, communications and information are the very basis of our decisions. Information helps the citizen find out what statutory benefits are available to him. Information ensures that the citizen is informed of the decisions of the State. It means that the citizen is aware of what Cabinet, what the Government has decided in a specific case. Information and communications are fundamental aspects of a democratic system.

In today's debate, it is surprising that the motion moved by the Liberal Party should be couched in terms we heard earlier. If ever a political party abused information and communications in this country, the Liberal Party certainly did, and it did so for years. One remembers their attempts at objective information on the Canadian Confederation in Quebec, to name only one instance. It is certainly ironic that today, the Liberal Party should be addressing the issue of information.

If Quebeckers and Canadians had been properly or at least better informed, with less cynicism, less propaganda, less patronage and fewer campaign promises by the Liberal Party when that Party held the reins of government, far more Canadians would have been inclined to appreciate the real advantages of the Canadian Confederation.

The issue before the House today concerns a guideline approved by Cabinet for a number of altogether positive and laudable reasons. At a meeting on November 22 of this year, Cabinet agreed that open and effective communications with the public were a matter of the highest priority for this Government. In this connection, ministers reaffirmed the Government's commitment to the principles of the Access to Information and Privacy Act and endorsed the guidelines made public by the Prime Minister (Mr. Mulroney) and sent to the Government's deputy ministers. In fact, the Prime Minister himself explained several hours later that he was fully aware of the Government's duty to be open and accessible to all Canadians, and that this responsibility should be shared by all his Cabinet colleagues and all public servants. The Prime Minister was reaffirming commitments he had made during the election campaign when, on his behalf of his party, he promised to examine the guidelines which has served to govern, I would not say the Government's information policy, but the Liberal Government's policy of secrecy.

At the time he had raised a number of questions with respect to the role of public servants and their responsibility concerning communications with the public.

It would perhaps be useful to see exactly what these guidelines are, what they mean and what kind of questions they raise, if any. The guidelines are as follows: First, communications with the public, including particularly Members of Parliament and newsmedia representatives, are part of the duties and responsibilities of managers in the public service. This means that for a public servant who is informed of the facts, informing Canadians is part of his duty. After all, if citizens are not aware of the real facts, they do not know what is covered by legislation or regulations and cannot enjoy the benefits thus provided. It is therefore imperative that the responsibility of a public employee not be limited to the management of government business, for he ought as well to make sure that the general public is aware of the consequences of that management. That is why the guidelines indicate that a staff function in support of this management role is performed by information officers in all departments.

● (1540)

Each department, Crown corporation and government agency has officials whose professional responsibility is the daily management of information, and their colleagues who are not directly involved in information are expected to consult those information officers. This way, public servants should be prepared—within their areas of responsibility, not in somebody else's bailiwick—to openly provide factual information to the public and the media that describes or explains programs or policies that have been announced or implemented by the government.

Can anyone ask for more open information? Can any government be expected to be more readily available to the people in order to tell them what government is all about? What is it in those guidelines that smacks of secrecy? What is wrong with guidelines urging public employees to ensure that the people are fully aware of each new measure, of the extent of legislation, regulations and administrative guidelines? It is amazing. This debate is a distortion of reality. Some of the people responsible for launching this debate are guilty of mythologizing! The only way to appreciate the true nature of the innuendoes of the Opposition is to consider closely the motion now being debated.

To contribute to open government, such interviews shall be on the record and for attribution by name. What does it mean? It means that if a citizen calls at the Canadian Government office in Caraquet to get information, he finds himself actually facing a public servant whom he knows. The latter tells him about the scope of a regulation, the nature of a benefit or a directive issued by a department. He knows that person, he can quote him or her any time by name, anywhere in town. But then, because this is Ottawa, there are people who are outraged because a bit of public information given to some people for public use is not published.

Why should a certain number of public servants here in Ottawa not be allowed to give meaningful information, to explain the actual meaning and scope of a regulation or a legislation, nor to do it outside the context of public use? If that were so, those people could be suspected of mischievously or meanly distorting the facts about a legislation or a regulation. And because the Government wants to make sure, first that the information given will be truthful, and second that such information could be used at any time, the Government wants to make sure that public servants are fully aware that such information is public and is to be used publicly. This is the least that can be done.

Moreover, Mr. Speaker, we know very well that at times it is essential that technical briefings be provided for the media, for a group of citizens, for a Chamber of Commerce, for a business group. Reporters are not the only ones to be interested in information. All citizens may be. It may therefore happen that at certain times or periods, there has to be briefings, and in that sense, off-the-record background briefings could be given, but only in exceptional circumstances. And this is normal, because normally things must be done publicly. Therefore, briefings can only be held exceptionally, and must get prior ministerial approval.

Guideline No. 3—what does that guideline provide? It provides that public servants should not go beyond this discussion of factual information. A public servant's foremost responsibility is to enforce laws and regulations. His responsibility with respect to information is to make sure that people perfectly understand laws, regulations or directives. This is why we say that what may be discussed by public servants is what exists under statutes or regulations. It amounts to interpreting or clarifying something he is responsible for administering. In other words, what has already been established by the Government, or authorized by the Cabinet as Government policy.

Therefore, it is not proper in that sense for public servants to recommend or discuss recommendations or advice which they themselves have provided their ministers, or to question decisions of principle that could be made or business currently being addressed. This is normal. If we are to have a government working in harmony, ministers who can trust their officials, if we are to have people work in an absolute peace of mind, looking for the best solution to a problem facing the Government, such discussions can only evolve under a minimum of confidentiality, and within the parameters of the oath of office that they themselves have taken. Otherwise it is impossible, and indeed altogether impossible, whether here in government or in any firm, to have discussions, to go through the process leading to decisions, when you cannot trust the people around you. Because we would never know who would use an outside lobby or a newspaper leak to exert pressure on the group entrusted with the developing of policies.

We have to make sure that during the period needed to write the budget, or during which my department for instance, is drafting a Canadian communications policy, or another department is developing some other policy, there is a climate of confidence between the minister and his advisers. And in that sense, since there has been as yet no government decision, no act passed by the Government, nor any order in council, it is normal that during that preparation stage, during that period of collective and joint reflection between officials, such a point in time be placed under the seal of confidence, because then no decision has yet been taken. But once the decision is taken, once the Prime Minister and the Cabinet have issued an order, then the public must be informed of the scope and meaning of that decision, so that people may benefit from what the Government has decided.

Those guidelines, Mr. Minister and Mr. Speaker, and this is guideline number 4, cannot and do not authorize the disclosure of information which is specifically prohibited by law. This is simple common sense! From the point of view of national security, as in the case of the Department of National Revenue, disclosing information on the income of individuals, is something specifically prohibited by law. Clearly then, the guideline reinforces the decision that is already generally known not to publicly disclose things that are specifically prohibited by law. Public employees acting in good faith under the guidelines I have been explaining, will not be considered as having violated their oath of secrecy. People must know that civil servants, like cabinet ministers and Members of Parliament, perform their duties under an oath of secrecy. They must stand by that oath.

I would also like . . . in my view, Mr. Speaker, all that noise, that scramble, that failure to seriously reflect on serious provisions cannot stem from those guidelines issued by the Cabinet. I would like to come back to a normal information and policy process.

• (1550)

Whatever its colour, when a new Government takes over, it is very homogeneous, the Cabinet solidarity is strong and there is much consultation among caucus members and Cabinet colleagues. This is true of all new governments, such as the Government of Mr. Trudeau in 1968 and the Government of Mr. Lévesque in 1976, and if news reporters will look at what themselves or their colleagues wrote at that time, they will see that they were describing the same situation. Those people acted in secrecy. Why? Because that new Government was replacing a previous one which had often ended its mandate in the most total anarchy and confusion, and there was a world of difference between the Pearson Government of 1966, where everyone was talking in the end, and the authority evidenced by the homogeneous Liberal Government in 1968, which the press dubbed a new era of secrecy. However, it was not a new era of secrecy, but rather a new Government which applied the usual standards for any Government coming to power instead of the confusion typical of the last days of its predecessor.

The same thing is happening today. For a year and a half, reporters were informed of everything that can occur within the Government and the various departments because, as the Ministers of the previous Government knew quite well that their Leader would resign as Prime Minister, they were all trying to position themselves, not by having a positive program or a positive decision, but rather by destroying a colleague or criticizing the policy of another Government Member. Naturally, the newspapers found a gold mine in all this and there were many issues to comment. But was this a normal way to administer Canada or a reasonable way for a democracy to operate? Should we have done the same! No, Mr. Speaker! It is not with anarchy and confusion that a Government can guarantee good management to its people, but with homogeneity, caucus cooperation and exchanges among colleagues.

Mr. Speaker, the fact that this Government has no gossip to feed all the tattle-talers in Canada does not mean that its information policy is wrong. On the contrary, it is a good information policy, but with no gossip to give out. This is a good example of it. Indeed, to a certain extent, the same thing happened in Quebec. When the present Quebec Government came to power in 1976, the same discussions about government secrecy in Quebec took place. There are two possibilities. Either some members of the Press—and I emphasize "some" because in this spurious debate there is no consensus—some members of the Press did not take the time to read the guidelines or did not understand them, or on the contrary, because almost total anarchy and decay in Government which are the characteristics of the last days in power of a party, appeal more to them. Unfortunately for them, this Government is just beginning its mandate and it will keep the mentality of a new government for a long time, Mr. Speaker. We want to provide and we shall provide information to the people because well informed people can support Government action, but we want this information to be factual and not about conflicts within the Government.

I know that the opposition feeds on gossip, but the people live on objective information and the benefits of legislation and regulations, and that is the difference, Mr. Speaker.

Mr. Speaker, we would like the Canadian people to be well informed in order to enjoy the benefits of the legislation and regulations because that is how the government will secure their continuing support. The opposition may have less to say but it will be only better for the government because it will explain more thoroughly the benefits made available to Canadians.

This is the government policy, Mr. Speaker. It is clear and unbiased. It is positive and it relates directly to the commitments by the Right Hon. Prime Minister (Mr. Mulroney) and the Progressive Conservative Party to provide an open govern-

ment. It is a guideline closely related to the public interest because Canadians have the right and desire to know the advantages of the legislation and regulations. On the other hand, the guideline gives the cabinet and the ministers a peace of mind and confidence to work with their officials. Thus, Canada will be administered by a team that trusts its officials and a government that gives all the information needed on the benefits of the legislation.

Mr. Deputy Speaker: Questions and comments. The Hon. Member for Ottawa Centre (Mr. Cassidy).

Mr. Cassidy: Mr. Speaker, I am concerned about the statements just made by the Minister of Communications. He is a Minister who must be impartially responsible for communications, but he has shown clearly that, as far as he is concerned, he wants all information provided by the government to be favourable to the government. He stated clearly that, in his opinion, the public must understand the consequences of the actions of the State, and he said that the information provided by the State must be favourable to the Conservative government and the Conservative Party.

Mr. Speaker, I have a question for the Minister of Communications: does he believe that factual information must be released by public servants to the public or to Hon. Members if that information is unfavourable to the government? Yes or no?

Mr. Masse: Mr. Speaker, one thing is clear, and that is that the Hon. Member did not understand the guidelines since he did not understand what I said.

I said clearly and simply that the responsibility of public servants is to inform the people about the reality of the law and regulations. I am talking about hard facts. I never did ask public servants—and there is no reference to that in the guidelines—to make a distinction between what might be favourable or unfavourable to the government.

The directive is clear and specific, and it has to do with facts and reality. We have never claimed that public servants should provide only the kind of information which is in the interest of the government, not anymore, I am sure, than my colleague would urge Canadian public employees to release only information detrimental to the government so as to serve the short-term interests of the New Democratic Party.

What we all want—and if my colleague is honest in this debate on information, what he would want to know and what he would want to see as a reality—is that Canadians be kept well informed about the facts. If that is what the Hon. Member is seeking, he ought to read the guidelines and apply them as do public servants, and the people will be well informed.

Mr. Cassidy: Mr. Speaker, could the Minister explain to us how it is that public service officials have refused to release the results of the recent impact studies on jobs which have been carried out by the government? Why have officials of all departments refused to do that, and why have the government and ministers of the Crown also refused to release the results of these studies which assess the impact of these measures on employment in various regions of our country?

If you really believe that objective information must be made available to the public, so that Hon. Members and the Canadian people as a whole can make an informed judgment on the government's action, why is the government refusing to release this information and why are government officials also refusing to release it?

Mr. Masse: Mr. Speaker, is the Hon. Member seeking information to understand the scope of the legislation, or is he merely seeking information as an Hon. Member? I think that the guidelines are directed first and foremost to the Canadian public as a whole who has the right to know the scope of legislation and regulations.

● (1600)

If the Hon. Member is referring to background documents which are currently serving as the basis for the development of government policy, it is not yet government policy. Once it becomes government policy, there will be information papers which will advise Canadians as to the scope of the regulations and the benefit of the legislation. What we want, Mr. Speaker, is better public information on what the government is offering, not necessarily public confusion due to a host of conflicting documents originating from here and there and everywhere. What we want is to be able to work with our officials in an atmosphere of trust and serenity until legislation is passed and regulations authorized. From then on, we are dealing with "factual" facts which are known to the public, and we want the public to be well informed, because we feel that well informed people would return this party to power for a long, long time, since our legislation and regulations will benefit the Canadian public.

Mr. Deputy Speaker: The Hon. Member for Burnaby (Mr. Robinson) on a question.

Mr. Robinson: Mr. Speaker, the Minister referred to the importance of having a well-informed population. I would like to ask him a question concerning a very specific population, namely the employees of the CBC. If the Minister is sincere when he refers to the importance of having well-informed people, I would ask him why he did not enter into the required consultations before announcing the $85 million cut, if I remember right, in the CBC budget? Why did the CBC employees have to learn about the details of those cuts in the newspapers? The Minister's duty in my view is to explain that to the House and to all Canadians. The question is, first, were there specific studies made on the impact on the CBC

employees, as to how many will lose their jobs. And second, Mr. Speaker, will he publish these studies?

Mr. Masse: Mr. Speaker, the Hon. Member is fully aware of two things. The choice is his. Either he is setting a huge trap, big enough to completely engulf the Parliament of Canada, or else he is badly informed. Since the beginning of this month, I have been explaining in this House, and the Hon. Member has always been listening very closely to my answers. But perhaps I should give him further explanations. It is not my responsibility, as Minister of Communications, to get involved in the day-to-day operations of the CBC. The Hon. Member would be the first to blame me if I were to decide how the CBC will be organized, with a station in this town or in that city, how programming should be developed, or that the CBC should have so many hundreds or thousands of employees. The Hon. Member would be the first to blame me for interfering in areas where I have no business. I am therefore convinced that he did not ask the question out of ignorance. He knows I cannot answer that question. It was a trap, Mr. Speaker, a bear trap or whatever you want to call it. You know very well, Mr. Speaker, that this is absolutely not within my responsibility! The responsibility lies with the management of CBC. They have to develop the budget and send it to the Minister of Communications, who will discuss it and introduce it into the budgeting process within the parliamentary system.

But I would never attempt, and certainly never with your approval, Mr. Speaker, or that of my hon. colleague, to enter the CBC's innards and work my way up to its thinking process. The CBC is an institution which as we must recognize, has been historically very important both to the French-speaking and the English-speaking population of this country. And you may rest assured that the CBC, established as it was by the Progressive Conservative Party many decades ago, will not be destroyed by any disciple of that party, Mr. Speaker.

Mr. Deputy Speaker: Order, please. The question period being over, we will proceed with the debate. The Hon. Member for Ottawa-Centre (Mr. Cassidy).

Mr. Mike Cassidy (Ottawa-Centre): Mr. Speaker, I am very concerned about the speech we just heard by the Minister of Communications (Mr. Masse), and I think there is considerable confusion on the part of the Government, which is talking about open information and favours a communications policy. It is quite clear, however, at least from the perspective of the Minister of Communications, that although speaking is communicating, what we are talking about is propaganda.

The Government wants to impose a propaganda policy that will promote the Government and the Progressive Conservative Party at the expense of the Members of this House, the press here in the gallery and all Canadians, every single Canadian citizen. This is 1984—of course the title of George Orwell's novel comes to mind—and we have had a clear demonstration that the Conservatives prefer a policy that leads to the management of information, to an open information policy.

The Liberals have just criticized the Government for its cynical attitude, but I would say their Government had a similar policy from 1980 until this year. There is very little difference. For instance, it was the former Liberal Government that refused to give the Auditor General the information he needed to examine the purchase of Petrofina shares by Petro-Canada. Today, after criticizing the Liberal Government's policy, the Conservatives are pursuing the very same policy now they are in power. Both parties take the same view that information must be controlled to benefit the Government in power and should not be used to benefit the public and government in general.

[*English*]

I would like to remind you, Mr. Speaker, that in August, the Prime Minister (Mr. Mulroney), as he now is, then the Leader of the Conservative Party, said in Kingston: "The present Government believes that you have only limited rights to know. Conservatives believe you have every right to know". That was a quote, Mr. Speaker, but there were some words left out. It now appears that Conservatives believe you have every right to know what the Conservatives think you ought to know, and nothing more. That is the chilling effect of the new guidelines which were put down last week by the Prime Minister, the interpretation in the communication to deputy ministers and, more recently, as I know from listening to this debate, by the Minister of Communications (Mr. Masse).

I found the interpretation and propaganda which came from the Minister of Communications deeply disturbing. It reminded me a bit of the New World Information Order which has been discussed in UNESCO and strongly criticized by the Government and the people of Canada, the journalists of the free world, the United States and most of the other industrial democracies. That is a policy of news management which has been discussed by some Third World countries, which we have been right to reject in UNESCO, and which I would hate to see imposed in this country.

[*Translation*]

If I may continue, Mr. Speaker, as Leader of the Progressive Conservative Party, the Prime Minister promised a fundamental change in the Government of Canada if the Conservatives took over from the Liberal Party.

This is why they were elected on September 4. What we see now certainly is a fundamental change, but it is designed to restrict even further the freedom of information of Members of Parliament, members of the press and the Canadian people.

[*English*]

As in so many areas, it seems to me that the Government has reversed its stand and has rapidly and precipitously abandoned its promises of making fundamental changes, the promises on which they were in fact elevated to power. These implications are severe for the press and for us in this Chamber. They are particularly severe for the 250,000 men and

women who work for the Public Service of Canada. Many of my constituents are in fact in that position. They are public servants and they work for the people of Canada. The message which they have received in the first 10 weeks of this Government has been very clear and unmistakable. At first it was, "Check it with Erik. Do not say a thing".

Ludicrously, ministries, including the chiefs of staffs of ministries, were not prepared, at the political level, to give any information to the public or the press without checking it with Erik. We heard the rather overwrought and over-reactive responses of the present Secretary of State for External Affairs (Mr. Clark) in his speech in Alberta and the directives he passed down. It got to the point where diplomats had to carry a ten-foot pole so that they would not get too close to members of the public or the press when they attended social events. During its first ten weeks in office, the Government sought to throttle the flow of information. It got to the point where the Prime Minister and his advisers finally realized they had gone too far.

● (1610)

What has the Government replaced that with? We must examine the statement of policy in the Prime Minister's release last Friday as well as its context. We should also bear in mind that the Government has learned a great deal from the Republicans in Washington whose desire it is to put the electronic media in the forefront, to discourage investigative reporting in the print media and to attempt to deliver one message per day.

I believe that in our vast and complex country with which the Government must deal and because of the fact that we have 70 or 80 missions abroad, it is impossible for the Government to function with one message a day. It is not possible to meet the concerns of dairy farmers, those concerned with acid rain, those who want to know its position on Cruise missiles and those who want to know about a small business program in Nanaimo. Too many people require too much information simply to wait in line for some information from the Prime Minister or whatever Minister is designated to deliver such information.

However, it is the Government's clear intention to have a managed and active policy on what it calls "communications". I suggest that this smacks of private sector thinking. I presume that it comes from some of the Government's advisers here. I would suggest to those people who advise the Prime Minister, such as Mr. White, that this is not the private sector. The Government of Canada is not the private sector and it cannot be managed like a private sector company such as Brascan or Imperial Oil.

When the Progressive Conservatives were in Opposition, they criticized the government for delivering a single message through its advertising strategy and for spending too much money for this purpose. However, the Government's letter to deputy ministers states quite clearly that deputy ministers and Ministers should get together to review current communication policies to ensure that "communications to the public are managed effectively in accordance with the priorities of the Government". The Minister of Communications stated this very clearly in his speech. He said that objective information should be put out, which, in his view, would be information that would favour the interests of the Government, that is, in other words, the priorities of the Government. Those guidelines for public servants must be read in the context of a communications policy which wants government information to be in accordance with the priorities of the Government and to be carried by primary spokespersons.

[*Translation*]

There must be a primary spokesperson in each department and each region who will be responsible for departmental communications with members the press, members of Parliament, politicians and the general public. However, we all know, and I have experienced this myself, not simply as a politician, but also as a reporter, that the role of a primary spokesperson is to block information, not to facilitate access to it. For those who are sufficiently knowledgeable to be aware of what information they want, it is also necessary to know the details of a policy or of a government activity.

I was myself a corespondent for the *Financial Times of Canada*. This is a well-known newspaper with no socialist leanings, but it does a good job of discussing government policies. As a journalist of the 60s, I sat here in the press gallery and I did my job of communicating with Members of Parliament and public servants asking for explanations about government policy. If it had been necessary to always speak to the primary spokesperson of the Government, I would have wasted so much time that it would have been impossible for me to do my job, or else, in most cases, that primary Government spokesperson would not have had the necessary information to help me in my work and I would not have been able to meet my deadlines. Each week, I had to write articles to inform my readers, and it would have been nearly impossible for me to do my job.

In addition, as a journalist, I also had to know, not only things like how many tons of steel were produced the month before, which is factual, but what would be, for instance, the impact of the cutbacks just announced by Mr. Wilson, the Minister of Finance. What will be the impact on the Maritimes, for instance, of the policies recently announced by the Government? Will the regions without the backing of a strong private sector, be able to react with the necessary buoyancy to the action taken by the Government, as it relies increasingly on the private sector and not only on the public sector as was perhaps the case in the past?

These are typical questions which are often asked by ordinary people, journalists, members of the private sector, as well as politicians who want to form an opinion about Government policy.

[*English*]

What the Government is saying, however, is that that kind of information will simply not be available. That kind of discussion will not be available because public servants have been told that it is not appropriate to speculate about policy deliberations or future policy decisions. They must not go beyond the discussion of factual information.

I believe we should interpret what factual information is in light of the comments made earlier by the Minister of Communications. In his view, facts are the kind of information which favours the views of the Government.

When the Minister was asked for facts about the impact of the cuts in the CBC, he would not give that information because it was not desirable. He said it would create dissension, tension and problems because such information would cause anxiety for those involved. His advice is to wait until the information is complete and the decisions are made.

An Hon. Member: Until it is factual.

Mr. Cassidy: I suggest to the Hon. Member that factual information could mean that in a year there might be some evaluation paper which indicates that the decisions taken in October of 1984 had the effect of costing more than 1,000 jobs in Radio Canada, particularly in the regional services across the country. That is factual but is still open to judgment, because the CBC could have made those cuts as a result of a reorientation of its policy. Perhaps only 800 of those jobs resulted from cuts, while 200 jobs may have been the result of a separate policy decision. In other words, "factual" is a matter of judgment.

Facts, as they pertain to government, are substantially relative in nature and a matter of judgment. However, matters of judgment, according to the Government, are not to be speculated on or discussed by public servants.

What will happen? There will be a chilling effect, with no information, or the public and the press will be asked to talk only to the political assistants to the Ministers. Those political assistants will eventually say that they cannot do their jobs because people are constantly calling them. They will cease to return calls and information will be throttled in that way.

Perhaps certain journalists, members of the Opposition or even deputies from the Government will have some of their channels restored, but public servants will always face the risk that they will be told to make a note of who they talk to. They may be questioned about what they said. Although journalists or deputies may not consider a certain matter to be on the record, it might be on the record as far as the Department is concerned. We do not know what consequences that will have.

Eventually, when public servants are deemed to be talking too much or are seen with the wrong people at lunch, they will be brought on the carpet and shown these guidelines. They will be told to shut up and not to do anything that might be deemed to be giving succour to the public or to the press.

In conclusion, the Government is giving a very clear message to public servants that if they want to progress they should keep quiet, give as little information as possible and discourage free discussion. The Government does not want to allow the free flow of ideas, which is a concept upon which western society has been based. It frightens me that a government that believes in free enterprise and the free flow of ideas in the commercial sector would want to throttle the free flow of information with respect to its policies.

• (1620)

We in the New Democratic Party think that basic changes in the direction of openness should have been implemented by this new Government in its first three months in office. We all know that once a government is in office for six or nine months, the old ways set in and it is very difficult to go in a new direction.

I happen to think that the statement made by the Joe Clark Government in 1979 was a positive statement that went in the right direction. I wish that that had been repeated rather than superseded by the statement made by Mr. Mulroney just a couple of days ago.

The Acting Speaker (Mr. Paproski): Order, please.

Mr. Cassidy: I mean the Prime Minister.

The Acting Speaker (Mr. Paproski): I have already reminded the Hon. Member a couple of times. The Right Hon. gentleman for Yellowhead (Mr. Clark) should be referred to as the Right Hon. Member for Yellowhead. The same refers to the Prime Minister.

Mr. Cassidy: When the Secretary of State for External Affairs (Mr. Clark) was head of the government I thought that government's policy was going in the right direction. I am sorry that that particular precedent has been thrown to the wind.

I would remind members of this House that in Sweden, where there has been a Social Democratic Government for most of the last 50 years, the policy was one of total openness, to the point where correspondence with the ministries is made accessible to journalists, deputies, or whoever wants to look at it along with responses from the ministries. A person can go to any government bureaucracy at nine o'clock and look at correspondence day after day after day. The Swedes have pioneered that kind of openness. It has made for an excellent level of public debate. The Government has not been undermined because different options are being thrown around. People enjoy free discussion. People have the kind of information that has been systematically shut off by our Government over the course of the last few weeks, Mr. Speaker. I point out, in contrast, that when we have sought information about the impact of government measures and cut-backs, that has been consistently denied. Mr. Mulroney said—

The Acting Speaker (Mr. Paproski): Order, please.

Mr. Cassidy: I beg your pardon, Mr. Speaker. The Prime Minister in August stated that Conservatives believe people have every right to know. He made a promise to that effect.

That is a broken promise, one that has been broken not only by the Prime Minister but by all his Government. I call the attention of the Government to the kind of model which the Social Democrats have pioneered in many nations of the world, rather than this propaganda mentality which says that the only information that will come out is that which is favourable to the Conservative Party.

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

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I have a question for the Hon. Member for Ottawa Centre (Mr. Cassidy). Since he represents the Ottawa Centre constituency, he must have had the opportunity over the weekend to see his constituents, as we all do, to discuss some of these issues. Could he let us in on any reaction he may have had from civil servants who are likely to be affected by these guidelines?

[*Translation*]

Mr. Cassidy: Mr. Speaker, I will remind the Hon. Member the response of the Public Service Alliance which has quite correctly detected the dangers of the policy just stated by the government. I have had a few reactions from public servants but I think that many are frankly afraid to speak openly with a member of the opposition. It will take a little time. Then some of them will perhaps begin to show some courage. However, it is a good thing that some officials could discuss with me the impact of cuts, for example at the National Research Council. They knew quite well that they were taking some risks since the government had clearly said that even factual information given to the opposition about the impact of the cuts could jeopardize their careers.

[*English*]

I believe if that were the case in the early days, the elaboration of the policy as it is now being explained by the Government will simply continue that chilling effect where people will have to meet members of the Opposition in parking garages. They will be making clandestine appointments late at night. This will turn 250,000 civil servants into a bunch of "deep throats", Mr. Speaker. They will have no other option in terms of how they get necessary information, which they believe it is their duty to communicate, because, as the Minister of Communications seems to indicate, factual information, entirely factual information even, will not be permitted to get out if it is unfavourable to the Government.

Mr. McDermid: Mr. Speaker, is the Hon. Member aware of the document which was produced in July, 1981 entitled, "Communication Roles and Responsibilities" which the previous government put out? Does he not think that the present guidelines as laid down by the Right Hon. Prime Minister (Mr. Mulroney) are far more fair, far more reasonable and will promote more openness than those restrictive guidelines the Liberals had in their heyday?

Mr. Cassidy: Mr. Speaker, if the Hon. member looks and compares the guidelines set out by the Conservative Government in 1979 and then the guidelines set out in 1980 by the Liberals, he will find they are similar. They are almost the same. The guidelines set out last week are drawn largely from that source, with the exception that there is a prohibition on off-the-record interviews. That in itself has a chilling effect. But it is what surrounds those guidelines in terms of the directive about communication policies to deputy ministers, the designation of spokespeople and the way the Government has behaved with respect to information over its first 75 days in office that has created such disquiet, in my opinion, not just among us on the opposition benches but among people working for the civil service as a whole.

The Hon. Member asked whether I am not upset over the guidelines that existed under the former Liberal government. Yes, I am, Mr. Speaker. As Mr. Mulroney said in August in Kingston—

The Acting Speaker (Mr. Paproski): Order, please.

Mr. Cassidy: I beg your pardon, Mr. Speaker, the Prime Minister. As the Prime Minister said in August in Kingston, the present Government believes that people have only a limited right to know. I beg your pardon, Mr. Speaker. I have to ask for your forbearance. I will change. It is difficult for me to accustom myself to different rules.

The Acting Speaker (Mr. Paproski): If I bring it to your attention often enough, I am sure you will.

Mr. Cassidy: I think you will, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Cassidy: As the present Prime Minister said in August, the present Government believes people only have a limited right to know. He was referring to the guidelines that existed in 1981. If he believed those guidelines were wrong, why has he made them more restrictive rather than more open?

The Acting Speaker (Mr. Paproski): The period for questions and comments is now over. The Hon. Minister for Supply and Services (Mr. Andre).

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, first I would like to direct a comment to the Hon. Member for Ottawa Centre (Mr. Cassidy) and suggest that he try to make up his mind. On the one hand he offered as an example the Swedish procedure where apparently anybody can look at any letter. Yet, on the other hand, he criticizes the guidelines that suggest that when our public servants talk in that open way to the media they must also identify themselves. Surely you cannot have it both ways, Mr. Speaker. You cannot call it sinister when, first, it is suggested that when you talk to the media you are to be identified, and, second, it is suggested that you keep things open.

Mr. Cassidy: Make everything public. This is news management.

Mr. Andre: I want to address the Hon. Member's comments about the so-called policy of releasing only factual information that is favourable to the Government. That is nonsense, and the Hon. Member knows it. One of the biggest releasers of information is an agency responsible to me, namely, Statistics Canada. Every day it releases information, some is favourable to the Government, some is not. There is not the slightest suggestion anywhere from the Government, in these guidelines or anywhere else, that this would somehow be filtered and that only factual, favourable information would be released.

Some Hon. Members: Hear, hear!

Mr. Cassidy: Where are the impact studies?

Mr. Andre: The Hon. Member is making absurd judgments or comments on the intent. He quoted the Prime Minister's statements made during the election campaign. I am glad he did. The Hon. Member for Ottawa Centre also quoted a part of the letter which the Prime Minister released, a letter to Ministers and deputy ministers indicating the Government's policy toward communications with the public. The Hon. Member quoted only a portion of the paragraph. I should like to read the whole paragraph to demonstrate that in fact it is entirely consistent with and a fulfilment of the promise in Kingston. The opening sentence reads:

• (1630)

In view of the Government's commitment to openness—

There is a statement to deputy ministers and Ministers, made public, that the Government is committed to openness. It is exactly consistent with the promise made during the election campaign. It continues:

—Ministers have also agreed on the need to review with their Deputy Ministers the current communications policies, procedures, resources, and management structures within their departments to ensure that communications with the public is managed effectively in accordance with the priorities of the government.

Mr. Cassidy: That's it, that's it.

Mr. Andre: Exactly. The priority of the Government is openness. We are instructed to examine our structures and methods to make sure that we are consistent with the priority of the Government, which is openness.

Some Hon. Members: Hear, hear!

Mr. Andre: If the Hon. Member would read that paragraph objectively instead of pejoratively, he would in fact be applauding the Prime Minister (Mr. Mulroney) for this letter. It is an indication of our commitment to openness. The paragraph continues and suggests that at long last we have a government in Ottawa which recognizes that there is a lot of country outside the capital region. It suggests that Ministers and deputy ministers be particularly sensitive to communications to the regions of the country and that they have communication capabilities so that not only the tight little group on Parliament Hill knows what is going on but the whole country knows what is going on. That is the commitment to openness the Prime Minister introduced in fulfilment of his promise which the Hon. Member quoted to the House earlier.

I am surprised, although I suppose I should not be, at the crass hypocrisy of the Liberals in claiming that the Government is overly secretive. I cannot count the number of times when, as a member of the Opposition for nearly 12 years, I was stonewalled by the then Liberal government and told that it was none of my business what the government was doing. I cannot count how many times I wrote to Ministers, talked to Ministers, talked to government and talked to officials trying to get some information, only to be told that it was none of my business. Perhaps it is an exercise through which we should go. I wonder how many questions were left—

Mr. Gauthier: Mr. Speaker, I rise on a point of order. During debate one can exaggerate, but the Hon. Minister is saying that he talked to Ministers, to public servants and to people over the years as a member of the Opposition and never got a true answer or an answer. I think that is an exaggeration. I know him to be an honest man who talked with us before. He has had information from the Public Service and from the government, and he knows it.

The Acting Speaker (Mr. Paproski): Order, please. That is not a point of order.

Mr. Gauthier: No, but it is a good point.

Mr. Andre: At the end of my statement the Hon. Member for Ottawa-Vanier (Mr. Gauthier) will have an opportunity to make his comments. However, it would be an interesting exercise to count the number of questions left on the Order Paper over the last 16 years which were not answered by that government. Perhaps we could have a pool. Personally I would like to pick a number somewhere in the vicinity of 10,000.

Mr. McDermid: And those were only Tom Cossitt's questions.

Mr. Gauthier: Eighty-five per cent were answered.

Mr. Andre: They were questions by Members of Parliament asking the government for factual information. They were not asking for opinion.

Mr. Gauthier: As of today, you have only answered five questions out of one hundred.

Mr. Andre: That factual information was not permitted. For the Liberal Party of Canada, with its record, to accuse this Government of excessive secrecy is like the Ayatollah Khomeini accusing Ronald Reagan of being a dictator.

The Hon. Member for Hamilton East (Ms. Copps) who spoke earlier delivered a tirade crammed so full of hyperbole that it was almost worthy of her predecessor. If she were sincere in her remarks, I cannot imagine what objectives she would use to describe the behaviour of the previous Liberal government.

The Leader of the New Democratic Party in his remarks acknowledged—and I give him credit—that advice from officials to Ministers should remain secret. He acknowledged that the functioning of our parliamentary system, imperfect though it is, requires that officials be able to provide advice to government and to Ministers in secret. Then he went on to say that something called "studies" should be made public. It makes one wonder just what the Leader of the NDP believes regarding the form or type of advice officials give to Ministers. Surely he recognizes that, depending upon the issue under consideration, all manner of studies, analyses, proposals, opinions, et cetera, are given to the Minister. If it were to prevail that advice which might be considered to be studies must somehow be hived off from the rest of the advice and made available, surely the Leader of the NDP must recognize that studies as such would never be committed to paper. That is the sole consequence, just as I am certain that the consequence of the Swedish experiment about which he talked is less letters and more telephone calls.

As I indicated, the Leader of the New Democratic Party recognizes that in fact it is essential for the workings of our system that advice be available to the Government on a confidential basis. He recognizes that. I applaud him for that. If he truly believes that, he would not continue this absurd charge that somehow the Minister of Finance (Mr. Wilson) is not releasing information he ought to release. I believe he must be sincere in his statement that ministers should have the right to receive confidential advice from their officials prior to the formulation of policy decisions, that is in the policy formation stage, that that advice is to be kept confidential for the workings of this place, and that the Minister must then stand in his place and defend the decision taken. If so, then, in all conscience he cannot turn around and say that he has a suspicion that some of the advice the minister may have received from his officials may not entirely support his decision and then demand to be given that information so that he can stand in the House and beat him over the head with it. He cannot be on both sides. If he believes, as I do, that as the system is structured advisers must be in a position to advise the minister in confidence, then he cannot turn around in all good conscience and say that he wants some of that advice released.

As important as the confidentiality factor is in advising Ministers and government, it is equally important, in fact very important, that the Government communicate with the public in terms of its decisions, programs and activities. It is essential to the operation of our democratic system that there be that kind of openness and that kind of communication.

It is for that reason that the Prime Minister issued these guidelines. Hon. Members should read the guidelines objectively prior to reaching their decisions. The opening statement reads:

1. Communications with the public, including particularly Members of Parliament and news media representatives, are a part of the duties and responsibilities of managers in the public service.

It simply says that communicating our activities, our decisions, our programs, is an important part of the function. It is a direction to the Public Service to be open and to communicate. It is not a restriction; it is a direction. It continues:

2. Public servants should be prepared to openly provide—

It instructs them to be prepared, and then continues:

—factual information to the public and the media within their areas of responsibility that describes or explains programs and policies that have been announced or implemented by the government.

The instruction is that public servants are to be prepared to be open on all these questions. To call that somehow a gag rule and to suggest that we are restricting openness is absurd in the extreme. It is a flight of fantasy, it is imagination. It continues:

3. Public servants should not go beyond this discussion of factual information. It is not appropriate to discuss advice or recommendations tendered to Ministers—

That is simply stating in these guidelines what the Leader of the NDP agreed to in his comments earlier this day when he said that that kind of advice must be kept confidential. He acknowledged that it is essential for the operation of our system that the advice be kept confidential. That fact is stated in point 3. How can that be viewed as a muzzle on the press, a restriction, a gag rule when it merely states in the terms of reference what everybody in the House, I believe in all honesty, agrees is absolutely necessary to the operation of our system?

● (1640)

In his remarks, the Leader of the New Democratic Party said that other jurisdictions have situations where advice is given to Ministers in a formulation. I believe he indicated that that is the situation in the United States. He is totally wrong, as he frequently is. Every democratic jurisdiction recognizes that you have to be able to have open discussions with some confidentiality, discussion with advisers of a confidential nature or you will not get the benefit of that advice. That is all these guidelines state. Discussion on policy alternatives, be they in the form of surveys, studies, opinions or whatever form, which are part of the decision-making process should be kept confidential. Everything else should be open. More than that, Departments should be in a position to provide that information, not just here in Ottawa but around the country. It is an explicit statement here in support of the commitment to openess of the Prime Minister during the election campaign.

It is absurd to have this debate today criticizing guidelines which are a declaration of our openness. It is absurd to say that they are somehow restrictive. Perhaps more absurd is to have that motion introduced by the Liberal Party. It has to be the height of absurdity that the Liberal Party with its record would introduce this kind of motion and suggest that this Government is not being open.

Perhaps the new Government is not perfect, but one area where we do not need lectures from the Liberals and in which I am totally confident is the area of communications. It is the height of hypocrisy and nerve for that Party to stand up in the House and rant and rave about secrecy, given its history. A new era started on September 4. It is an era of openness and

accessibility. These guidelines simply make sure that that will happen.

The Acting Speaker (Mr. Paproski): I shall now entertain questions or comments.

Mr. Robinson: Mr. Speaker, I listened with interest to the remarks of the Minister of Supply and Services (Mr. Andre). Apparently the minister has not read the letter with the former guidelines which was circulated. That letter was signed by the then Prime Minister, now Secretary of State for External Affairs (Mr. Clark). That letter contains a couple of interesting paragraphs which are omitted in the letter signed by the present Prime Minister. I want to draw this to the attention of the Minister and then ask him a question. One paragraph reads as follows:

> One of the things we can do is to encourage open and responsive behaviour among public servants in their day to day dealings with the public, including particularly Members of Parliament and representatives of the news media.

That paragraph is completely missing from the present Prime Minister's letter. Instead, we have directives to deputy ministers with veiled threats that their performance appraisals will be affected if they do not clear up their act. Second, referring to Ministers, we have the following:

> It is for your decision which levels of public servants in your department are to be authorized to deal with the media. However, in the spirit of the guidelines, this list should be broad rather than narrow.

Nowhere in the present Prime Minister's letter is there any reference to broadening the number of public servants who will be accessible to Members of Parliament and the media. Instead, we have the creation of a primary spokesperson who will be some sort of media czar through whom all information will be channeled. The author of the 1979 letter and guidelines should be concerned about the extent to which they have been subverted.

I want to ask the Minister a specific question. I have before me a copy of the guidelines written by the former Prime Minister, now Secretary of State for External Affairs. I have the guidelines which were drawn up by Cabinet on Thursday of last week. In Kingston on August 12, when campaigning for office, the Prime Minister said, "Not since the last war have Canadians had a government so obsessed with secrecy as they have today".

Looking at the guidelines which are in effect today, comparing them with the guidelines which were in effect during the Liberal term in office, where in the new guidelines is there any indication whatsoever of an attitude of greater openness? The only change in these guidelines is to prohibit off the record conversations with Members of Parliament and with the media.

I agreed with the then Leader of the Opposition that what they have done is to impose a gag or muzzle. How can the Minister stand in his place and suggest they are more open when in fact they have taken a step backwards?

Mr. Andre: Mr. Speaker, I would ask the Hon. Member to again read the opening sentence in the guidelines:

> Communications with the public, including particularly Members of Parliament and news media representatives are a part of the duties and responsibilities of managers in the public service.

It is a declaration. It is part of their duty to communicate. In the letter it says:

> In view of the Government's commitment to openness—

If that was not the Government's commitment, why in heaven's name would the Prime Minister write that in a letter to deputy ministers? Why would he write to deputy ministers of this Government's commitment to openness if it were his intention to do exactly the opposite? That is absurd. You are fabricating. You are beating the blazes out of some straw man that does not exist, a straw man of a secretive Prime Minister, of a secretive government, and you are pummelling the devil out of that straw man. He does not exist. Read the document, "This government's commitment to openness". It instructs officials not only to be prepared to communicate with people here in Ottawa, in our cosy little cocoon, but to communicate with people throughout the country so that they might know what we are doing. It instructs Departments to be open and to communicate with the rest of the country. Calling it secretive and imposing a gag is to be at least unfair, if not worse.

Mr. Gauthier: Mr. Speaker, the Minister seems to be living in some outside world. I remind him that it is not this Government, this Party, or this Opposition, but the media who are seeing you as being secretive. "It is secrety time". "Paranoia starks Parliament Hill". "Tories keep us in the dark". "The Great Stone Wall". "Finance Minister refuses to release information". There are headlines in the media every day. You should read *The Globe and Mail.*

The Acting Speaker (Mr. Paproski): Will the Hon. Member address the Chair, please.

Mr. Gauthier: In an article in last week's *Globe and Mail*, Patrick Martin stated as his fourth rule for the Tory dynasty, and I quote:

> Centralize the message. "If this Government is going to centrally run anything, its the media," admitted one senior Mulroney adviser on the condition that he not be identified.

This was an off-the-cuff remark.

> "Its going to be managed," he said, referring to the message that the Government will allow the press to record.
>
> The Mulroney administration has already become known for this. Ministers have been muzzled—

This Minister has the gall to say that he is part of an open government. It is perceived in the real world as being one of the most closed keyhole administrations we have ever had in this country. On top of that, he has the gall to come here today and say to the House that the former government did not answer questions on the Order Paper, when the record will show that 85 per cent of the questions were answered. But his own administration, out of 100 questions, has answered only four. Only four questions have been answered in three and a half weeks. Who is withholding information? The Government is. I beg to say to the Hon. Member, that 85 per cent is a

damn good average compared with his Government's, which is about one-twentieth, or about 5 per cent.

• (1650)

Mr. Andre: Mr. Speaker, I am heartened to note the Hon. Member's faith and belief in the writings of the media. Apparently he agrees with the view of the media. Therefore, I look forward to his challenge to the Leader of his Party, that is if he supports the view of the media and I look forward as well to his admonition to his Leader to release the letter he and his predecessor exchanged which, as the media has suggested, is most proper.

Mr. Gauthier: The election is over.

Mr. Hnatyshyn: It is a new Liberal Party.

Mr. Andre: Oh, I see, this is a new Liberal Party.

I would only reiterate to the Hon. Member that he should take the facts. There have been suggestions all afternoon that factual information about government activities should be transmitted, and everyone agrees. Will he please take this factual statement of fact. The guidelines state quite specifically that this Government views communications with the public as very important and that the Government has instructed the officials to put in place the mechanism to communicate with the public, not just here in Ottawa, but across the entire country, so that the people in the so-called regions of the country can have the same access to information and can be communicated with in the same way as people in this nice little cocoon in Ottawa.

As I indicated earlier, the reality is that the Opposition is beating to death a straw man with no substance, no soul and no reality. In fact, the real substance of the situation is a government committed to openness and communication with the Canadian public.

The Acting Speaker (Mr. Paproski): One short and succinct question, with a short and succinct answer. The Hon. Member for Ottawa Centre (Mr. Cassidy).

Mr. Cassidy: Mr. Speaker, I would like to ask the Minister a factual question. I would remind him that a member of the Public Service was rapped over the knuckles for giving an answer to a certain question. The question was, "Does the Prime Minister have a nanny on the payroll?" If he will recall, the reason the public servant was rapped over the knuckles was that the answer was no, that he had someone who was a maid and who helped out with the kids. Is the question, "Does the Prime Minister have a nanny on the payroll?" a factual question? Could the Minister indicate to the House what is a factual question?

Mr. Andre: Mr. Speaker, I thought we were talking about factual information. I do not know what is a factual question. I cannot get my head around that. However, I know about the communication of facts. The facts the Hon. Member was alluding to were communicated by the Prime Minister's press secretary. So if he can read, he knows the answer.

The Acting Speaker (Mr. Paproski): The time for questions and comments is now terminated. I will recognize the Hon. Member for Beauce (Mr. Bernier).

[*Translation*]

Mr. Gilles Bernier (Beauce): Mr. Speaker, I was not going to speak in this debate, but in view of the irresponsible attitude taken by the Liberal Opposition and especially the article by Jeffrey Simpson published in the *Globe and Mail* this morning, "The door stays shut", I think I have a duty to take the floor.

Mr. Speaker, I would like to talk about the communications guidelines. I must say that since it was elected on September 4 of this year, this Government has been acting very wisely, considering the economic shambles we inherited from the previous Government.

Mr. Speaker, there has been far too much "laissez-aller", and that is why corrective action is necessary and why Canadians have endorsed such action, as expressed in the policies announced by the Conservative Government.

At my riding offices, Mr. Speaker, and everywhere else in Quebec and Canada, constituents favour the measures adopted by this Government. When we came to power we said we would clean up the mess, and that is what we are doing.

Mr. Speaker, when the Prime Minister said during the election campaign that the deficit would be over $30 billion, the Government at the time said he was wrong. Now we know that the Prime Minister was right. When he asked for papers on the economy, the then Government steadfastly refused to provide them. The Leader of the Liberal Party kept saying: No, sir, you are wrong. The facts were different, however. One might say that our predictions were substantially accurate. This Government must now find an acceptable way to deal with the situation. Why were public servants not allowed to provide this information last summer? Mr. Speaker, I would suggest that perhaps they were afraid to release for public consumption information which would have put many people to shame. Perhaps they were hesitant under the previous government, hiding behind the smokescreen of confidentiality or for any other motive, hesitant to come clean with the people. They did not want the people to know anything about the administration of public funds.

People who have been in office in the past know very well that the government had full discretion when it came to releasing information. In that context, unfortunately, all information which Canadians rightfully expected to have to be able to pass their own judgement on the administration was practically unavailable or, at best, diluted. The government did not reveal more than it wanted the people to know. Had the people of this country been kept well informed, it is a safe bet that the Liberal government would have been thrown out a long time ago. Now that we have come up with communication guide-

lines, the Opposition screams foul play. Yet those guidelines are designed to guarantee open and responsive government.

• (1700)

During the election campaign, we promised to review the guidelines on Government secrecy, especially those governing the role of public servants and their responsibilities when communicating with the Canadian public. We told the people that we would take action in this area. We did not wait for years as did the previous Government to establish guidelines on communications.

During the Cabinet meeting of November 23, the Prime Minister and all the Ministers reaffirmed our commitment that open and effective communication with the public would be an absolute priority for this Government. The Ministers also confirmed the Government's commitment to the principles contained in the Freedom of Information and the Protection of Privacy Acts. This is a positive, practical and realistic approach on the part of a Government which is open to the people. On the other hand, under our system of Government a Minister, normally chosen among his peers in Parliament, is traditionally accountable to Parliament, and only to Parliament, for the action taken by his department. This is the basic principle of ministerial accountability. In view of this, it is normal for certain restrictions to exist or for certain matters to remain confidential.

In spite of this, our Government will be known as an open government accessible to every Canadian citizen. If after 20 years in power, the Liberals were unable to establish clear and satisfactory guidelines on communications, they have only themselves to blame. If they refused to act and if we have inherited the results of their inaction in this area, they should be the first ones to congratulate us for the initiatives we are taking after less than three months in power.

However, to avoid giving out inaccurate or erroneous information, it is standard practice to provide guidelines for public servants asking them not to comment upon political decisions or certain documents which must remain confidential for security reasons. This is not censorship, but the provision of appropriate information to the people concerned. In this spirit, we can be certain of providing accurate information without distorting its meaning. Government information will therefore be clear and to the point. This is why the guidelines emphasize that all the contacts between public servants and members of the media must be on a non-confidential basis and for attribution by name. I am convinced that public servants should be prepared to openly provide factual information to the public and the media within their areas of responsibility that describes or explains programs and policies that have been announced or implemented by the Government. It is a responsibility and a duty to undertake to do that, as I do with my constituents and people from the media in my constituency.

People wishing to discuss recommendations or advice as provided to the Minister or to question decisions that might be taken or business currently being addressed should get in touch with the Minister. We are elected representatives, we have received a very definite mandate from the people and it is our duty, especially the Minister, to answer and provide details on the policies of this Government.

Most importantly, we cannot have everybody at liberty to say what we are doing. This is something we have to tell the Opposition and the media, and let them comment if they so wish. We have been elected in a democratic way, and we are assuming our responsibilities, quite simply.

If in the past, guidelines such as guidelines no. 45 issued by the then Liberal Cabinet in March 1973 did put limitations on the information held by the Canadian government, the Conservative Government has attempted to remedy the situation in October 1979 by introducing Bill C-151, the Freedom of Information Act. Had that Bill been passed, it would have made Canada the first federal government with the British type of parliamentary system to have a legislation giving the public access to government documents. In July 1980, the Liberal Government introduced in the House of Commons Bill C-43, the information bill which dealt with the Freedom of Information Act and the Protection of Privacy Act. The legislation was given Royal Assent in July 1982. While Bill C-15 would have provided for an exemption for Cabinet documents, the Freedom of Information Act states it does not apply to such documents. The difference means that under Bill C-15, Cabinet documents would have been subject to provisions concerning judicial review, but they are not subject to such review under the Freedom of Information Act.

By unduly criticizing the guidelines issued by this Government, the Liberals simply confirm their disregard for some of their own bills.

Reference is made to muzzled civil servants, Mr. Speaker. Why, we make sure that public servants can communicate with the public under the guidelines issued by the Liberal Prime Minister who was in office in July 1981. Ministers, so he said, have a responsibility to establish, to delegate adequate powers of communication and information to their own staffs and officials. Public servants are not there to defend this party's policies. In this morning's *Globe and Mail,* columnist Simpson attacked the government. The government wants its officials to release factual information only and prohibits them from expressing opinions on future policies "in the making". As Hon. Members can see, the third part of these guidelines issued by the Right Hon. Prime Minister have not been changed by the Conservatives.

As to regional information, Mr. Speaker, it used to be badly circulated. As members of the Conservative Party, we want to make sure that officials in the field are fully informed about the various government programs or, when this information is not available, that they are aware of the avenues to get it. You

are certainly aware that a one year study on regional communications, a study commissioned by former Minister Johnston, has just been completed; its findings are that regional information officers cannot properly carry out their duties because they are kept in the dark by Ottawa. The report blames the very low level of knowledge of these officials. We are saying to the Deputy Ministers that they must ensure adequate regional information, so that all Canadians can benefit from it and not only those living in Ottawa, where 80 per cent of all information officers are residing.

Much has been said about the part played by Deputy Ministers in the area of information. We are being blamed for assessing the performance of Deputy Ministers and senior officials in part on the way they manage communications. In fact, as early as 1981, the government added its own criteria in the assessment of its officials. Historically, governments have tried to have it recognized that communications were part of the responsibilities of senior officials. We are emphasizing again this point now that we are trying to clarify the guidelines concerning the information officials may release. And in this evaluation process, we are emphasizing again communication planning. This is nothing new, it is a global approach to management.

We will remind the medias that they will criticize the government if they cannot communicate efficiently. For example, if the government does not keep the regions properly informed, we will be handed as insensitive to their needs.

Mr. Speaker, I think that those comments had to be made and I believe that the media will play their part. We have been elected and I do not believe that a single journalist in Canada was elected to make comments in his paper. If they want to administer the country, let them get elected as we did and support a government who has done very much to promote freedom of speech in Canada.

The Acting Speaker (Mr. Paproski): Questions and comments. I regret—

[*English*]

There are no comments or questions. We will proceed with debate.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I am pleased to participate in this debate. It is indeed encouraging to hear the talk from the Government side about openness and consultation. I suppose, Mr. Speaker, that when one considers the motion which is being debated here in the House today and the reasons behind it, one can understand why in Canada today there is confusion in the minds of people as to what happened between the time of the election campaign and today.

I would like to quote some of the comments made at that time by the New Prime Minister (Mr. Mulroney) on social programs. The Prime Minister said:

We are committed to ensuring the full participation of every Canadian in the country's economic and social life. We will work to pull down the barriers which restrict full participation.

● (1710)

On regional development funds, the release says:

— in consultation with local and provincial authorities.

Consultation is the big word, it says:

Consultation will be the hallmark of the New Progressive Conservative approach to regional development.

On the offshore, it says:

—fairness, equity and opportunity govern the federal response—

On Atlantic Canada, it says:

—respected and consulted as partners. The Liberal legacy of conflict and bitterness will be replaced by a new approach based on co-operation, consultation and understanding.

On fisheries management, it says:

—mark the end of bureaucratic management of the fishery. The days of highly centralized control of the fishery . . . are over. We will usher in a new era of co-operation among the federal government, the provinces, the fishermen and processors.

On policy, it says:

—participate directly and openly in the formulation and monitoring of federal . . . policy . . . More decentralized decision making will result in quicker response times for resolving local problems.

Then we go to the PC handbook in which this is said:

We are committed to giving Canadians a well-managed, efficient and productive government. It will be a government open to public scrutiny—

At all times. On the PC Party in power, it says:

The Progressive Conservative Party of Canade believes that new attitudes and new approaches in government are the most important priority to bring about real change in Canada.

Then we got to reasons for voting Progressive Conservative. It reads:

We will put Canada back to work . . . free from excessive government intervention—

We can solve our problems together . . . working closely with other levels of government, with labour and business, and with individual Canadians to solve our problems together. We will be a government that listens carefully, and determines national policies after consulting with the people.

They will be open with the people of Canada. It says:

You can trust us. We have been calling for necessary changes to the style and management of government for the last 10 years.

We will achieve equality for women. We will work closely with the provinces, with voluntary organizations and training institutions—

The PC commitment . . . open, honest and accessible government begins with respecting the role of Parliament and giving it the power required to ensure government accountability.

Then the Conservatives say they are looking to the future. They are going to reduce the barriers to full participation. Well, Mr. Speaker, they might still be looking to the future but they are walking backwards.

When you look at the guidelines which have been talked about here today—

Mr. Hnatyshyn: Is that the end of the good part of the speech?

Mr. Baker: —selective vision was certainly displayed by some government members. They talked about the guidelines, saying that it is necessary to communicate with Members of Parliament and the general public and media, and then they forgot to read this:

> Off-the-record background briefings will only be permitted in exceptional circumstances and must have prior Ministerial approval.
>
> Public servants should not go beyond this discussion of factual information. It is not appropriate . . . to speculate about policy deliberations or future policy decisions.
>
> Public employees acting in good faith under these guidelines will not be considered as having violated oaths of secrecy.

Then two Cabinet Ministers stand up in the debate and say, "Oh, we have information officers."

I want to make a few points now which have not been made here at all. They have not even been touched on. I think they are perhaps the most important points dealing with any guidelines affecting the behaviour of public servants as they communicate with Members of Parliament, the general public and the media. What if you do not have open consultation? What if you are afraid as a public servant to communicate, exchange ideas or act as a sounding board to let people know what is being considered by the Government? In other words, when you have openness, when a public servant is not afraid to talk to a Member of Parliament or a union or a representative of the people no matter what their position, then you do not have the mistakes that are sometimes made by a government in power.

The question here today should not only be concerning whether public servants are permitted complete openness with Members of Parliament. What should be debated here today is whether the public servant is aware of the decision and formulation of decisions which affect him directly and which he has to administer and answer questions about.

I will give you a couple of examples. The other day a policy was announced which would do away with the fishing vessel insurance plan for all fishermen. It was administered by the federal Government and the policy decision was that it would be privatized. That is along the lines of the policy enunciated during the election campaign by the Progressive Conservative Party. However, it does not do me or a fishermen's union or anyone else much good to phone a public servant and ask: What is the situation today? What is the policy of the Government? If will not do me much good because that public servant has to turn around and say that the policy of the Government is to privatize this insurance scheme. That does not tell you anything. You could turn around and say: Yes, but are they taking into account this and that bit of information? Are they taking into account that perhaps private insurance companies will not be willing to insure certain fishermen presently insured under the scheme? Or: Do you know that this will mean an increase in the rates to the fishermen, perhaps double or triple, which will mean in some cases an extra $20,000 or $30,000 out of the fishermen's pocket this year? Without openness, Mr. Speaker, the public servant answering the question will not have the information and two things will happen. The Minister can stand up here in the House and give a false answer to a question. Given the input respecting the measure concerned, the information is not complete.

For example, when I asked the Minister of the Environment (Mrs. Blais-Grenier) a question concerning weather information, she had to say, "Well, we have not really formulated that policy yet. It is going to be done. We are going to charge Canadians for calls to the weather office but we do not know what Canadians we are going to charge". Then the question arises about who is going to make the decision. The Minister says to the media that the Government is consulting with Bell Canada and the telephone companies. Well, you can consult all you want; no telephone company can act as a collection agency for anyone, even a Department of Government. Even more important than that, the general thrust of that policy is to discourage people from calling the weather office, even though that person might be exempt from that charge. The policy is still there. In other words, in the formulation of that policy by the Government of Canada it was operating on misinformation. Someone other than even the Public Service laid that down as a policy for that Department.

• (1720)

If you ask a public servant whether a specific policy has been implemented within the Government, the public servant may say no. If you ask him when it will be implemented, he will say he does not know. If you ask him what is in the policy, he will tell you that it has not been worked out yet. That is certainly not appropriate. Members of Parliament must not be restricted to responses from public servants that this is the policy of the Government or this is the law of the land as it has been laid down.

I will give you an example of lack of co-ordination between government Departments. We often get a reply from the Public Service on what a policy is, without being given an explanation or the opportunity to discuss the matter with the person who is formulating that particular policy with the Minister. In responding to a constituent, the Department of Employment and Immigration gives a particular piece of information about a policy. A policy statement from the Department of National Revenue gives a policy position completely contrary to the first one. Then, through a decision of a judge of the Federal Court we get another interpretation of that policy.

Decisions have been made by the Government since it took power which were ill-founded and based on misinformation. Unfortunately, it is almost too late to change them because the Ministers have been backed into a corner and are not going to change their position. For example, in responding to the royal commission Report on Equality of Opportunity, the Minister of Employment and Immigration (Miss MacDonald) said that the Government is going to do this and that. A public servant could have told her that the worst examples of discrimination in hiring were in the very rules for federal job creation programs which she tabled in the House two weeks ago.

How can that be changed, Mr. Speaker? It certainly will not be changed by my questioning the Minister in the House and

trying to influence her decision accordingly. I do not think that will enable everyone who is available and able to work on federal programs because, as matters stand, if you have not worked in the previous two years, you are not eligible for a referral. If you did not run out of unemployment insurance, you are not eligible for a referral, and if you worked one week in the previous eight weeks, you are not eligible for a referral. The Minister tabled that document in the House two weeks ago and then, in response to the royal commission report, said that she would see what could be done within her Department, not knowing that two weeks previously she had tabled guidelines which violated that very report.

In conclusion, Mr. Speaker, unless there is openness, public servants will not know the truth. Public servants will not discover the grave error which was made in policy and in the carrying out of that policy within the Department. The Minister of Employment and Immigration stood in the House the other day and said that they will wait until the fishing season closes before considering whether to assist the fishermen in eastern Canada. There was snow on the ground at that point. There were no boats in the water and there was no fishing activity. That night, in response to follow-up question on the Late Show, the Parliamentary Secretary said that there was no special program instituted last year by the former Liberal government. Mr. Speaker, there was a special program but the Parliamentary Secretary was acting on information which he received typed up by a public servant who obviously did not know the difference.

The Minister should be telling public servants who advise the Minister on policy and communicate with Members of Parliament to speak to every Member of Parliament and everyone on the street as openly as possible in order to get all the information. In that way the Government would not continue to make the tragic errors it has made since it took power. The only way to stop those tragic decisions is to have a more open government, as was professed by the Progressive Conservative Party during the campaign. My remarks today apply to any government that is in power. We must have openness or we will have policies which are discriminatory toward the people and do not serve the public good.

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, people in the Gallery or Members of the House of Commons who have been here for some years may have the feeling of having fallen through the looking glass. Hon. Members opposite have for years run the tightest ship in terms of secrecy. They are now becoming born-again advocates of open government.

I have served for 12 years as a Member in the House, Mr. Speaker. We, as members of the Opposition, attempted to get factual information from the Government about its activities. Year after year we encountered stonewalling on the part of the Liberal government, attempts to cover up information, systematic abuse of the roles of public servants, and the massive expenditure of public funds for partisan purposes through extremely large advertising campaigns financed by the taxpayers of Canada.

In a few minutes we will be having a vote on the motion of non-confidence which has been moved by the Leader of the Liberal Party (Mr. Turner). Many of the people who will be voting to condemn the Government on its policies of openness are the very same people—

Mr. Boudria: And rightly so.

Mr. Beatty: The Hon. Member says "rightly so". Mr. Speaker, we are delighted to hear from Hon. Members at any time when they criticize Government policies, if they want us to be more open. However, I think the Hon. Member has an obligation to speak to his colleagues who will be rising to vote. He should ask them whether they can, in conscience, vote in the way in which they will after their experience in the last several years. It was the Liberal government that imposed an Order in Council making it an offence to talk about the uranium cartel. That was a massive cover-up attempting to hide an international conspiracy which was designed to drive up energy prices for consumers in Canada. That government passed a gag order, an Order in Council, which made it an offence for Canadians even to refer to that information.

When we were debating the Constitution, the Liberal Government used the Canadian Unity Information Office, a massive propaganda arm of the federal government paid for with federal tax dollars. They commissioned a large number of public opinion surveys. These were the people, Mr. Speaker, who classified public opinion surveys and refused to release information disclosed in the public opinion surveys to Members of Parliament. To this day the Liberals refuse to release that information, although the surveys are years old.

The Liberal government was responsible for an explosion in publicly funded government advertising designed, not to provide factual information to Canadians, but to provide puffery which was to polish the image of the Liberal Party. Canadians rejected that. They said that something was wrong when a government was incapable of differentiating between the national interest and the partisan interests of one political Party in power. They could not condone the kind of waste of money which took place through the Canadian Unity Information Office. That is why one of the first actions of our Government was to scrap CUIO. It was a message that we would not allow that sort of abuse to take place in the future.

• (1730)

It was the very same Liberals, who will be voting to condemn our Government for its policy on openness, who abused the roles of public servants.

Mr. Gauthier: Nonsense!

Mr. Beatty: The Liberal Whip, the Hon. Member for Ottawa-Vanier (Mr. Gauthier), sat on this side of the House this spring while I, as the PC spokesman on Revenue Canada, asked for information from the Minister, Mr. Bussières. He sat there silently while, day after day, Mr. Bussières either gave false information or simply stonewalled. He sat there without a murmur of protest when Mr. Bussières sent out a directive to

every employee in my present Department that in no way were they to be permitted to speak to Conservative Members of Parliament on the PC task force on Revenue Canada.

Mr. Gauthier: That is nonsense. Prove it.

Mr. Beatty: In a few moments the Member for Ottawa-Vanier will be rising as a born-again advocate of open government. But his constituents and the people of Canada have the right to ask him where he was a few months ago and where was his commitment to open government at a time when Canadians were asking for factual information with regard to Revenue Canada. He sat there mute or he defended the policies of the previous government.

On September 4, Canadians asked for a change. They said that they had to put an end to this sort of abuse and bring a new government to office that was prepared to open up. In dealing with my Department, Revenue Canada—the same Department that had a gag order on it before—if he wants to get factual information, as the task force did, he can feel free to do so and to request the information. Indeed, I am here daily in Question Period. My officials are under instructions to provide factual information.

That was precisely the point of the guidelines that were issued in the past few days. It was to say on behalf of the Government that we recognize that there is access to information legislation—which we were finally able to press the Liberals into passing—which gives a statutory right to Canadians and Members of Parliament to have information. It was a right that was systematically denied them in consistent cover-ups by the Liberal administration.

Mr. Nunziata: Not this Party.

Mr. Beatty: We are saying that it is not simply a matter of the Government not passing the sort of gag orders the Liberals had on the uranium cartel and not systematically covering up, but that the new administration has the responsibility to communicate effectively and take its message to the Canadian people.

That is why I addressed 2,000 tax practitioners in Toronto recently to talk to them about the reforms we are introducing in our Department to make it more accessible and open to Canadian citizens. I was the first Minister of Revenue in recent memory who had even gone to the Canadian Tax Foundation to be available to them. The tax practitioners who were present found this extraordinary because they were not used to having someone from the federal government listen and communicate. The Hon. Members opposite with their constant barracking are attempting to shout down a Minister of the Crown who is attempting to give information.

Some Hon. Members: Oh, oh!

Mr. Beatty: They talk about freedom of information and cover-up, yet when a Member on the government side attempts to give information, they attempt to shout him down. This is exactly the same policy they followed when they were on this side of the House.

Mr. Boudria: If you can't stand the heat, get out of the kitchen.

Mr. Beatty: Our Government is committed to opening up government and providing information to Canadians. We are committed to ending the cover-ups of recent years and to cutting back on federal advertising that was designed simply as puffery to polish the image of the Party in power.

We are also committed to communicating effectively to Canadians the policies which are designed to serve their needs. One of the goals in the guidelines and in the letters sent to Ministers and deputy ministers in the past few days was to say that it is time to communicate far more effectively with Canadians in the regions.

For example, when dealing with my Department in the future, I want Canadians throughout Canada to feel free to contact the district offices to get information on a factual and timely basis. I believe that our Department has an obligation to solicit the views of Canadians and provide information to them as fully and factually as possible.

It is a dramatic change from the policies that have been followed by Revenue Canada in recent years. We saw that the Liberal government shut the public out.

The Hon. Members in the back row were not here during the controversy of the past year. If they were, they would have noticed that when questions were raised there were constant denials. The Liberals denied that there were quotas, that there were abuses and problems, until eventually Members of Parliament, the public and the press were able to prove that the Minister himself did not know what was happening.

When we attempted to get information from the government and talk to public servants, a gag order was issued to every official in the Department not to talk to us. Indeed, there was even an article in the papers which indicated that the then Minister of National Revenue had indicated that if Conservative Members of Parliament wanted information, they would have to use the access to information legislation to get it. Yet those Members today condemn the Government on its policies on openness.

Mr. Boudria: Rightfully so.

Mr. Nunziata: It is a question of honesty.

Mr. Beatty: The Hon. Member says that it is a question of honesty. That is exactly what it is. Nothing could be more dishonest than a government which, during the 12 years I have been here, systematically covered up, systematically withheld information, systematically abused the position of public servants, and systematically abused the tax dollars to polish its own image. Suddenly they say that they are committed to open government.

They have a record, and that record speaks for itself. The record shows that they cannot be trusted when they talk about

open government because they have abused every opportunity they have had to come clean with Canadians. They refused every opportunity to consult with Canadians. Yet today, in Opposition, suddenly things would be different if they had the chance again.

The Hon. Member says that it is a question of honesty, and indeed it is. I call upon him to ask his colleagues who sit in front of him whether they are being honest when they portray this masquerade that we see today after that systematic cover-up that we saw taking place for so many years.

An Hon. Member: We have heard your case.

Mr. Beatty: The Hon. Member, having raised the question of honesty, says not to mention honesty any more. We should not discuss it. I do not blame him. If our record had been as appalling as that of the Members opposite, I would not want to talk about honesty.

However, I do want to talk about honesty, and Members on this side want to talk about it for a very good reason. We are committed to opening the Government. We are committed to saying that Canadians have a positive right to get information according to access to information legislation. We are committed to directing public servants to give information freely, factually, and on the record.

Members opposite are saying that it should be given in secret and off the record. While they talk about openness, they say that when interviews take place in the future, they should take place in secret. That is the Liberal idea of what constitutes openness.

We want to open the doors and put it on the record. Let us not have secret discussions but open them to the news media.

These guidelines are also designed to protect public servants. The Revenue Canada episode in recent months showed that the Liberals were abusing the position of public servants and making them defend the discredited policies of the Liberal government. Many Members here will have seen *The Journal* earlier this year when that odious computer film was shown. It was paid for with $200,000 of taxpayers' money. The Liberal Minister did not have the courage to defend the policy himself. He put his Deputy Minister on *The Journal* to defend it rather than defend the partisan actions of the government himself. That is an example of the abuse of the position of public servants.

Our Government differs from the discredited Liberals opposite by the fact that we believe it is the responsibility of public servants to give out factual information. When it comes to attacking or defending the record of the government, that is the role of the politicians, and it is a responsibility from which we do not shy.

When our task force finally arrived in Ottawa after travelling across the country, it was clear to everyone, including the Government, that Canadians acknowledged that there was a serious problem in the Department of National Revenue. Was there ever a willingness on the part of the members of the Treasury benches to acknowledge any culpability or default in terms of their responsibility? Was there any feeling of remorse about what had been done to ordinary Canadians? Their response was to fire the Deputy Minister. The Minister remained in his job. This will not be done again by this Government for 12 years. My colleagues and I who were elected in 1972 have fought to restore the principle of ministerial responsibility. The Liberals were there to snip ribbons when new plants were being opened, Mr. Speaker. They were there to present cheques. But when there was a problem, was there any Liberal Minister who was prepared to say, "It was my responsibility as Minister. I stand behind my officials. I take the responsibility"? Those Members who were in the House during that period, do any of them remember hearing the Liberals say that?

• (1740)

Mr. Taylor: Never.

Mr. Beatty: Let me ask Members who were here during that time if they heard three words. What about the Hon. Member for Windsor West (Mr. Gray) when he lost $120 million of taxpayers' money on Consolidated Computer? We had questions raised in the House about that. We had leaked correspondence which the Minister would not table in the House and would not acknowledge—

Some Hon. Members: Oh, oh!

Mr. Beatty: —did anyone here hear the Hon. Member for Windsor West or any of his colleagues say these three words, "I was wrong"?

Mr. Taylor: No.

Mr. Beatty: In 12 years I cannot recall an occasion when a Liberal member rose in his place and admitted that a mistake had been made. Yet the Liberals talk about openness. Blame would be shifted to the Public Service; blame would be shifted to the Americans if the economy turned sour; blame would be shifted to the Opposition; blame would be shifted to the Parti Québécois or to the provinces. It was a policy of blame anyone else, but take the credit when things go right. Blame belongs to somebody else. If the polls started to slide—the Liberals loved polls—you would hear them say, "Don't worry. The taxpayers will fork out several million dollars more for new advertising campaigns". The Canada geese were scrambled and put on display. If there had been an honest portrayal of the Canada geese, they would have been shown flying south like everyone else during that period.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Beatty: The geese have flown south and the chickens have come home to roost.

Some Hon. Members: Oh, oh!

Mr. Beatty: This Government is committed to openness, Mr. Speaker. We are committed to the concept of ministerial responsibility.

I was interested to listen to the Hon. Member for Gander-Twillingate (Mr. Baker)—an Hon. Member whom I respect who is a skilled and experienced parliamentarian—talking about the roles of Ministers, the roles of public servants, and whether or not it was appropriate for public servants to be asked to comment on policy matters or whether a Minister should be doing that. The Hon. Member has served, as a member of the government, on parliamentary committees when public servants have been there, for example, on the Estimates. What is the rule the Liberal chairman followed in parliamentary committees in the days of Liberal rule? It is pretty straightforward, Mr. Speaker. It was the role of Ministers to comment on matters of policy. It was the role of public servants to comment on factual matters and to give technical information. But when questions were raised under Liberal chairmen by members of the Opposition which touched on policy, what would the response be? "It is inappropriate to ask a public servant to be drawn into an essentially partisan debate. Those questions should be directed to the Minister".

That is precisely the position we are taking today in the Government. We are saying it is the role of public servants on a timely and factual basis to provide information to the public and to do so quickly, to do so as fully as possible and to be as helpful as possible when inquiries come from Members of Parliament, the media, or from members of the public. But it is the role of the politicians and not of the public servants to attack or defend policy. If we allow that blurring to take place, coupled with the abuse of public servants the way it took place under the Liberals, we will contaminate the public servants and put them in a position where their effectiveness and their ability to do their job is put into question.

These guidelines which the Prime Minister announced on Friday are designed to take the public servants out of that grey area, to give them clear guidelines on what is appropriate and to put a positive onus on them to be forthcoming in providing information and service to the people of Canada. That is to be the goal of this Government, Mr. Speaker. What we will be doing is ensuring that Canadians have information on a timely basis. We are making every effort to open up the doors and windows. We are hearing already from Canadians coast to coast that they feel the change which took place on September 4 was a change important to all Canadians.

[*Translation*]

The Acting Speaker (Mr. Paproski): Order, please. It being 5.45 p.m. it is my duty, pursuant to Standing Order 62(9), to interrupt the proceedings and to put forthwith every question necessary to dispose of the supply proceedings.

[*English*]

Is the House ready for the question?

Some Hon. Members: Question.

Supply

The Acting Speaker (Mr. Paproski): The question is the following one. Mr. Turner (Vancouver Quadra), seconded by Mr. Gray, moves:

That, in the opinion of this House, the guidelines issued by the Prime Minister, on November 23, 1984, with regard to the provision of information to the public, are inadequate and retrogressive and confirm the Government's mistrust of and cynicism toward Canadians.

Is it the pleasure of the House to adopt the said motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): All those in favour, please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed, please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion, the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Call in the Members.

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

● (1750)

(*Division No. 3*)

YEAS

Messrs.

Althouse	Frith	Mitchell (Ms.)
Angus	Gagliano	Murphy
Axworthy	Garneau	Nicholson (Miss) (Trinity)
Baker	Gauthier	Nunziata
Benjamin	Gray (Windsor West)	Nystrom
Berger	Guilbault (Saint-Jacques)	Orlikow
Blackburn (Brant)	Heap	Parry
Boudria	Henderson	Penner
Broadbent	Hovdebo	Pépin (Mrs.)
Cassidy	Isabelle	Prud'homme
Chrétien	Kaplan	Riis
Copps (Ms.)	Langdon	Robichaud
Deans	Lapierre	Robinson
de Corneille	MacLellan	Rodriguez
de Jong	Marchi	Rompkey
Dingwall	McCurdy	Tardif (Richmond-Wolfe)
Epp (Thunder Bay-Nipigon)	McDonald (Ms.) (Broadview-Greenwood)	Tobin—53.
Finestone (Mrs.)		
Foster		

NAYS

Messrs.

Andre	Binns	Blais-Grenier (Mrs.)
Attewell	Bissonnette	Blenkarn
Beatty	Blackburn (Jonquière)	Blouin (Mrs.)
Bernier	Blais	Bourgault (Mrs.)
Bertrand (Mrs.)		Boyer

Messrs.

Bradley
Brisco
Browes (Mrs.)
Cadieux
Caldwell
Cardiff
Champagne (Mrs.)
(Saint-Hyacinthe-Bagot)
Champagne
(Champlain)
Charest
Clark
(Yellowhead)
Clark
(Brandon-Souris)
Clinch
Cochrane
Collins (Mrs.)
Comeau
Cook
Cooper
Cossitt (Mrs.)
Côté
(Lac-Saint-Jean)
Crofton
Crosbie
(St. John's West)
Crouse
Dantzer
Daubney
Della Noce
Desjardins
Desrosiers
Dick
Domm
Duguay
Duplessis
(Mrs.)
Edwards
Ellis
Elzinga
Epp
(Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Gagnon
Gass
Gérin
Gervais
Girard
Gormley
Gottselig
Graham
Gravel
Greenaway
Grisé
Guilbault
(Drummond)
Gurbin
Halliday
Hamelin
Hamilton
Hardey
Hicks
Hnatyshyn
Hockin
Horner
Howie
Hudon
James
Jepson
Johnson
(Bonavista-Trinity-
Conception)
Jourdenais
Kelleher
Kempling
Kilgour
Kindy
Ladouceur
Landry (Mrs.)
Lanthier
La Salle
Layton
Leblanc
Lesick
Lewis
Lopez
MacDonald (Miss)
(Kingston and
the Islands)
MacDougall
(Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Mantha
Marin

Messrs.

Martin (Mrs.)
Mayer
McCain
McCrossan
McCuish
McDermid
McDougall (Mrs.)
(St. Paul's)
McInnes
McKenzie
McKinnon
McKnight
McMillan
Merrithew
Minaker
Mitges
Moore
Mulroney
Murta
Nicholson
(Niagara Falls)
Nickerson
Nielsen
O'Neil
Paproski
Pennock
Peterson
Plamondon
Plourde
Price
Ravis
Reid
Reimer
Ricard
St. Germain
St-Julien
Schellenberger
(Wetaskiwin)
Scott
(Victoria-Haliburton)
Scott
(Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow
(Mrs.)
Stevens
Stewart
Tardif (Mrs.)
(Charlesbourg)
Taylor
Thacker
Toupin
Towers
Tremblay
(Québec-Est)
Tremblay
(Lotbinière)
Tupper
Turner
(Ottawa-Carleton)
Valcourt
Vankoughnet
Vézina (Mrs.)
Vincent
Warner
Wenman
Wilson
(Swift Current-
Maple Creek)
Winegard
Witer—163.

Mr. Speaker: I declare the motion lost.

It being after six o'clock, this House stands adjourned until tomorrow afternoon at two o'clock, pursuant to Standing Order 2(1).

At 6.13 p.m. the House adjourned.

HOUSE OF COMMONS

Wednesday, November 28, 1984

The House met at 2.00 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

UNEMPLOYMENT INSURANCE

INCREASED CONTRIBUTIONS—EFFECT ON SMALL BUSINESSES

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, small business leaders unanimously agree that payroll taxes are high in this country. They also agree that such payroll taxes penalize the future of small business. Small businesses are not encouraged to hire people when the Government taxes them whether they are profitable or not. During 20 years in opposition, and particularly during the last election campaign, the Conservative Party advocated less government intervention in Canadian business. The first thing this Government did was to increase UIC deductions which are a payroll tax. An increase in payroll tax is a typical example of government intervention.

[*Translation*]

Based on the steps it has taken so far, Mr. Speaker, it is abundantly clear that this government says one thing and does something else. How could the Canadian public trust such a government when they daily break their promises?

* * *

[*English*]

FORESTRY

OPPOSITION TO LOGGING RAIN FOREST ON MEARES ISLAND, B.C.

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, more than 500 groups, including environmentalists, native groups, and tourist associations, are desperately trying to preserve the rain forest on Meares Island off the west coast of Vancouver Island. Given the area's immense natural beauty and potential for tourism with Canada's largest red cedars, some more than 1,000 years old, and many native heritage sites, we in the NDP call upon the federal Government to assist these groups as well as approach the B.C. Government in an attempt to have the logging stopped.

North of Meares Island is South Morseby, a cluster of 140 islands, part of the Queen Charlottes. This area contains large rare bird colonies, and the plan to log this area but leave enough trees standing to preserve the view from the water is unacceptable.

[*Translation*]

Environment Canada has provided some help in that last case but we ask the Department to take a stronger position to ensure that South Morseby remains in its natural state.

* * *

FISHERIES

DEVELOPMENT OF EASTERN QUEBEC INDUSTRY—REQUEST FOR GOVERNMENT SOLUTIONS

Mr. Charles Hamelin (Charlevoix): Mr. Speaker, now that a new Progressive Conservative Government has been elected in Ottawa, expectations among people working in the fisheries industry in Eastern Quebec and on the North Shore are running very high.

The House will recall that, in recent years, fishermen have suffered the consequences of a battle for jurisdiction over this sector, a battle instigated by the Liberal Government which was futile and paralyzed the industry. After recent meetings with many members of this industry, I must say I am very anxious to see a new era of consultation and open dialogue with the Government of Quebec regarding this vital sector of our regional economy.

There are many problems in the fisheries industry, including fishing zones, resource definition and management and licensing. All this requires consultation.

Mr. Speaker, I therefore urge my colleague who is responsible for this vital sector in Ottawa to meet his Quebec counterpart as soon as possible, in order to make proposals in the best interests of fishermen and the development of the fishing industry in Eastern Quebec.

* * *

ENERGY

HIGH PRICE OF GASOLINE IN PROVINCE OF QUEBEC

Mr. Vincent Della Noce (Duvernay): Mr. Speaker, it is very gratifying to see how interested the Opposition has become in the price of gas, in the last two weeks. I am referring more particularly to the Hon. Member for Bourassa (Mr. Rossi).

S.O. 21

I would like to draw the Hon. Member's attention to the fact that the problem is not the 2 cent increase. He may not be aware of the fact that there is a difference of 13 cents per litre between the price of gas in Quebec and Ontario. I have been looking at the problem for many years.

If his Government had bothered to read my proposals in this 725-page book . . . It is because of the previous Government's energy policies that Quebecers no longer understand the importance of the petrochemical industry for Quebec, and more specifically Montreal East. I am referring to the Montreal East refinery complex, which used to rank first in Canada and second internationally. Gas is so expensive in Quebec because of the rigidity of the Liberals' energy policy.

Soon we may have to form a buyers' consortium to get any of this precious stuff in Quebec. Where was the Member for Bourassa? Where were the Liberal Government and our Liberal friends, at the time?

* * *

EMPLOYMENT

ABOLITION OF CERTAIN ESTABLISHED PROGRAMS TO GIVE JOBS TO YOUNG PEOPLE

Mr. Carlo Rossi (Bourassa): Mr. Speaker, I might say in passing that the Hon. Member for Duvernay (Mr. Della Noce) ought to do something constructive instead of beating his gums in the House. He should look after his riding instead of making empty statements in Ottawa.

Yesterday, Mr. Speaker, the Minister of Employment and Immigration (Miss MacDonald) told the committee that the First Chance Program has been scrapped. Launched by our government, this program was designed to help youths find jobs and add experience to their *curriculum vitae*.

On the eve of the International Youth Year, we are rightfully concerned about Canadian youths, because not only will those looking for a first job be penalized by the Progressive Conservative government, but so will others seeking summer employment since the Progressive Conservatives have also axed the Summer Canada-Student Employment Program which enabled thousands of our students to work during the summer. They could thus pay their tuition fees and make their parents' financial burden that much lighter.

I suggest that all Canadians ought to denounce those ill-advised decisions of the Progressive Conservative government with respect to young Canadians, and to ask themselves just what the Minister of State for Youth (Mrs. Champagne) does besides standing by the door listening to her Cabinet colleagues argue among themselves.

[*English*]

EMPLOYMENT

FUNDING OF WINTER WORKS PROJECTS

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I rise this afternoon to call upon the Government to provide a large increase in the funds granted for Winter Works projects. Many of us were concerned about the announcement in September by the Minister of Employment and Immigration (Miss MacDonald) that only $200 million was to be allocated for this winter's projects. Allotments of only $100,000 for many ridings are clearly inadequate in the present circumstances of high unemployment. Grants of more funds for other ridings are just as inadequate when one recognizes that unemployment figures are underestimated because of the Government's refusal to use all of the information available to it.

The people of Canada have now been informed that the applications for Canada Works projects total $1.2 billion, or six times the funds allocated for such job-creation projects. Clearly the supply of potential employees and of valuable projects is very large, and the new Government has equally clearly underestimated the need. It is imperative that the funding decision of September be reconsidered and the Progressive Conservative Government authorize a large increase in funds for Canada Works. If it does not, we shall all shortly be rejecting entirely worthy projects in our ridings across the country.

* * *

[*Translation*]

EMPLOYMENT

REQUEST FOR PROGRAMS TO PROVIDE DURABLE AND PERMANENT JOBS

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, the constituency of Témiscamingue which I represent in this House has one of the highest unemployment rates in Quebec according to the latest Statistics Canada figures, and ranks among the five hardest hit areas in Canada. The situation is especially dramatic for young people between 18 and 25, who in ever increasing numbers no longer trust the government to get their problems solved. This sad situation is mainly due to the nearsighted employment policies put forward by the previous government, which are largely responsible for destroying and depreciating work ethics among our young people. It was that kind of cheap political programs that helped unseat 58 Liberals in Quebec.

Mr. Speaker, I am confident that this Government during its term of office will develop genuine employment programs that will prove to be lasting and permanent and will put Canadians back to work. Further, it is my wish that the Minister of Employment and Immigration will affect large sums of money to job creation where the unemployment rate is indeed a human tragedy.

• (1410)

SOCIAL SECURITY

GOVERNMENT POSITION ON THE ELDERLY

Mr. Edouard Desrosiers (Hochelaga-Maisonneuve): Mr. Speaker, over 50 per cent of senior citizens in Quebec live under the poverty line. We must ask ourselves what we can do to improve the situation of these venerable Canadians, who have always sacrificed so much so that we would have a country with a great potential for the future.

Last October 10th, Mr. Speaker, I informed the Quebec Minister of Social Affairs of my great disappointment upon learning that, last July, he had allowed the specialized institutions housing these needy people to squeeze out of them most unfairly nearly all of the $25 increase in the old age security pension provided by the Canadian Government. The reason given was the increase on the cost of accommodation and board.

In a few days, our Government will provide a new increase of $25 a month to our senior citizens and we want to avoid a repetition of such a despicable and odious action. Mr. Speaker, we, of the Progressive Conservative Government, should like the Hon. Minister of National Health and Welfare of Canada (Mr. Epp) to ask his Quebec counterpart to agree to this.

* * *

[*English*]

INDUSTRIAL AND LABOUR ADJUSTMENT PROGRAM

DESIGNATION SOUGHT FOR CONSOLIDATED BATHURST IN HAMILTON

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am sure the Government is aware of the dismal unemployment situation facing many older Canadians, particularly the former employees of Consolidated Bathurst in my riding. The Government has put up a number of Members in the House today who spoke about government programs. In fact the first actions of the Government have been to harass older unemployed people, and to develop a system whereby 700 jobs will be created to harass people between the ages of 50 and 65 who have been unemployed.

I hope the Minister of Labour (Mr. McKnight) will respond to a request by the former employees of Consolidated Bathurst that an ILAP designation be given to that particular industry in order that these workers, many of whom had more than 30 years of service, can finally get financial relief, which was not forthcoming in the recent budget statement of the Minister of Finance (Mr. Wilson).

[*Translation*]

EMPLOYMENT

REQUEST THAT GOVERNMENT RECONSIDER FUND ALLOCATION FORMULA

Mr. François Gérin (Mégantic-Compton-Stanstead): On September 24th, 1984, Mr. Speaker, the Minister of Employment and Immigration earmarked $430 million for the Canada Works Program, including $582,000 in my riding where the unemployment rate was estimated at 8.9 per cent.

Mr. Speaker, it is common knowledge that the unemployment rate in my riding far exceeds 15 per cent, but the rate was set according to the then-Liberal government formula, which assumed that people had lost every hope of finding work.

So far, Mr. Speaker, I have received $4,316,000 worth of applications under the Canada Works Program, which goes to show that Canadians now feel confident that their chances of landing jobs are better with a Conservative government.

Mr. Speaker, I have urged the Minister of Employment and Immigration to reconsider the fund allocation formula so as to make it more equitable towards remote areas and to give people who do not draw unemployment benefits a fighting chance to return to work some day.

* * *

[*English*]

FOREIGN INVESTMENT REVIEW AGENCY

REPRESENTATIONS MADE BY EMPLOYEES OF BLACK AND DECKER, BARRIE, ONT.

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, yesterday representatives of 600 Barrie Black and Decker workers presented hard information which conflicts with company information submitted to FIRA. The only safeguards for their 600 jobs are the promises made by Black and Decker to FIRA and, through FIRA, to the Minister. Without FIRA there would be no chance to save these 600 jobs.

• (1415)

This situation clearly demonstrates the value of a tough and strong FIRA. Only FIRA can assure that multinational corporations do not have a completely free hand here, and that Canadian communities have a voice in their future.

We need a FIRA that will protect jobs, the "jobs, jobs, jobs" that once were so important to the Conservative Party. We urge the Minister to respond quickly to the plea by these workers, and to see to it that FIRA gives them the protection which they need and deserve.

ORAL QUESTION PERIOD

[*English*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

PRIME MINISTER'S DISCUSSION WITH PREMIER OF MANITOBA

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is directed to the Prime Minister. He will be aware by now of the very deep sense of outrage that is occurring in Manitoba over the indiscretions, or gifts, as the Secretary of State for External Affairs calls them, that have been perpetrated by the Minister of Finance, along with the apparent deception and sense of injustice that appear to be applied to that province.

In the spirit of trying to clear the air and provide some rebuilding of this breach of trust and confidence, would the Prime Minister tell us whether he has responded to the Premier of Manitoba and invited him to come and meet with him to discuss the transfer payment problem and other economic injuries facing the province?

As a further step in that reconciliation, would he agree that the background papers that provide the rationale and evidence used by the Department of Finance to advance certain policies, should be made public and therefore tabled in the House and made available to the provinces?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the deep sense of outrage to which my hon. friend makes reference was not apparent in the very civilized and productive conversation I had with Premier Pawley earlier today. We discussed at great length matters of importance to the Government and the people of Manitoba.

Indeed, my hon. friend is quite right. We did spend some time on the question of the injustice to which he refers, an injustice that I hope we will be able to deal with, one which, as my hon. friend knows, was the result of a unilateral cut-back by a Government of which he was a member.

Mr. Axworthy: Without debating the merits of that, since we discussed it fully yesterday, he knows there was a review under way.

REQUEST THAT DEPARTMENTAL DOCUMENTS BE TABLED

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, in light of the quote that I read from the Prime Minister's book entitled Where I Stand, which is available at all retail book counters, incidentally, recommending that the Department of Finance make such matters available, is he prepared to table those documents and background papers? Is he also prepared to table the letter that he sent to the Minister of Science and Technology in which he said there should not be any review of the cut-backs affecting that province?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, inasmuch as the documents have apparently become public—even though they ought not to have—I will review those questions with my friend, the Minister of Finance, when he returns at 4.30 this afternoon.

The Minister is absent. He is making a speech in Toronto, and he is not using notes.

Some Hon. Members: Oh, oh!

Mr. Axworthy: I should ask the Prime Minister if that omission and ban also includes tapes, considering other indiscretions.

QUESTION OF PRESS ETHICS

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, the Prime Minister made the comment in the House yesterday that the reports of the Minister of Finance were pilfered. He essentially called into question the ethics of the press person. Now that he has had the opportunity to check the record, and recognizing that the press person in question was only living up to the standards for open communication by the Government, which the Prime Minister has called for, is he prepared to apologize for that remark and begin to repair the breach of trust he has with members of the media?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if I have offended anyone, including the Hon. Member, I apologize.

[*Translation*]

EQUALIZATION PAYMENTS FORMULA—POSSIBLE LOSSES FOR QUEBEC AND NOVA SCOTIA

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Right Hon. Prime Minister.

Because of that indiscretion, the Winnipeg press was able to announce a few days ago that the Province of Manitoba may stand to lose $72 million if the guarantee formula for equalization payments to the provinces is dropped. Could the Prime Minister inform the House what amounts are involved in this formula and thus what Quebec and Nova Scotia may stand to lose in 1985-86?

• (1420)

Right Hon. Brian Mulroney (Prime Minister): The Hon. Member is referring to dropping the guarantee formula for equalization payments. If I am not mistaken, that refers to the radical change in policy implemented by the former Liberal Government. It led to the problem that now exists between the Government of Manitoba and the Canadian Government. The Hon. Minister of Finance is now, as I myself tried to do today in a conversation with Premier Pawley, proceeding with consultations in order to conclude an agreement that will satisfy the legitimate demands of Manitobans and the Government of Canada.

Mr. Garneau: Mr. Speaker, if I understand Prime Minister's comments correctly, he is proceeding with the review of the equalization formula that was undertaken by the previous Government. Incidentally, could the Prime Minister inform the House whether the figure I was given in an "off the record" conversation, according to which Quebec would lose 229 million in 1985-86 if the formula is not revised, is correct?

Mr. Mulroney: Yes, Mr. Speaker, provided my hon. friend identifies his "off the record" source. In fact, we have started negotiations with the Government of Manitoba. The Hon. Minister of Finance will be meeting with other provincial counterparts in the near future, and we shall try to find an equitable formula in this respect.

[*English*]

ALLEGED TAPING OF MEETING BETWEEN FEDERAL AND PROVINCIAL MINISTERS

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is for the Prime Minister. It relates to the meeting between the Minister of Finance of Manitoba and the federal Finance Minister. Does the Prime Minister condone the fact that federal government officials taped that meeting between representatives of the federal Government and of the provincial Government?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I want to say to my hon. friend that I was just given an indication that that may have happened, and I can tell him that I can see no circumstances that would justify that.

RESPONSIBILITY FOR ALLEGED TAPING OF CONVERSATION

Mr. Rod Murphy (Churchill): Mr. Speaker, would the Prime Minister admit that either the Minister of Finance or his assistant made a very serious mistake, which is completely unforgiveable, by secretly taping a conversation between the federal Government's representatives and the representative of a Government of a province?

Mr. Blackburn (Brant): And that is civility?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, without getting into the details, because I have yet to have an opportunity to discuss the matter with the Minister, although I shall later on in the day, I have no hesitation in telling my hon. friend that at any time or in any circumstances the taping of a private conversation without prior approval is unacceptable.

Some Hon. Members: Hear, hear!

FUTURE CONSULTATIONS

Mr. Rod Murphy (Churchill): Mr. Speaker, can the Prime Minister tell us, this House, and the representatives of each and every provincial Government, that this occurrence will never happen again, that open and honest consultations and conversations will from now on not be taped by federal government representatives, and, if it ever happens again, that there will be a request for the Minister to resign?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in invoking an important precept in regard to civil liberties, my hon. friend would not want me to violate another, namely, the presumption of innocence. I have not heard firsthand from any of the participants as to what may or may not have transpired. However, I could tell my hon. friend that I find that kind of conduct in any circumstance to be repugnant and unworthy.

* * *

● (1425)

ACCESS TO INFORMATION

BRIEFING OF OPPOSITION CRITICS BY DEPARTMENTAL OFFICIALS

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, perhaps the Prime Minister has a personal dictionary in which government aircraft become sacred instruments of travel, and open Governments become closed Governments. My question concerns the role of critics. We critics in the House, both in my Party and the Party to the left, have had access for background briefings to senior officials of Departments. Will the Prime Minister revert to the wonderful days of "closed" government so that we will be able to have those briefings? Or, must we go to "open" government and have to prove exceptional circumstances, as I recall the release, and also have to obtain ministerial approval? If we have to prove exceptional circumstances, could the Prime Minister tell us whether he issued directives to his 39 colleagues as to what criteria should be applied in determining those special circumstances?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think my hon. friend was busy outside the Chamber playing the piano, and was not listening to the answers we have been giving here. It is widely accepted that he is a better piano player than questioner. All the answers in response to the question of my hon. friend have been given many times in the House, most notably during his absence last week.

Mr. Johnston: There are a number of piano players in this caucus. If we could get together with the brass and the wind on that side of the House, we might do well together.

REQUESTS FOR OFF-RECORD BRIEFINGS

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, my supplementary question is directed to the Prime Minister. Would he assure the House that these "exceptional circumstances" will be applied objectively, whether they be journalists who are friends of the Party, such as Dalton Camp, as opposed to the elite journalists to whom the Secretary of State for External Affairs made reference? Would he agree to

table in the House on a periodic basis the requests which have been made for off-the-record briefings with senior officials so that we will know exactly what exceptional circumstances apply?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I would be happy to give my hon. friend the assurance of reasonable and thoughtful application of guidelines which are only designed to be of assistance in making the truth available to the Canadian public. Inasmuch as he referred to distinguished members of the Press Gallery, I point out to him that we received a letter from the President of the Press Gallery who was inviting Members of Parliament to join the Press Club. It says: "The Club is an ideal place for parliamentarians to relax and make contact with members of the media, particularly in view of the fact that the premises are strictly off the record".

Some Hon. Members: Oh, oh!

ANSWERS GIVEN BY DEPARTMENTAL OFFICIALS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is also directed to the Prime Minister. Like all Members of Parliament we were pleased with his announcement that this would be an open Government. When we received an offer from the Minister of Consumer and Corporate Affairs to be briefed by senior officials, we accepted that offer. We spent an hour and a half with senior officials of his Department yesterday. We went there asking for factual information on important issues such as the competition policy, metrication, and so on. After an hour and a half, not only could we not receive any useful answers about future policy, but we got no answers on facts. What was the point of the offer?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, may I say, with respect, to my hon. friend that it would be unlikely that any public servant would want to explore future policy with a member of the Opposition. It is the role of the Government to develop policy. Once that policy is developed, it is the role of the Public Service to explain it.

• (1430)

REQUESTS FOR FACTUAL INFORMATION

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I do not know if the Prime Minister understood the question I was asking. I understood that we would not get future policy advice. We were asking for factual information, whether there were new updates on competition policy and so on. Nothing came forward. We wondered if the reason we could not get any information was because the legislative secretary to the Minister was there taking notes and the public servants would not answer. They were afraid that the guidelines would get them in trouble.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there is certainly nothing in the guidelines that would inhibit the kind of legitimate information to which my Hon. friend seeks access. With regard to the reluctance of public servants and others, the answer may be that the normal course is for the Public Service to refine the ideas as indicated by the Cabinet, and bring them forward. Once Cabinet approves, they are introduced in the House as legislation.

* * *

ST. LAWRENCE SEAWAY

DISRUPTION OF SHIPPING CAUSED BY DAMAGED LIFT BRIDGE

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is directed to the Minister of Transport. It concerns the shutdown of the St. Lawrence Seaway system at Valleyfield, Quebec. The Minister is aware that as of this morning 85 ships are tied up waiting to enter the Seaway system, and that an additional 117 ships are inside the Seaway system waiting to get out. In light of the fact that the Valleyfield Bridge No. 10 will not be repaired until December 7, and that the Seaway officially closes on December 15,—December 20 at the latest—will the Minister inform this House what measures are being contemplated by the Government of Canada to avoid what appears to be the inevitable bankruptcies which will occur as a result of the tremendous losses that have already been experienced by the companies involved, and by those companies whose vessels will be frozen both inside and outside the Seaway system this winter?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I know that all Members are concerned about the unfortunate mishap which occurred at the Valleyfield Bridge. I want to assure the Hon. Members, and all Members, that everything possible is being done to restore the bridge to operation. There are some 100 vessels currently being affected. The men and equipment are on site, repair is on schedule and is to be completed by December 6. There are some very important incentives incorporated into the contract which could conceivably result in the work being completed before then. With respect to other contingencies, we have assured the shippers that an extension will, in all likelihood, be made to the Seaway Season, with adequate icebreaking and back up facilities being provided.

Mr. Tobin: I thank the Minister for his answer. Everyone in this House recognizes that the matter is being rectified as quickly as possible.

CONSEQUENCES FOR SHIPPING COMPANIES

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I have a supplementary question. Ships will be caught in that system this year and tremendous losses will be incurred. We know that some companies will go bankrupt and that there is a limited liability by the Seaway. What measures are being contemplated by the Government to prevent bankruptcies and the loss of jobs throughout the length and breadth of the Seaway system?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, there are no ships caught in the system as of now. We will do everything in our power to see that there are no ships caught in the system. The Minister of State for Transport will personally visit the site, either tomorrow or Friday, to ensure that everything is going well. I can assure the Hon. Member of that.

* * *

NATIONAL REVENUE

CORPORATE TAX LOOPHOLES

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is for the Minister of National Revenue. Considering the Government's concern with our deficit, the Minister put forward a most novel proposition in Toronto the other day. He believes that business people are spending too much time looking for tax loopholes. The Minister's solution is to let the experts at Revenue Canada find the loopholes and determine the legality of setting up dummy companies, at the expense of the taxpayer of course. Will the Minister agree that the job of Revenue Canada should be to help close loopholes in the tax system which do not have a socially useful purpose such as creating jobs or doing research and development?

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, this is a happy day for me. I have finally had a question from my hon. colleague opposite. First, I thank him for his question. Second, I want to indicate to him that setting up dummy companies is not appropriate, now or ever, under the Income Tax Act, and would never be condoned by my Department. We are saying that the Income Tax Act is 5 lbs. of some of the most incomprehensible legislation ever passed by Parliament. We think that the Government has responsibility when a taxpayer comes to us and asks what the law is. We have a responsibility to answer in a forthright and complete way. This is consistent with the Prime Minister's commitment to open government.

USE MADE OF RESEARCH AND DEVELOPMENT TAX CREDIT SCHEME

Mr. Simon de Jong (Regina East): Mr. Speaker, I have a supplementary question for the same Minister. Tax scams like the R and D tax credit scheme introduced by the Liberals will cost us hundreds of millions of dollars. It is called a quick flip scam. We now learn that the moratorium the Government placed on the scheme is meaningless because of a special grandfather clause. Will the Minister tell us what the damage will be when this scheme finally comes to an end, and will he place an immediate moratorium on the grandfather clause?

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, it is not a scam. It is a proposal that was written into the law by the Liberal Government.

Some Hon. Members: Oh, oh!

Mr. Beatty: I do not know whether the hon. gentleman wants to shout me down, or wants an answer. I will be glad to give him an answer. Members opposite wrote this provision into the law. The Government is very much concerned about the way in which quick flips have been used. As a consequence, my colleague, the Minister of Finance, put the lid on that and said that we wanted to have that provision looked at again. What we did was opt to stop what we thought was a loophole in the system. We thought that this sort of appropriate action was justified. I am surprised the Hon. Member did not support us in that.

* * *

[*Translation*]

TRANSPORT

ALMA-LA BAIE AUTOROUTE

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, I have a question for the Minister of State (Transport).

Can the minister tell us whether there are discussions now under way with the Quebec Government for the purpose of renewing the blanket agreements for the construction of freeways? If so, will the Alma-La Baie freeway project, which is vitally important to the people of the Saguenay Lac-Saint-Jean area, be covered by those agreements?

Hon. Benoît Bouchard (Minister of State (Transport)): Mr. Speaker, there are no discussions under way with the Quebec Government. The new Quebec Minister of Transport was appointed only very recently. We will give him time to settle down in the Quebec government. Later, we will consider entering discussions. This is not to be taken up immediately. I think this answers the second part of the Hon. Member's question. There being no discussions, the highway referred to is not on any agenda of any non-existing discussions.

* * *

• (1440)

SMALL BUSINESS

INCREASED UNEMPLOYMENT INSURANCE CONTRIBUTIONS—GOVERNMENT POSITION

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, my question is for the Hon. Minister of State for Small Businesses.

The increase in unemployment insurance contributions announced by the Government will mean a higher tax on wages as it will add to the tax burden of the small businesses which are responsible for creating most of the jobs in Canada. Can the Minister explain to the House the position of his Party, which on April 7th, 1984, was willing to consider unemployment insurance contributions as tax credits rather

than expenses but, now it is in power, has decided instead to raise those contributions?

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, I would first like to congratulate my hon. colleague for Saint-Léonard-Anjou on his appointment. I find his question very interesting. This matter is now under consideration and I shall probably be able to provide an answer personally to the Hon. Member for Saint-Léonard-Anjou within a few days.

[*English*]

SMALL BUSINESS CONFIDENCE

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, can the Hon. Minister tell us what his plan of action is to restore the confidence of small business in this two-faced Government?

[*Translation*]

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, I am sorry, but I did not understand the question. If the Hon. Member could repeat it either in French or in English, I shall be happy to answer it, but I did not understand him the first time.

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PUBLIC WORKS

OLD PORT OF QUEBEC

Mr. Marcel R. Tremblay (Québec East): Mr. Speaker, my question is directed to the Minister of Public Works.

Could my hon. colleague advise the House why he has hired an accounting firm to investigate the administration of the Vieux-Port de Québec? Has the accounting firm already started its investigation and when does the minister expect to table its findings in the House?

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, I would like to congratulate the Hon. Member for his concern over the interests of Quebec City's Old Port. Why this investigation? You will recall that a great deal has been written about Quebec City's Old Port, and that major cost overruns have been incurred in conjunction with the projects that have been carried out in the Old Port of Quebec.

Under these circumstances and in view of the comments we had received from various quarters, I suggest that a full assessment of the administration of these projects was urgently required in the public interest, and so I ordered one made and I have so decided; I hope I can table within the next few months a full investigation report, so that the general public may find out why and how public funds were spent.

[*English*]

EMPLOYMENT

PROVISION OF JOB-CREATION FUNDS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Minister of Employment. I am sure she shares my dismay that some senior business executives said on *The Journal* last night that the Government's confidence building program will not create many jobs for at least one year. In light of the fact that the Minister confirmed in committee yesterday that the $1 billion which has been allocated for creating jobs will not, in her words, be made up of any new money whatsoever, could the Minister go to the Prime Minister and to the Cabinet to see whether or not they will allocate several billion dollars to create jobs in the immediate term?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member will know that since I came into office, a short period of just over two months, we have allocated $430 million for direct job creation this winter. That means some 70,000 jobs are to be created. We have also re-allocated $1 billion from other programs to job creation and new job opportunities. I would think that the allocation of $1.5 billion toward job creation, new job opportunities and human resource development, in just over two months is really a pretty good record.

Some Hon. Members: Hear, hear!

EMPLOYMENT OF EXTRA STAFF BY UNEMPLOYMENT INSURANCE COMMISSION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, in committee yesterday the Minister said:

—I suppose one would say none of it was new money—

In light of that, I wonder if she could tell the House that, instead of spending some $30 million on the 700-person force designed to persecute people on unemployment insurance, she will now spend that $30 million trying to create jobs for people.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, obviously the Hon. Member's question indicates that there is a very fundamental difference between members of the Conservative Party and members of the New Democratic Party. There is a very fundamental difference between the two.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. Perhaps the Minister would like to finish her answer.

Miss MacDonald: Thank you, Mr. Speaker. The money to which I have referred is not new money in the sense that we have not dipped into the pockets of the taxpayers, as members of the NDP might wish to do. Equally important, the money that will be allocated to intensive interviews will be used to

encourage people to return to the paid labour force. We feel that Canadians would prefer to have jobs. Obviously members of the NDP would prefer to have Canadians stay on unemployment insurance.

Some Hon. Members: Hear, hear!

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ADMINISTRATION OF JUSTICE

UNLICENSED CABLE TELEVISION OPERATORS—STAY OF PROSECUTIONS

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Minister of Justice in his capacity as Attorney General of Canada. No doubt the Attorney General has by now been briefed on the nature of his prosecutorial discretion—the fundamental principle that he should decide, without politics, such things as whom to prosecute, whom not to prosecute, and whether or not to launch appeals; and that this is a discretion that should not be shared with Cabinet, caucus, or even with the Prime Minister. Yet on November 27 a government back-bencher announced a stay of prosecution against unlicensed—

Mr. Speaker: Order.

Mr. Kaplan: I would like to ask the Attorney General if the report in *The Globe and Mail*, which reveals that he himself had decided to go ahead with the prosecutions of the cable t.v. operators but that his decision was overturned by caucus and that the final word came from the PMO, is true. Did the Attorney General accept direction or advice from his caucus, or the Prime Minister, in the exercise of that discretion?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I always accept direction and advice from the Prime Minister. If that was not the case, I would not be a Minister.

Some Hon. Members: Hear, hear!

Mr. Crosbie: However, contrary to the actions of members of the last Government, if I think the Prime Minister's advice or direction is wrong, I give him my advice in return. It is a two-way communication.

In connection with the prosecutions—

Mr. Tobin: What did you tell him about finance just before you went to justice?

Mr. Crosbie: I will deal with the question of the other gentleman later.

Some Hon. Members: Hear, hear!

Mr. Crosbie: In connection with the prosecutions that were requested by the Minister of Communications, the Department of Justice acts as a legal agent of the Department of Communications. If the Department of Communications decides that it is reviewing policy and does not wish to go ahead with prosecutions, we naturally accept those directions. That Department is our client and we are its legal agents. What could be simpler for anyone to understand?

MINISTERIAL DISCRETION

Hon. Bob Kaplan (York Centre): Mr. Speaker, does the Attorney General not recognize that the discretion which he has in prosecutorial matters should not be submitted to caucus or to the Prime Minister? Does he not realize that that is a fundamental principle of our system of justice?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I have not said that this was ever discussed in caucus. We cannot reveal what is discussed in our caucus. As the hon. gentleman knows, we are leak-proof at the moment.

Some Hon. Members: Hear, hear!

* * *

CANADA MORTGAGE AND HOUSING CORPORATION

UNUSED FUNDS

Mr. Dan Heap (Spadina): Mr. Speaker, my question is directed to the Minister of Labour who is responsible for housing. Given the Government's announcement of a $9.6 million cut in the CMHC social housing units program, and the fact that only 53 per cent of the planned CMHC housing allocations have been taken up so far because some groups were unable to use them, will the Minister tell the House whether all of the planned but unused allocations will be re-assigned for starts in 1984, or whether he intends to cancel allocations not yet taken up, in order to achieve his $9.6 million budget cut?

● (1450)

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I congratulate the Hon. Member on his appointment as housing critic. As the Hon. Member will recall, in the committee last evening I explained to him the phasing of those take-ups which had not been committed. It is not unusual that only 53 per cent of the take-ups in social housing are taken up at this time of year. Those units which have not been taken up for reasons of rezoning, and because of the inability of the client groups to make their financing available, will be reassigned this year. However, those units and those groups will become eligible for those same units in the corporation's 1985 fiscal year.

ALLOCATION OF FUNDS FOR CO-OP HOUSING

Mr. Dan Heap (Spadina): Mr. Speaker, I thank the Minister for his part answer. What he has left out is that it is unusual to arrive at the end of November with no word about the reallocations. In light of the Prime Minister's condemna-

tion of the Liberal Government two months ago for cutting the co-op housing allocations almost in half, would the Minister tell us whether he intends to reassign the allocations which cannot be taken up, so as to fill the very serious gap in the co-op housing program which was left by the Liberals?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I would like to tell the Hon. Member, through you, that it is not the intention of this Government to reduce co-op housing by some 41 per cent, which was the direction taken by the previous administration. If the Hon. Member is suggesting that co-op housing be the only commitment and the only direction under public housing which this Government takes in reallocation of those units, the Hon. Member and I do not share the same view.

DENIAL OF INSURANCE TO SUBDIVISION IN FORT McMURRAY, ALTA.

Mr. Jack Shields (Athabasca): Mr. Speaker, my question is also directed to the Minister of Labour and has to do with his duties with respect to CMHC. Would the Minister tell us when he will direct CMHC to stop the discriminatory practice of denying whole subdivisions within Fort McMurray CMHC insurance? I refer to the Abasands subdivision which is less than 10 years old.

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, the Hon. Member has my assurance that my officials in CMHC are aware of the concern he has expressed. I would say, Mr. Speaker, that I find it very strange that the Hon. Member takes up the time of his colleagues in the House when he could speak to me at other times about these matters.

Some Hon. Members: Oh, oh!

Mr. McKnight: However, on a serious note, Mr. Speaker, I do share the Hon. Member's concern. The officials in CMHC have been made aware of the problem, and the subdivision within his constituency to which he has referred will, I hope, be able to become again a client of CMHC in the mortgage insurance fund.

* * *

AGRICULTURE

RED MEAT STABILIZATION PROGRAM

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Agriculture. In his absence perhaps I could direct it to the Acting Minister of Agriculture. The Government has promised to establish a red meat stabilization program this year for hard pressed farmers, many of whom are facing bankruptcy this winter. In the agreement reached by the federal and provincial agricultural Ministers last July, only the three prairie provinces and Ontario agreed to the program. Would the Minister tell us whether the federal Government is going to go ahead with the establishment of this red meat stabilization program without the participation of the Atlantic provinces, British Columbia, and Quebec?

Hon. Charles Mayer (Acting Minister of Agriculture): Yes, Mr. Speaker, the federal Government intends to proceed with enabling legislation. Presently there are agreements between the four provinces to which the Member refers. The legislation will be enabling and, hopefully, after a period of time other provinces will see fit to join.

INTRODUCTION OF ENABLING LEGISLATION

Mr. Maurice Foster (Algoma): Mr. Speaker, my supplementary question is also directed to the Acting Minister of Agriculture. I wonder if the Government will bring in that legislation within the next few weeks so that the enabling legislation can be in place by the first of January. Otherwise the Ontario Minister of Agriculture has indicated that he is going ahead unilaterally to establish a program in that province which will further fragment the whole situation across the country.

Hon. Charles Mayer (Acting Minister of Agriculture): Yes, Mr. Speaker, the Government intends to introduce that legislation very shortly. I would like to add that, from the tone of the Hon. Member's question I take it that he would actively support that legislation. Let me say that the legislation will be introduced within three months, or thereabouts, of our new mandate. The Hon. Member's Party was in power during the last four years and did nothing on that matter.

Some Hon. Members: Hear, hear!

* * *

FISHERIES

GREAT LAKES FISH QUOTAS

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. Keeping in mind that the Province of Ontario has been somewhat ham fisted in its dealings with Ontario's commercial fishermen, would the Minister indicate what agreement, if any, he reached last night during his private meeting with Ontario's Minister of Natural Resources regarding the jurisdictional dispute over fish quotas on the Great Lakes?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, I want to thank the Hon. Member for his question. I am very pleased to see that, from the conversation which we were able to have last night, the Hon. Member has taken this opportunity forthwith to ask a question. It is a serious and important question.

I met with the appropriate Minister of the Government of Ontario last night to discuss further the difficulties which he has had in the administration of the fishery in the Great Lakes, which is, of course, a responsibility of the Government of Ontario. We clearly understood that there has been some

misconception as to where the authority and responsibility lie for the administration of that fishery. We are going to have further discussions so that the arrangements between the federal Government and the Ontario Government are clearly perceived and set out.

HARDSHIPS TO FISHERMEN

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, would the Minister indicate whether there was discussion about conditions which the federal Government might include in any agreement with Ontario to ensure that any of the hardships which have been created, because of the manner in which the quotas have been implemented in Ontario, will be eliminated?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, the Hon. Member will know that the federal jurisdiction in this regard is primarily and fundamentally to ensure that the stocks of fish are maintained and enhanced, and it is most clearly not, in view of the delegated authority to the Province of Ontario, the administration of quotas or other arrangements which are directed by the Government of Ontario with respect to the fishermen. Therefore, we agreed that that distinction must be very clearly understood by all fishermen and by the public generally, who, of course, have a very understandable concern in the matter.

* * *

THE CENSUS

CANCELLATION OF 1986 CENSUS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is directed to the Prime Minister, and it concerns the "great hotel caper" which informed us that Manitoba was not to build its hopes on getting an extra $72 million in federal equalization payments which had been previously requested. Recognizing that the census is used as the base for establishing equalization payments, will the Prime Minister tell us whether the cancellation of the census was in fact part of a scheme by his Minister of Finance to reduce or shortchange payments to the provinces?

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, perhaps I could address the answer to my hon. friend. I would like to indicate to the Hon. Member, as I have indicated in the past, that we are well acquainted with the fact that the Government requires certain data and information in order to make its decisions, including provincial population data, and so forth, for the Minister of Finance.

We have great confidence in the professionals at Statistics Canada to use a variety of techniques in order to gather this information, be it statistical surveys, polling, administrative data, census or a whole lot of other areas. We will guarantee that the Minister of Finance, and other Ministers who require such information, will obtain the information as accurately as

possible and in a most cost effective method, so that the concerns of the Hon. Member will be addressed.

[*Translation*]

STATISTICS CANADA REPORT

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, how can the Minister give the House this answer today, when a Statistics Canada report dated August 1983 says the following, and I quote:

He concluded that it was not feasible and that there was no other solution but to hold the 1986 census.

Could the Minister explain the apparent contradiction with the StatsCan text?

• (1500)

[*English*]

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, I reiterate that, after much consultation with some very able StatsCan professionals, they have assured me, and I have great confidence in them, that all of the information the Government requires to make proper policy decisions will be obtained. The Hon. Member has my assurance on that.

ROUTINE PROCEEDINGS

[*Translation*]

PETITIONS

VIA RAIL—SERVICE IN CASSELMAN

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have the honour to present a petition.

To the Honourable the House of Commons in Parliament assembled:

We the undersigned residents of Canada now avail ourselves of our ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that your Honourable House will therefore provide a remedy.

We humbly sheweth:

That the Via Rail Company having chosen to make changes in the services provided to the community of Casselman, Ontario, that the same company having neglected to provide adequate notice to the population and its Member of Parliament and that such changes—

[*English*]

Mr. Speaker: With great respect, when I rise the Hon. Member should wait until I have something to say. I have to advise him that the explanations for petitions—

[*Translation*]

—the explanation has to be very short. This is our practice and the explanation given by the Hon. Member is somewhat overly detailed. I think that it is enough.

Does the Hon. Member have a second petition?

Mr. Boudria: Yes, Mr. Speaker.

Mr. Speaker: Very well.

Mr. Boudria: Mr. Speaker, the petition which I have just presented was signed by 786 people.

VIA RAIL—SERVICE IN GLEN ROBERTSON

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have the honour to present another petition with a similar text asking that a moratorium be placed on the cancellation of another VIA Rail service, this time in Glen Robertson; this petition was signed by 300 people.

[*English*]

CORPORATION TAX BREAKS

Mr. Dan Heap (Spadina): Mr. Speaker, I have the honour to present a petition signed by a number of residents of the City of Toronto, asking Parliament to change the appropriate laws in 1984 so that in 1985 large corporations will receive tax breaks only in proportion to the new jobs they create, and that the new jobs and tax breaks be reported quarterly to Parliament.

CALL FOR RESTORATION OF CAPITAL PUNISHMENT

Mr. W. C. Scott (Victoria-Haliburton): Mr. Speaker, it is my pleasure and duty to present a petition today signed by approximately 1,000 residents of the Beaverton area of my constituency of Victoria-Haliburton. These petitioners believe that the Government of Canada must allow a return to capital punishment. They have been thoroughly disgusted, as have I, at the senseless murders of police officers in recent days, especially in the Province of Ontario. We must have a strong deterrent.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk)

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, the following question will be answered today: No. 18.

[*Text*]

DEPARTMENT OF EMPLOYMENT AND IMMIGRATION LAWYERS

Question No. 18—**Mr. Howie:**

How many lawyers are employed by the Department of Employment and Immigration?

Hon. Flora MacDonald (Minister of Employment and Immigration): There are five lawyers assigned to the Department from the Department of Justice.

[*English*]

Mr. Dick: I would ask that all other questions be allowed to stand.

Mr. Dingwall: Mr. Speaker, can the Parliamentary Secretary indicate when the answers to Questions Nos. 96 and 97 will be forthcoming?

Mr. Dick: Mr. Speaker, so far there have been 99 questions put on the Order Paper. Obviously his are the most recent. We have answered—

Some Hon. Members: Four.

Mr. Dick: —which is a higher percentage of answers than were given in the Thirty-first or Thirty-second Parliament at this stage.

Ms. Copps: Mr. Speaker, on a different point of order, I have tabled a number of Order Paper questions, including a four-part series which involved 27 responses. To date I have heard absolutely nothing from the Government even though they included such "private" information as the number of housing starts predicted for Canada in 1985. I think the Government's record should be better. I want to hear why he has not answered Order Paper Questions Nos. 12, 24, 27 and 18?

Mr. Dick: Mr. Speaker, I can only say that the information is coming forward, and it has come forward faster than it did in either of the last two Parliaments.

Mr. McKnight: Mr. Speaker, on the point of order raised by the Hon. Member for Hamilton East (Ms. Copps), her office has been in contact with my office. We have discussed it with her and informed the Hon. Member that the Department is working on the answers to her questions and they will be available as soon as possible.

Mr. Speaker: With all due respect, I understand what is going on but neither the Hon. Member for Hamilton East nor the Minister of Labour (Mr. McKnight) actually had a point of order. It is perfectly legitimate to ask the Parliamentary Secretary about when a question will be answered because we are at that stage. It is not in fact a point of order because we are at the stage of a motion concerning whether the remaining questions shall stand.

Mr. Nunziata: Mr. Speaker, I have 12 questions on the Order Paper and I would like to ask the Parliamentary Secretary when I can expect some answers to the questions?

Mr. Dick: Mr. Speaker, if the Hon. Member has listened to my last two answers, he would have a better understanding.

Mr. Boudria: Mr. Speaker, I tabled a question in the House on November 5 concerning such simple matters as what did it cost to change the carpeting in front of the Prime Minister's office. I am sure you will agree that such questions can be answered in less than a month.

Mr. Dick: Mr. Speaker, the bill may not be in yet.

Mr. Speaker: The question indicated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, I would ask that all Notices of Motions for the Production of Papers be allowed to stand.

Mr. Speaker: Shall all Notices of Motions for the Production of Papers be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1984-85 (No. 2)

MEASURE TO ENACT

Hon. Barbara McDougall (Minister of State (Finance)) moved that Bill C-11, an Act to provide borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

She said: Mr. Speaker, I rise today to present this House will Bill C-11, an Act to provide borrowing authority. The practice of obtaining new borrowing powers for the Government has always been at minimum an annual event, and Parliament has examined these Bills on many occasions in the past. Consequently many Hon. Members are familiar with the details of borrowing authority Bills. However, there are many new members of the House who are not so familiar and therefore I will present the new Bill in some detail and briefly explain the need for borrowing authority.

I bring forward this Bill on behalf of the Government fully aware of the increased pressures government borrowing authority puts on capital markets. However, this Bill is guided nonetheless by our efforts to restrain government spending in

order not to affect adversely capital markets. Under the Financial Administration Act, statutory borrowing authority must be obtained from Parliament in order for the Government to increase its outstanding debt, and Part IV, Section 36 of the Act, requires that no money shall be borrowed or security issued by or on behalf of Her Majesty without the authority of Parliament. This refers to new money only, Mr. Speaker. That is because under Section 38 there is continuing authority to borrow funds to repay maturing debt. Thus for the Government to implement a regular debt program to meet its financial requirements, statutory borrowing authority must be obtained from Parliament.

As some Hon. Members will recall, Parliament has already granted borrowing authority amounting to $24.6 billion for the present fiscal year, an amount based on the previous government's financial requirements of $25.5 billion. However, as the Minister of Finance (Mr. Wilson) pointed out in his economic statement, our Government's inherited financial requirements for fiscal 1984-85 have increased to $29.9 billion. Therefore, because of the sorry plight left us by the previous government, our Government will require supplementary borrowing authority for the current fiscal year.

• (1510)

In addition, the financial requirements for 1985-86, inclusive of the new expenditure and tax initiatives which the Minister of Finance announced in his economic statement, are now projected to be $29.2 billion, almost $6 billion higher than estimated last February.

I would now like to discuss the Bill itself and how the amounts requested were arrived at. Part I, Clause 2(1) of this Bill, seeks additional borrowing authority for 1984-85 of $7.3 billion. This amount is made up of $5.3 billion, an amount equal to the increase in financial requirements for 1984-85 of $29.9 billion less the $24.6 billion already granted, plus a reserve of $2 billion.

Clause 2(2) states that all borrowing authority conferred by the above section that remains unused, to the extent that the unused portion exceeds $2 billion, shall expire on March 31, 1985. The intent of this provision is to enable the Government to carry forward the reserve. Thus, we are not requesting a further reserve for 1985-86. This clause also ensures that not more than $2 billion will be carried forward.

The request for a non-lapsing reserve is intended to cover unpredictable changes in the financial requirements. In other words, Mr. Speaker, it is money for a rainy day. It does not permit spending beyond what has been approved by Parliament or that has been given ongoing authority by Acts of Parliament. The reserve amount is designed to accommodate the impact of unpredictable changes in financial requirements caused, for example, by foreign exchange operations. When the Canadian dollar is under upward pressure, for example, Canadian dollars are sold into the market and U.S. dollars are purchased in order to maintain an orderly market in the Canadian dollar.

Because of these stabilizing operations, the Exchange Fund Account accumulates U.S. dollars. To finance this increase in official reserves, Canadian dollars must either be taken from cash balances or borrowed and charged against the borrowing authority. On the other hand, when the Canadian dollar is under downward pressure, U.S. dollar reserves fall. The depreciation may need to be supplemented by drawing on the standby credit facilities the Government has. These are held at Canadian and international banks. In the alternative, Mr. Speaker, the need must be met by other types of foreign borrowing. I should make it clear that any of these borrowings must be charged against borrowing authority. Insufficient borrowing authority could limit the Government's ability to maintain orderly conditions in the foreign exchange market and disrupt the domestic borrowing program.

In Part II of the Bill, Clause 4(1) requests borrowing authority of $16 billion for fiscal 1985-86. The amount should be sufficient to meet borrowing requirements through to the fall of 1985. The Minister of Finance will introduce further borrowing authority legislation following his Budget next spring seeking the remainder of borrowing authority for the full 1985-86 fiscal year.

Finally, Mr. Speaker, Clause 5 states that the borrowing authority granted in Part II of the Bill will come into force on April 1, 1985, the date on which the fiscal year commences.

I repeat, Mr. Speaker, that borrowing authority permits the Government to implement a regular financing program. I should make clear that the Government has made cost reduction one of the major goals of its new administration. Given the relative importance of public debt charges in total government expenditures, it is a primary goal of the Government to minimize these charges.

As Hon. Members are no doubt aware, Government of Canada securities currently outstanding amount to more than $155 billion. The financial requirements are such that the level of outstanding debt will increase by over $2 billion every month. In addition, previously issued debt is coming due and must be refinanced. Consequently, each new issue is carefully tailored to meet the prevailing market conditions and investor demand, and to avoid, wherever possible, pressures on the capital markets.

Thus, another important objective of debt management is to promote the smooth and efficient operation of the financial markets. Besides being cost effective, this helps to ensure that federal borrowing operations do not interfere with borrowing activities by other levels of government or the private sector.

As a matter of interest to Hon. Members, I would like to outline how the Government has made use of the borrowing authority that was provided by Parliament for the current fiscal year. The total amount of authority provided for 1984-85 was $24.5 billion. To the end of October domestic borrowing operations used about $13.8 billion of borrowing authority; $11 billion through the issue of Treasury Bills, $7.3 billion through the sale of marketable bonds, and net redemptions of $4.5 billion of Canada Savings Bonds.

Foreign borrowing has added a further $1 billion to the use of borrowing authority. The impact of foreign borrowing on the borrowing authority was the net effect of a one billion borrowing in the Swiss franc market in May, a 120 billion yen bank loan in the Japanese capital market in July, and a redemption of a 500 million Deutschmark private placement in May which reduced the total use of borrowing authority.

As a result of these domestic and foreign financing operations, the total use of borrowing authority to date in this fiscal year has been $14.8 billion. At the beginning of November there was about $9.7 billion of unused authority remaining. Of course, Mr. Speaker, this borrowing request is greater than we would have wished, but it is indicative of the fiscal situation we have inherited from the previous government.

[*Translation*]

Mr. Speaker, the additional borrowing authority will enable this administration to manage the affairs of the Government more effectively. I would therefore urge all Hon. Members to expedite the passage of Bill C-11 so that this Government can go on serving all Canadians more and more effectively.

[*English*]

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, as the days progress we find more and more candidates for the television series "That's Incredible". We seem to have a new definition of arrogance in politics emerging in the House. First we had a budget boot-legged in as an economic statement. Now the Minister of Finance (Mr. Wilson), speaking through the Minister of State for Finance (Mrs. McDougall), is seeking borrowing authority not only for 1984-85 but for next year in the amount of $16 billion. If parliamentarians, responsible to the Canadian people for funds borrowed, do not pause and reflect on that, I do not know whether we would be discharging our duties.

The Minister of Finance was caught without his briefs the other day. Perhaps that will add a little humility to the Minister and his Department. Of course, Mr. Speaker, it is not uncommon for people to forget their briefs in a hotel room. However, these were not Stanfield's. These were the briefs of the Deputy Minister of Finance. That is a luxury which the Minister of Finance really cannot afford.

● (1520)

[*Translation*]

Mr. Speaker, we are all aware in this House that when we have deficits, it is necessary to borrow to finance them. Fine. There is no problem there, except that it is altogether unacceptable for the government to seek such a borrowing authority without providing estimates for next year.

They have the impudence to ask us for a $16 billion borrowing power without providing us with estimates for next year. Therefore, before giving our approval, we should wait until the Minister of Finance (Mr. Wilson) tables in the House his budget for next year.

[*English*]

When there is no Budget or estimates for next year, how can responsible parliamentarians be expected to entertain a demand for $16 billion for next year? I see that the Minister of State for Finance (Mrs. McDougall) is smiling. I am aware that they deal with big numbers on Bay Street but when we are asked to approve $16 billion without one scintilla of evidence about how that money is to be spent, I ask the Government House Leader (Mr. Hnatyshyn) what he would do if he was in our position.

Mr. Hnatyshyn: I would ask the Hon. Member for Saint-Maurice (Mr. Chrétien).

Mr. Johnston: I know what he would say if he was allowed but tomorrow morning he would be out on the new carpet in front of the Prime Minister's office.

Apart from the fact that we have no estimates or Budget, my colleagues and I are still trying to recover from those extraordinary numbers presented by the Minister of Finance in his economic statement a few weeks ago, which was a mini-budget.

There is certainly no way that we could entertain a request of this kind without at least having access to the facts and data in an economic statement which indicated that the deficit for 1985-86 would increase by $9.1 billion beyond the amount presented by the same officials through the predecessor to the Minister of Finance in February of this year. There is another candidate for the program "That's Incredible". I suggest that something is rotten in the state of Denmark when one looks at the agenda and the requests presented here.

The Minister of Finance agreed when we asked him to come before the committee. We want him to appear before the committee as soon as possible because we need that explanation. We require the estimates and his final Budget before we could possibly entertain a request such as this. There are too many questions that we want answered. We want to examine the Minister and his officials in light of this demonstrated incompetence, with an increase of $9.1 billion during that brief period of time. We want to know whether the numbers presented in the November economic statement have any more credibility than the numbers presented last February. I suggest that they do not.

Why should we assume that the November numbers which presumably underlie this outrageous request are correct? There is no evidence in the Government's document, "A new Agenda for Canada", which was tabled in the House, to justify that extraordinary increase of $9.1 billion.

Let me quote some of the language used in this document to justify this change in the projections. It states that "The economic outlook is bleaker in 1984 and 1985". I would point out that in the document that was presented the real GNE in 1985 was estimated at marginally less than what the Minister of Finance had provided in his earlier documentation. The same is true for economic growth to the end of the decade.

It is certainly not the issue of growth which has created this deficit because the numbers do not justify that. For example, let us look at the Consumer Price Index. The CPI for 1984 is estimated at 4.5 per cent in this new agenda. It is interesting to note that when one sees the CPI increases this year, we have moved from a base point of 119.6 to 123.2 for the period January to October. When that is annualized it translates into the number of 3.61 per cent. That is the real increase in the cost of carrying on government this year. Do we have inflated numbers in future years, particularly next year, which brings this deficit up to $37 billion, as we appear to have in the current year? Is it not appropriate for us to have answers to these fundamental questions before we write a cheque for $16 billion to the Government? Let us look at some of the other data.

Mr. Fennell: That sounds familiar. We have heard this song before.

Mr. Johnston: I will deal with the Hon. Member for Ontario (Mr. Fennell) later.

It is my submission that there is a real conflict of interest in the Government and in the Department of Finance. There is an obvious desire to bloat the deficit in order to make it look as unreasonable as possible. This is not only meant to intimidate and scare the population but to allow the Government to say later, when the real numbers come in, that it did a great job.

I have an article from which I will quote later which is probably known quite well to the Minister of State for Finance. It is a marvellous article that was written in *The Atlantic Monthly* in December, 1981. It is entitled "The Education of David Stockman". I suggest that the Washington connection that we have witnessed with the Government goes far beyond the relationship between the Prime Minister (Mr. Mulroney) and the President. It would appear to go right down to Mr. Stockman. We saw the techniques that were used, the numbers that were run and the attempts that were made to change the numbers in the data. We saw how easily the numbers were changed. We saw that exercise which was celebrated at the time. It seems to me that there is a David Stockman buried close beneath the surface of the Department of Finance. There are some interesting quotations in that article which I will touch upon in the course of my remarks.

I suggest that there is a real conflict of interest and I am very suspicious of the numbers. Furthermore, we have solid evidence upon which to be suspicious. Let me draw some of the evidence to the attention of the Minister of State for Finance.

We know that one of the celebrated cuts was that of $154 million out of the Department of National Defence. Of course, this came on the heels of trips by the Minister to NATO and Washington where he said the Government was going to increase the defence budget. I am tempted to say that I suspect that the Minister of National Defence (Mr. Coates) is now regarded by his NATO colleagues as the "minister of oral rearmament", because that is all that we have heard to date. The minister of oral rearmament, when questioned in the

House with respect to the $154 million cut, said, as reported at page 340 of *Hansard* on November 19, 1984:

As a result of that decrease in the rate of inflation and of more realistic purchases by officials in the National Defence Department, a saving of $154 million was effected without interfering in any way with present or future commitments which we have made.

I ask members of the House to reflect upon the seriousness of what the Minister said. He said "as a result of that decrease in the rate of inflation". In other words, a Treasury Board reference level adjustment has been put forward by this Government as an expenditure cut.

● (1530)

If that is true with respect to the $154 million in the Department of National Defence, what is the situation with respect to all programs of government which are indexed through the relevant fiscal framework period with respect to anticipated inflation? We know that inflation has come down. We know that inflation is still falling. We know from the numbers that over the last several months it is something in the order of 1 per cent to 2 per cent annualized. The Minister of National Defence has told us that there is no cut here, that this is an inflationary adjustment. How many other cuts are inflationary adjustments? How many inflationary adjustments were not made in arriving at these outrageous numbers for the deficit in future years?

The Minister of State for Finance may not be able to answer that question today. I suspect we will have to get at the officials, and a great effort will be made to rationalize the numbers. One should look at the statement by Mr. Stockman when he refers to the exercise that was carried on in 1981, a similar exercise by the Reagan administration. I might say, Mr. Speaker, that this article should be compulsory reading for all members of the budget exercise, the hatchet exercise, formally carried on by the Deputy Prime Minister (Mr. Nielsen), for which the Minister of Finance surely has ultimate responsibility. As Stockman said:

None of us really understands what's going on with all these numbers. "You've got so many different budgets out and so many different baselines and such complexity now in the interactive parts of the budget between policy action and the economic environment and all the internal mysteries of the budget, and there are a lot of them. People are getting from A to B and it's not clear how they are getting there. It's not clear how we got there.

It sure is not clear how this Government and this Minister of Finance got from some $27-odd billion to $37-odd billion in terms of the deficit for 1985-86, never mind what happened during subsequent periods. And when I hear from the Minister of National Defence that some part—we do not know how much—of that $154 million is simply a Treasury Board reference level adjustment, it makes us suspicious. With that kind of suspicion, how on earth can the Minister come into this House and ask us to authorize a $16 billion borrowing for next year? It is a totally unreasonable request.

If that number is inflated there is a good precedent in Washington, and as I said, with a strong Washington connection the Tories may have learned something. Stockman is reviewed pursuant to having established a number of cuts and it is reported that he was somewhat disappointed and perhaps not willing to take as much credit as many thought he deserved.

It is reported in this article:

Because he knew that much more traumatic budget decisions still confronted them. Because he knew that the budget-resolution numbers were an exaggeration. The total of $35 billion was less than it seemed, because the "cuts" were from an imaginary number—hypothetical projections from the Congressional Budget Office on where spending would go if nothing changed in policy or economic activity. Stockman knew that the CBO base was a bit unreal. Therefore, the total of "cuts" was, too.

I suggest, Mr. Speaker, that we are confronted here with an analogous situation. We are presented with a hypothetical deficit for next year and for the following years against which we are now being asked to borrow real dollars. The analogy holds. I suggest that it is something which responsible parliamentarians, not only on this side of the House but I hope in the Conservative caucus itself, would raise. It goes right to the integrity of the role which this House has to play in terms of raising money from the public to finance public expenditures.

We all have to be suspicious of projections. Just to give some comfort to the Minister of State for Finance, when next year all her numbers and all her projections prove to be wrong, the only question is how wrong.

In the *New York Times* for Monday, November 14, we find 10 economists' forecasts for Reagan's second term. In 1985, believe it or not, Mr. Speaker, from these established economists we find that real GNP growth ranges from a low estimate of 0.6 of 1 per cent to a high of 4 per cent. That is in 1985. Of course, this deficit number we are looking at is also based upon projections, presumably projections of our own Department of Finance. When we get the Minister before the committee with his officials, perhaps we will find out what input data was put into the model. But the fact of the matter is that the Department of Finance has discredited itself completely in terms of projections simply by moving forward with a number which is $9.1 billion higher than the number the same officials developed, presumably using the same methodology, only a few months ago.

We cannot put ourselves in a position of accepting that kind of smoke and mirrors upon which to accept a demand of this kind. David Stockman once referred to the numbers that appeared in these budgets as "political numbers". I suggest to you, Mr. Speaker, that that is what we have here. That is what we have seen in the economic statement. That is what we are going to continue to get from what I see, namely, political numbers. But the $16 billion for next year which the Minister of State for Finance stood up and asked in a short five or six-minute part of her speech is not a political number. That amount is real dollars that have to be financed through borrowings on Canadian markets.

We want to know how the Minister of Finance got to that number. I suggest that we—and I come back to the point—as responsible parliamentarians cannot roll over and play dead. We have a role to play here notwithstanding our numbers. We have to impress upon this Government at the outset of its mandate that we expect more information, more data, more

openness and more accountability. We have had none of it so far. Of course, we have seen what the guidelines have done. They have created almost a travesty of any system of open government under this gang so far. Hopefully in the next few weeks or few days the Tories will learn their lesson.

We do not want to have to get our data from briefs left by Ministers in hotel rooms. We want to get our data and our material here in the House and before the committees. So far we have been singularly unsuccessful in doing that.

I would like to make reference in closing to one more short passage from this article in *The Atlantic Monthly*, which I belive the Minister has read. Everybody in the financial community read it at the time. The statement at the end by Stockman reads:

> Whenever there are great strains or changes in the economic system—

This Government itself has certainly created strains and changes in the economic system.

> —it tends to generate crackpot theories, which then find their way into the legislative channels.

That is what I am worried about. That is my greatest fear, that we will see crackpot theories finding their ways into legislative channels before this House. If they do, it is our job as an Opposition to ensure that those crackpot theories are not imposed or inflicted upon an unsuspecting public. We have to do that job, Mr. Speaker.

[*Translation*]

Before concluding my remarks, Mr. Speaker, I should like to propose something to amend—

The Acting Speaker (Mr. Paproski): The Hon. Member has 40 minutes—

Mr. Johnston: I do not think I will need them, Mr. Speaker, for this is nothing but an arrogant request. I do not feel I need 40 minutes to deal with such an request.

I merely ask the House to accept my amendment, which is reasonable in view of the evidence I have just given to the effect that the request before us is utterly preposterous.

• (1540)

[*English*]

I move, seconded by the Hon. Member for Trinity (Miss Nicholson):

> That the motion be amended by deleting all of the words after the word 'that' and substituting the following words:
>
> 'this House will not proceed with a Bill to provide borrowing authority for a fiscal year for which the Government has not provided complete details of spending requirements or revenue projections'.

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

Mr. Blenkarn: They can't do that.

Mr. Andre: I should like to bring to the attention of the Chair, if I am correct about what the Hon. Member is attempting to do, that I believe the amendment is out of order. A motion that the Bill be given second reading is very limited in terms of amendment. If the Chair will look at the precedents in this regard, I think it will conclude that indeed this amendment is out of order.

Mr. Johnston: Mr. Speaker, I rise on a point of order. I refer the Minister of Supply and Services (Mr. Andre) to Beauchesne's Fifth Edition, page 226, under the heading 'Reasoned Amendments', where the following appears:

> It is also competent for a Member, who desires to place on record any special reasons for not agreeing to the second reading of a bill, to move what is known as a 'reasoned amendment'. This amendment leaves out all the words in the main question after the word 'that' to add other words. A reasoned amendment is in the form of a motion and many fall into one of several categories:

Some of the principles are that the amendment must strictly relate to the Bill and that the amendment must not be concerned in detail with the Bill. I suggest that the amendment is quite appropriate.

The Acting Speaker (Mr. Paproski): At first blush I would like to say that the amendment appears to be in order. I would like to take it under advisement, carry on with the debate, and later this day come back with a ruling.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I had difficulty believing my ears in the last two or three minutes.

Some Hon. Members: Oh, oh!

Mr. Riis: I can recall absolutely crystal clearly, vividly, not many, many months ago in this same Chamber when the Party of the Hon. Member who has just spoken stood in the House and asked Parliament to consider exactly what the present Government is asking us to do. At that time speaker after speaker rose in their places and explained the need for this proposal. They explained why this was totally appropriate. Then, one after another, members of the opposition stood in their places and explained that it was unacceptable. As a result of a long battle, the then government came to its senses and realized that in fact it was not an honourable thing to do.

To see the finance critic for the Liberal Party, in just a matter of a handful of weeks, standing in his place with indignation and asking how the Government could be doing what they themselves did just a few short weeks ago is the kind of behaviour which makes people question how serious members of the Liberal Party are. They say one thing one month and something totally different another month. That is why the people of Canada, when they had a crack at them, said that they had had enough of this crazyness and two-faced politics. Having had enough of their saying one thing one day and one thing another, they said: "We are going to kick these folks out of office so far they will never come back". And that is what they did; that is exactly what they did. With this kind of behaviour they are ensuring that that process will continue.

It is unbelievable that that man, the finance critic, can stand there and smile and laugh. That is why the reputation of politicians is on the same level as, I suppose, child molesters almost in the country, or tax collectors.

Ms. Copps: Oh, come on!

Mr. Riis: That kind of behaviour from the Liberal Party, day after day, month after month—

Ms. Copps: That is outrageous.

Mr. Riis: —the hypocrisy, the two-facedness, the conflict—

An Hon. Member: Sit down; at least have the decency to do that.

Ms. Copps: Mr. Speaker, I do believe that it is unparliamentary language for the Hon. Member to refer to politicians as the equivalent of child molesters. I think every Member in the House would agree that he should withdraw that statement.

Mr. Johnston: Mr. Speaker, on a point of privilege—

Mr. Keeper: We did not interrupt your speech.

The Acting Speaker (Mr. Paproski): I did not hear anything in that regard. If I see something in *Hansard* tomorrow that I feel should be withdrawn, I will bring it to the attention of the Hon. Member. The Hon. Member for Saint-Henri-Westmount (Mr. Johnston) is rising on a point of order or privilege.

Mr. Johnston: I rise on a point of privilege. I am sure the Hon. Member, when he gets over his temporary bout of hysteria, will recognize that "hypocrite" is also unparliamentary. I believe it has been defined as such and has been discussed before in the House. I would add that to the list of withdrawals which should take place.

The Acting Speaker (Mr. Paproski): "Hypocrite" is on both lists; it depends on how it is used. Let me have a look at *Hansard*. I do not know whether there is a full moon tonight or what is happening here. However, we should have a little decorum. I will look at this tomorrow and I will see what *Hansard* indicates. I would like the Hon. Member for Kamloops-Shuswap (Mr. Riis) to carry on, but first I will recognize the Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin).

Mr. Tobin: Mr. Speaker, I too will be interested in hearing the results of your deliberations on that question of privilege. On a point of order, I would just like to seek clarification. I understood, subject to the rules which were brought in in the last Parliament, that speeches given in this Chamber during this time were subject to questions and answers.

The Acting Speaker (Mr. Paproski): Would the Hon. Member please take his seat. The initial part of this debate provides for 40-minute speeches with no questions. Thereafter there are 20-minute speeches with questions and comments.

Mr. Tobin: Thank you.

The Acting Speaker (Mr. Paproski): I hope the Hon. Member for Kamloops-Shuswap will be able to carry on with his speech.

Mr. Riis: Thank you, Mr. Speaker. I think enough has been said.

An Hon. Member: Show some courtesy.

Ms. Copps: To make a comment about child molesters—

An Hon. Member: On the level of—

Ms. Copps: To make a comment like that is absolutely—

The Acting Speaker (Mr. Paproski): Order, please.

Mr. Riis: I seem to have touched a nerve among those of the Liberal Party in the House today.

An Hon. Member: That's right, a very sensitive nerve.

Mr. Riis: I certainly have touched a nerve.

Ms. Copps: Because we are concerned about that.

Mr. Riis: Mr. Speaker, in light of your ruling in terms of unparliamentary language, of course if you find that I did utter unparliamentary language, I would be the first to stand back from it.

Ms. Copps: It does not become you.

The Acting Speaker (Mr. Paproski): Order, please. I would like to remind the Hon. Member for Hamilton East (Ms. Copps) that this is not the Ontario Legislature.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): If we are to carry on with business in this House, I would appreciate the proper decorum—

Mr. Tobin: There were Members across the floor speaking.

The Acting Speaker (Mr. Paproski): Thank you.

Mr. Tobin: That is an unbecoming comment from the Chair, I must say.

Some Hon. Members: Oh, oh!

The Acting Speaker (Mr. Paproski): I have heard the Hon. Member's remarks. I heard him yesterday too as he was getting awfully close to the point where I think it was unparliamentary of him also. I will not carry on any more as far as that is concerned, but I would like to bring it to his attention also.

Some Hon. Members: Withdraw!

Ms. Copps: Mr. Speaker, I do not want to abuse the privileges of the House, but when I spoke about the issue of child molesters, I had no intention of impinging on the integrity of any Hon. Member. I frankly find it a very serious allegation, and I would have only hoped that members of the New Democratic Party would have taken that issue more seriously.

The Acting Speaker (Mr. Paproski): He has withdrawn the statement.

Ms. Copps: I say that in a very serious vein.

The Acting Speaker (Mr. Paproski): I thank you very much.

Mr. Riis: Again I think enough has been said about the approach of the Liberal Party saying one thing when it was in office and now decrying the Government for doing exactly the same thing. It is hard to believe.

● (1550)

I want now to turn my attention to the matter before us, a motion asking us to consider Bill C-11, an Act to provide borrowing authority. The Minister of State for Finance (Mrs. McDougall) spoke for nine minutes. During that nine minutes she asked us to approve $23,300,000,000 in borrowing authority.

I recognize that she is acting on behalf of the Minister of Finance (Mr. Wilson). It would have been appropriate if during the deliberations over that introduction some efforts were made to point out more clearly how these dollars are going to be used. Nine minutes for $23.3 billion is hardly the explanation one would expect from a government which prides itself on indicating that it is open and is quite prepared to share information and build confidence among the people of Canada.

Part I of Bill C-11 asks for authority to borrow $7.3 billion for the present fiscal year, 1984-85. What is interesting is that this amount of money includes a $2 billion slush fund or contingency fund. The Government is suggesting that some contingencies may arise and the $2 billion may be required before the conclusion of this fiscal year. Perhaps it wants to add to the 350 tax collectors being brought on staff to try and wring more tax money out of the hard pressed small business community.

Perhaps the Government wants to add another few hundred to the 700 UIC sheriffs which the Minister of Employment and Immigration (Miss MacDonald) is now hiring to try and squeeze all of those people abusing the UI system, that lucrative system of income. Maybe there will be more PIP grants to attempt to bribe the oil companies into doing more exploring in our frontier areas. Perhaps there will be contingencies in terms of tax relief for the hard pressed banks. Many do not pay taxes year after year. Some still pay. Perhaps the Government is worrying about those few which still pay a few dollars in income tax on an annual basis. Perhaps the Government wants to add more chiefs of staff, more Cabinet Ministers or more JetStars to jet Cabinet Ministers around the country, or perhaps create some new patronage situations of one kind or another. It is difficult to become enthusiastic about endorsing a borrowing request that includes a $2 billion slush fund.

The difficulty in Bill C-11 comes in Part II where the Government seeks authority to borrow $16 billion, not for this fiscal year in which we are operating, but for the future, for fiscal year 1985-86. A legitimate question that Members of Parliament who take their positions responsibly would ask is what the projections are for 1985-86. What does the Government plan to do? If it is asking authority, is it unreasonable to expect that it will lay out a blueprint, some strategies, an explanation? Is it going to provide us with projections of how it is going to use this money? It is an affront to Parliament to ask for $16 billion and not indicate at all how it is going to be utilized.

Imagine if you, Mr. Speaker, as an interested businessman, went to your banker and asked for a $100,000 line of credit. The bank would say: "We certainly are interested in your entrepreneurial ideas and so on. Could we see your projections for the next year or two? Could we see the plans you have as a small businessman?". You would say: "No, I am not telling you of my plans. I have made no projections. I am not going to share them with you. I just want you to give me a $100,000 line of credit. That is all I ask". That banker would tell you to quickly go out the door. He would not co-operate. He would not say that that is an appropriate way to do business.

It is appropriate that this House of Commons say the same thing. It is not an appropriate way to do business. It is not the way to develop a sense of confidence in this Government. It is not how you build an atmosphere of confidence in terms of Canadian investors and consumers. It is time the Government took its confidence building seriously, came clean with the people of Canada and said exactly what it is going to do before we authorize these kinds of borrowings.

I listened with interest last night to *The Journal*. There were four of the major spokespersons for the Business Council on National Issues, Bill Mulholland of the Bank of Montreal, Bruce Howe, the President of BCRIC, John Sheppard, representing the high-tech industries of Canada, and John Newell, the President of DuPont Canada, some of the major voices for the investment community in Canada.

Barbara Frum put it to them. She asked about the business confidence associated with the new Government. Is there going to be confidence? Their response, after some fudging, hedging and a great deal of rhetoric, was that they all agreed that, by and large, until the end of 1985 there would be very little investment. Even that was qualified. It depended on what happened in the United States, the liquidity position of the various Canadian corporations and so on. With a great deal of hesitation and some caution they said that perhaps by the end of 1985 we will see some investment in the country.

It is not surprising when you consider the kind of secrecy behind which this Government has been hiding. We found out today that at a meeting between the federal Minister of Finance and the Minister of Finance for the Province of Manitoba, at which they were sharing ideas and so on as to how to co-operate, the federal Minister was secretly tape recording the proceedings. He never asked the Manitoba Finance Minister whether that was appropriate.

Mr. Keeper: Wilsongate.

Mr. Riis: This is something that the Prime Minister (Mr. Mulroney) has amply suggested is unacceptable. This kind of behaviour encourages one to think in terms of George Orwell and the whole concept of Big Brother. Tape recording private meetings—for what purpose? Our colleague from Winnipeg explained in the House of Commons today that during the briefing sessions with his Minister and his deputies there was an individual present taping word for word the conservations that went on. This kind of behaviour does not result in open government and confidence being built in the country.

Parliament is here to represent the people of Canada. Parliamentarians are here to represent the people of Canada and to protect them from legislation that is not necessarily in their best interests. We are not here to feed a habit of a government that cannot or will not say where it is going. Considering the directions in which this Government has indicated it is interested in moving, I find it very surprising that we are being asked for this blank cheque, asking us to buy a pig in a poke.

The kind of directions we have seen from this new Government encourages one to ask questions and to become rather fearful at times about what it has in mind. For example, the Minister of Employment and Immigration is concerned about geting people working. However, one of her very first actions was to hire 700 sheriffs, referred to as a goon squad by one of my colleagues, to find all of these cheaters who are taking advantage of these unbelieveable UI benefits. This is probably at the encouragement of groups such as the Canadian Federation of Independent Business or the Canadian Organization for Small Business, which recently issued a report stating that 170,000 jobs are going wanting, that no one wants to work because they make all this money in UI benefits.

• (1600)

The average unemployment insurance benefit received by a Canadian is $153 per week. In a typical urban community such as the ones in which 80 per cent of Canadians live, a typical rental rate for a modest accommodation is probably $400 to $500 per month. When the suggestion is made that $153 per week on average in UI benefits is so generous that people are not prepared to work, I think the Government is receiving some very inappropriate advice.

When the Minister of National Revenue (Mr. Beatty) was in opposition, he railed on and on about the Government's heavy hand, its jackboots and its fascist approach to tax collecting. He participated in a cross-country task force and heard story after story about how the tax collectors tried to beat tax money out of the people. What has been the response of the new Minister of National Revenue, the same person who chaired that task force? His response has been to hire 300 individuals to harass those same people who appeared before his task force. That was not quite enough though, Mr. Speaker. He had another good idea.

As the President of the Bank of Montreal said some weeks ago when referring to the corporate sector, a sector which is awash in tax incentives, many of these folks were not receiving all of the possible tax advice on how to avoid paying taxes. The Minister of National Revenue said that he had a great idea. He is now going to set up a separate tax advice department so that those firms that are not certain that they have identified every single tax loophole can seek some advice and direction to make sure that as much tax is being avoided as absolutely possible. That is the kind of behaviour that starts to make people wonder about the motives of Ministers and the Government.

The Minister of Finance rose in his place and said that he had some great ideas about how to help people and get the economy rolling. The first thing to do was to stop thousands of students from working in the summer by cutting $85 million from Summer Canada. All of those students from small communities, rural and urban areas across the country would not be able to find summer employment. He said that that was not quite enough because now those students are returning to school so he will freeze all of the student loans and will not expand federal support for students who are going to colleges, technical schools, vocational schools and universities. He then said that a great many senior citizens take advantage of the Residential Rehabilitation Assistance Program by improving their homes and getting more life out of them by rewiring, re-roofing, re-siding or building a new foundation. He said: "Let us reduce that giveaway. Too many people are abusing that system". He cut that program by 25 per cent.

The IRDP was cut by $175 million and the Government eliminated Tier 1 designation. This means that 50 per cent of the areas of Canada will receive no incentives or encouragements from the federal Government.

Mr. Rompkey: Tourism support is no longer available at all.

Mr. Riis: As my colleague has said, tourism support is no longer available at all. Tourism is one of the obvious future growth areas of the economy.

I think the most peculiar part of the statement made by the Minister of Finance was the suggestion that the Government would cut back on research and development programs and funding to the forestry, fishery and energy sectors. At a time when every single western industrialized nation is expanding its research and development programs, our nation is cutting them.

The economic statement went on to kill Canagrex totally. Canagrex was the Crown corporation that was put in place to assist food producers by ensuring that they have access to overseas markets and by encouraging the development of overseas marketing. The Government destroyed Canertech, another Crown Corporation which was set up to develop conservation programs and renewable energy projects. These are obviously the waves of the future. However, the future does not sit well with members of the Progressive Conservative Party. Therefore, we will not have funding and encouragement for the research and development sector.

When looking at all of the cuts, the arts community has been identified as the one which wanted to be hit the hardest. The cuts to the arts community are twice as harsh as the cuts to any other sector. One could go on and on in an effort to

make the case that the Government has not clearly signalled the direction in which it intends to move. However, the Government did say that one of the reasons all these cuts are being made is to reduce the deficit.

The projections of the Minister of Finance indicate that the deficit will increase next year. More important, one of the main issues addressed by the 21st Report of the Economic Council of Canada is the matter of the deficit. That report indicated that the major problem in terms of the deficit was not government spending but the fact that we had not been collecting adequate revenues through our taxation system. When a question was put to the Chairman of the Economic Council, he said that there had been too many corporate tax giveaways. He was trying to tell the Government that if it is to reduce the deficit, if it will be able to obtain funds so that borrowing can be kept to a minimum while still delivering the desired social programs, it must start taxing that corporate sector as much as every other country in the world does.

In the economic statement there was very little that I could see that would be of help to small business. There was very little in terms of any action on interest rates. Everyone knows that the interest rate is the number one problem in the country, yet that problem was virtually ignored. There was nothing in the economic statement regarding real steps that the Government planned to take on affirmative action or contract compliance. The entire matter of equality in the workplace was overlooked by the statement. We did hear, of course, that the Government would emasculate FIRA and allow more foreign enterprise into the country, foreign enterprise that would control the direction of our economy. It indicated that being a renter in our own house is the best way to proceed.

The Minister indicated that he wants to privatize Canadair and de Havilland. Do you not remember, Mr. Speaker, what happened with Mr. Diefenbaker and the Avro Arrow? Do you not remember what the Conservative Government did to the growing aerospace industry when it had a chance at it? The Government is doing the exact same thing again. Conservative members are saying that there is a lot of government involvement in de Havilland and Canadair. Surely there is not an aerospace industry in the world that is not developing hand in hand with its government. If the Government thinks that the aerospace industry can be developed by the private sector alone, it is staring reality in the face and ignoring it.

Many of the Ministers are suggesting that we are going to open up our borders to free trade and that this will somehow help us. It flies in the face of the actions taken by every other country in the world. Whether the action is good or bad, it ignores what is happening in the United States. As I stand here today, 21 bills are before the American Congress and every one of them is a protectionist bill which raises tariff walls. Around the world, country after country has its own FIRA in place. What is our Government doing? Again, it is moving in a direction counter to the general forces in western society.

I suppose that the biggest surprise of all was the reference to defence in the economic statement. I like other Members realize that the new Minister of National Defence (Mr. Coates) went to Washington to say that we are going to expand our defence budget. He then went to Europe to the base of NATO operations and said: "Watch Canada now. We have a new Government, we are going to expand the defence budget". After the economic statement came out, Mr. Speaker, we found that the Government is going to cut the defence budget by $154 million.

The point I am trying to make is that the people of Canada are trying desperately to find out what the Government is up to. They want to know in which direction the Government will take us. Today the Minister of State for Finance stood before us and asked for permission to borrow $16 million into next year. The people of Canada are saying: "If we are going to give that authority, surely we must have some idea of where this Government is going". I hope it is understood from what I have said that it is not very clear where this Government is going.

• (1610)

Many people refer to the ghost of Mackenzie King which still lurks around these hallways. I suspect if one looks behind certain curtains one will see the ghost of Margaret Thatcher and Bill Bennett. If people want to know where this Government is going, all they have to do is look at British Columbia. It was one of the richest provinces in this country until recently. It has been a have province since its inception. It has been a province which people have looked to as one of the most thriving and dynamic parts of Canada. But in three short years, Mr. Speaker, the Conservative Government of that province has turned it into an economic basket case. I believe that any Hon. Member, no matter from what political party, would have trouble making a case for the actions of the Government of British Columbia.

Just look what Margaret Thatcher is doing, Mr. Speaker. If the people are wondering in what direction this Government is going, two good examples of that are the Province of British Columbia and Margaret Thatcher's Britain.

Mr. Andre: How about Mitterrand's France?

Mr. Riis: Someone across the way tells us there are alternatives. I suspect we can look at Australia to see how the economy in Australia is going. As a matter of fact, on December 1 we will see a government re-elected in Australia, which happens to be one of the most progressive governments of the world.

The advisers to Mr. Bennett, the Premier of British Columbia, when asked for advice by a young person, said: "Go east to Manitoba. That is where the growth, the investment and the jobs are". The Government of Manitoba, Mr. Speaker, is a New Democratic Government. It has a different approach. This Party sees that the country should be moving in a particular direction. Its direction now is 180 degrees different.

Mr. Andre: Thank goodness!

Mr. Rodriguez: You are moving backwards.

Mr. Riis: The confusion which exists in the country is magnified when you hear Ministers such as the Minister of Supply and Services (Mr. Andre), who has just shouted out, and other Ministers time after time tell us in this House, in press releases or in interviews that they have a top priority in this Government. Some say the top priority is jobs; that is the number one concern. They are absolutely dedicated to meeting that problem head on. Another Minister says his number one priority is women's rights. Another priority is interest rate reduction and yet another is the small business sector. We have a Minister saying that her priority is reducing deficits. Then, of course, there is the priority of aboriginal rights and fair treatment for Quebec. Then a Minister tells us that the agricultural community is the priority and we hear that the fishing sector is the priority. But one cannot have 15 priorities, Mr. Speaker. There cannot be 15 number one concerns on the agenda.

It is that kind of behaviour, Mr. Speaker, which causes us in the Opposition to become less than enthusiastic about giving the Government the authority to borrow $16 billion to take us some place; goodness knows where, Mr. Speaker. We wish we did know where. Perhaps it is in a good direction. That is a possibility, I suppose.

Mr. Rodriguez: The Tories?

Mr. Riis: It is not likely, but it is possible. We have all kinds of suspicions and all kinds of evidence which encourages us to have these suspicions.

So, Mr. Speaker, I would like to move an amendment, and I will refer later on to other amendments I would like to move. I move, seconded by the Hon. Member for Regina East (Mr. de Jong):

> That all of the words after the word "that" be deleted and the following substituted therefor:
>
> "that this House holds the opinion that the granting of an authority for the borrowing of a sum greater than the amount which is required to meet the government's needs to the end of the current fiscal year is objectionable in principle and this House therefore declines to give second reading to Bill C-11, an Act to provide borrowing authority".

The Acting Speaker (Mr. Paproski): It seems to me that this is about the same kind of amendment which was initially put to the House. I will take this amendment under advisement until I have ruled on the first one. I will take both amendments under advisement and we will carry on with debate.

The Hon. Member for LaSalle (Mr. Lanthier).

Mr. Riis: Mr. Speaker—

The Acting Speaker (Mr. Paproski): Are you not finished with your speech?

Mr. Riis: Mr. Speaker, I have two or three short statements left. I did not intend to end my speech by submitting that amendment.

The Acting Speaker (Mr. Paproski): All right. You are entitled to the extra two or three minutes, if you wish.

Mr. Riis: Thank you very much, Mr. Speaker. I will be brief. I have only two or three other points I would like to make. I wanted to say, after moving the amendment, that I move that amendment based upon the Minister's own admission that portions of the borrowing authority will be applied in the next fiscal year. It is on that basis and because we believe there is no justification on the part of this Government to have that kind of borrowing authority that I introduce that amendment.

That is a quote, Mr. Speaker, from the then Leader of the Official Opposition, the Hon. Member for Yellowhead (Mr. Clark), on July 19, 1982. It is found at page 19456 of *Hansard*. At that time the Speaker took the amendment under advisement and subsequently found the amendment, word for word, to be in order.

I trust, Mr. Speaker, that as a result of this amendment the Government, through the Minister of State for Finance, will reconsider its request. This was asked by the Official Opposition in 1982, government found that the request was a reasonable one and after consideration decided to practise what it had promised, which was an openness in terms of discussion on borrowing matters. I have confidence, Mr. Speaker, that the Government of the day will do the same in this case.

In conclusion, Mr. Speaker, I would like to say that my colleagues and I feel very strongly about the principles which we have discussed today. We, as members of the New Democratic Party, however, are not the only ones who feel strongly about these principles. The present Minister of Finance had this to say about the amendment put forward by the Hon. Member for Yellowhead. It is found in *Hansard* of July 20, 1982, at page 19513:

> The first amendment we offered was to decline second reading of this bill. There is a well established principle that Parliament only provides sufficient borrowing authority to a government to allow it to finance its operations within the current fiscal year. It is quite clear from the figures in the bill and from the statement by the Minister of State for Finance (Mr. Bussières) in response to my question yesterday that the government has every intention of this borrowing authority spilling over into 1983-84.
>
> This is all the more reprehensible because the government has not given us any projections about what will happen in 1983-84. If things are too uncertain for it to predict what is going to happen in 1983-84, then it is too uncertain for us to give it the carte blanche freedom to go on spending money like a drunken sailor. It is for that reason that we feel the government should withdraw this bill and offer something that will allow it to live within its means. This bill is clearly objectionable. I believe that amendment must be and will be supported by other members of the House.

That was a statement made in 1982 by the present Minister of Finance. Interestingly enough, Mr. Speaker, not too long afterwards the present Chairman of the Finance Committee, the Hon. Member for Mississauga South (Mr. Blenkarn), rose in his place and commented on the particular practice which the Government is now attempting to perpetuate. He said on March 7, 1984, and I quote:

> It is unconscionable. It is improper. It cannot be supported by any thinking Member of the House. This House should rise up, Sir, and demand an end to this, not only on behalf of us as Hon. Members and of our constituents, but on

behalf of our children, our children's children and our children's children yet unborn or even thought of.

• (1620)

The motion that the NDP has put forward has received the time-honoured test of precedence in this House. We are simply asking the Government to reconsider what we believe to be an unreasonable request in seeking authority to borrow money for a future fiscal year for which there is virtually no projection and no indication of how the Government plans to spend the money. There is little, if any, indication of the direction the Government plans to take during that period and we, too, find it unacceptable.

My colleagues will have many, many comments to make about the Bill before us in the period ahead and I look forward to those specifics in later debates.

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, being a brand-new Member of Parliament and, incidentally, this being my first speech in the important function of helping the Minister of Finance (Mr. Wilson), I would like to draw your attention to the fact that I am proud to belong to a national Party and Government whose senior members show us such a good example of behaviour.

[*Translation*]

Mr. Speaker, the borrowing authority legislation before the House today underlines the urgency for adopting a general and basic program like the one introduced by the Minister of Finance (Mr. Wilson) on November 8 of this year. The Bill also illustrates the need for making a clean start. The clear verdict at the polls on September 4 was eloquent, indicating that millions of Canadians agreed there was a need for change. We feel there are four challenges that must be met by the present Government.

First, we must put our own fiscal house in order so that we can limit, and ultimately reverse, the massive build-up in public debt and the damaging impact it has on confidence and growth in this beautiful country of ours.

Second, we must clearly redefine the role of Government so that it can provide a better framework for growth and job creation and be less of an obstacle to change, development and innovation.

Third, we, as a Government that has received a mandate from the vast majority of Canadians, must adopt clear-cut policies that will foster higher investment, greater innovation, increased international competitiveness and a positive climate for the birth and control of new enterprises.

Fourth and finally, we must bring about these radical changes gradually, in a way that is fair, open and consistent with the basic sense of compassion, tolerance and justice that is characteristic of Canadian society. We shall not weaken the basic income support programs which have served Canadians so well. Finally, through stronger economic performance, we shall seek to provide even greater assistance to Canadians in general but especially to those who truly need it. It is up to us, as the Government of this country, to demonstrate that we are able to meet these challenges, to make them work for us in our efforts to bring about economic renewal, and to put Canadians back to work.

When we consider the need for economic renewal and job creation, we see that no other obstacle is as great nor as menacing as the federal deficit.

Today, I would like to comment briefly on the crucial and almost direct connection between reducing the deficit and creating jobs. One may well ask why the deficit has suddenly become an important priority within our national policy. After all, one year's deficit is not necessarily a major problem. In fact, during recessions, Government and industry have regularly registered deficits they could later eliminate thanks to increased revenue in subsequent periods of growth.

Canadians are now beginning to understand that during the last ten years, the former federal Government ran up deficits not only during periods of recession but also during periods of growth, while there was a tendency for these deficits to increase at an alarming rate. The deficits that have accumulated year after year have led to a cumulative debt of incredible proportions. This year, our public debt will reach the staggering total of $190 billion, representing $24,000 per family across Canada. This cannot go on.

I have tried to establish a connection between the increasing debt load and its impact on job creation. Although indirect, the connection between high deficit levels and job shortages is a very real one. Persisting by high deficits and increasing debt loads put upward pressure on interest rates and undermine investor confidence, so that together they are a formidable obstacle to growth and job creation.

Our government's priority is to control that deficit because, first and foremost, we want to create jobs for all Canadians of all ages. This sad situation brings to mind the case of a man who wants to renovate an older house. If I may, I should like to draw an analogy, because barely a month ago, I was actively working in my capacity as structural engineer. Before rebuilding and enlarging a house, the first thing one should do is to remove all rotting load-bearing trusses and reinforce the structure. In the case of Canada, the deficit is undermining the foundation of our economy. Reducing the deficit—that is reinforcing the structure of our economy—is the only way to give renewed confidence to the business world and stimulate productive investments which are so indispensable for economic growth and the creation of the necessary jobs.

When we first looked at that frightening balance sheet as we took office in September, it became obvious to us that we had to take drastic action about the deficit.

During the election campaign, we thought we had a pretty fair idea of what to expect with respect to the deficit, that it would go down with the diminishing pressure on interest rates.

We were quite surprised to find out that even if we stood still the deficit would increase next year and would even be higher than this year's, and that the situation would not improve before the end of this decade. All that, even if interest rates were to dip to more normal and more acceptable levels, and if the economic recovery were to be moderately strong. The reason for that is the elementary phenomenon of compounded interests.

Debt service charges rise by about $4 billion every year simply as a result of the annual increase in the public debt. We have reached the point where $25 billion of the $35 billion deficit will be set aside exclusively to pay the interest on the debt in the coming fiscal year, while the debt itself will continue to grow larger.

• (1630)

More frightening still is the fact that, under such conditions, the public debt grows faster than the economy. We have decided to curb the deficit, following a prudent and enlightened approach. The cutbacks and other measures announced in the economic statement will enable us to hold the deficit, at least for a while, at the acceptable or at least tolerable level of $34.9 billion, slightly below this year's level, but still considerably lower than the projected $37 billion deficit we were unfortunately saddled with.

That is only the first step. Our objective is to cut public expenditures down by $10 billion to $15 billion between now and 1990. We think it is a realistic, responsible and commendable objective. Cutting our expenses and reconsidering our priorities in respect of public outlays will not make it possible to create jobs for all Canadians. Once consumer, business and investor confidence is restored, a return to sensible management of the Government's business will contribute positively to a certain growth in the economy.

Of course, the problem of indebtedness could have been tackled differently. One of the easy alternatives would have been the status quo followed by the previous government. But as indicated by the most recent economic projections, we would very soon have been faced with a horrendous debt situation, with all the ensuing calamities. By 1990, public indebtedness would have reached $410 billion, the equivalent of a nominal amount of $54,000 per Canadian family. For obvious reasons that have not escaped your attention, Mr. Speaker, we did not find it very difficult to turn away quickly from that solution.

Another and just as simple solution would have been to use stimulating measures. However, nothing short of huge capital injections into the economy could have had some initial effect on growth or immediate employment. Since this year's deficit already exceeded the $5 billion mark in the February estimates, deliberate and huge economic stimuli would have left us in a rather precarious position. This country would have sunk deeper into the vicious and infernal circle of indebtedness, and the outlook for growth and long-term employment would have been seriously eroded. Loss of consumer and investor confidence would then have resulted in the loss of stable jobs in the years ahead.

Another alternative, just as simple, would have been to reduce the deficit indiscriminately and savagely, with spectactular and pitiless effect right from the outset. But such a drastic approach would have undermined confidence and jeopardized our country's social fabric. The cost of adapting to such a sudden turn-about in the economy would have been high, and our collective capacity to solve our structural problems would have been undermined.

There is a growing national consensus that we have to face our deficit and debt problems. Even the Leader and the financial critic of the Opposition have called for a reduction of the deficit. They support our basic objective without reservations. The previous government left us with a financial situation consistent with the incredible state of our economy.

The economic liabilities which we inherited are high unemployment, inadequate investments, shattered confidence and unwarranted individual concerns. Between the last half of 1981 and the end of 1982, we have suffered the worst recession experienced since World War II. The recovery which began in 1983 was rather moderate compared with other postwar recoveries and considerably less strong than in the United States.

After two years of recovery, or thereabouts, business and consumer confidence is still a bit shaky. Families have become cautious spenders because of the uncertainty of the job market and the low growth in real income, but savings remain at a high level. Faced with surplus capacity, large inventories and high interest rates which make their future uncertain, businesses are reluctant to invest capital and hire employees. Investment rate is 20 per cent lower than before the recession, while employment has just gone back up to pre-recession figures. We can certainly improve our economic outlook, but only if we face this major challenge realistically and responsibly. This means that we shall have to tackle the deficit and the national debt.

A steady increase in the debt to income ratio threatens growth in three ways: first, it exerts upward pressure on interest rates by feeding future inflationary expectations and by promoting competition for personal savings; second, it restricts the capacity of the Government to meet priority economic and social needs; finally, it is symbolic of bad economic management and it undermines confidence and jeopardizes private investments, our only source for creating the jobs needed in Canada. To promote confidence and employment, interest rates must therefore be as low as possible. Confidence must be renewed. This is why action to decrease the deficit cannot wait. We must assure small and big investors in Canada and abroad that the impressive results achieved in our fight against inflation will be consolidated and maintained and that our Federal Government will not subject the domestic capital market to any excessive and prohibitive demand.

Reduction of the deficit is the only key to a renewal of confidence, and this confidence is itself the key to the creation of more jobs.

In closing, I would like to say that, while our Government made a commitment not to act hastily or lightly, its first and most explicit commitment was to see to it that the state and the economy would operate efficiently in the interests of all Canadians. The years of drifting, hedging and band-aid approach are over. The time has come for Canada to take a new direction and all of us should prepare ourselves for new growth, stable employment and new opportunities.

It is Churchill who said:

[*English*]

"Give me the tools; I will do the job."

[*Translation*]

—we can apply this to ourselves and say:

[*English*]

"We now have the tools; just watch us do the job."

Miss Aideen Nicholson (Trinity): Mr. Speaker, this borrowing Bill comes before us with a number of very unusual circumstances. This is a new Government, admittedly, and it has a very decisive mandate from the people of Canada. However, the Government has chosen not to introduce a budget. Instead, it introduced an economic statement during the course of the Throne Speech debate, which deprived us of the customary debate on budget measures. We have no inkling of when there will be a budget and there are some interesting changes in the timetable. For instance, before the election the Right Hon. Prime Minister (Mr. Mulroney) talked as though there would be an economic summit meeting, a federal-provincial meeting, and a budget, all in the fall. Then the timetable began to change a little. The latest news is that the national economic conference will take place on March 22. Apparently the guest list and the agenda for that conference have still not been set. We are told that the consultations in this conference will be crucial to budget planning. If we take this at its face value, we can expect a budget in May or possibly June, which will be too late for a very detailed examination this session. We are being asked under those circumstances to give the Government borrowing authority for two years. We are being asked to suspend judgment, make a blind act of faith and vote borrowing authority for two years.

● (1640)

There are two issues I would like to raise. As my colleague has noted, the officials in the Department of Finance have much to explain about the fact that they gave one set of numbers to the previous government and an entirely different set of numbers two months later. We must have an explanation for this so that we can question those officials before we go much further.

The numbers are suspect for two other reasons, which are found in ministerial statements. When the Minister of Finance (Mr. Wilson) was being pressed to release the projections and the papers underlying his assumptions in the economic statement, he said that he would not release them because they might not be accurate. After being questioned, the Minister of National Defence (Mr. Coates) finally admitted that the claimed reduction in expenditures in the Department of Defence was fancy bookkeeping. Considering these facts in total would indeed make any responsible Opposition believe that it is time to have much more information before it can allow this Bill to proceed.

Let us set aside those particular circumstances that are strictly related to the Bill before us. In general, the performance of the Government in the two months that it has been in office has not inspired confidence. We have seen programs slashed apparently for ideological reasons rather than on the basis of rational analysis or sensible program evaluation. We have seen programs cancelled and then reinstated, or a commitment made to re-examine them.

The Government has thrown a cloak of secrecy over its incompetence. It has even been incompetent in doing that. There have been many extra costs imposed by a Government that is claiming to save money. We are told that there is an extra cost of $250,000 to train political commissars.

We hear some unusual language from the Conservative Government and perhaps we will need a dictionary to understand it. We hear planes being referred to as vehicles of sacred trust or sacred forms of transportation. However, apparently nothing is sacred about the rights of Canadians when we see some of the programs that have been cancelled recently for which we have had little or no explanation. For example, the program for residential rehabilitation was reduced by $29.4 million. This was a good program for home owners, especially those with modest incomes. It was also beneficial to small contractors, yet the Government says that it is in favour of small business.

We have seen pressure to squeeze money out of low and middle income Canadians. There are charges for social insurance numbers, charges for immigration processing, and charges for security clearance. There are increased charges for citizenship.

We have seen an economic statement that will eliminate at least 50,000 jobs. This is from a Government that was elected on a platform of creating jobs. At the same time that jobs are being eliminated, we see threats to reduce unemployment insurance. Jobs are being created in one area by the addition of inspectors to crack down on unemployment insurance recipients. This is taking place when jobs are being eliminated.

We have witnessed an attack on cultural programs and institutions such as the Canada Council and the National Arts Centre. The CBC was given two weeks to cut $750 million. How can intelligent and wise decisions be made in such a short time?

We have seen cuts in research and development, including $34.6 million from the National Research Council. We have seen the health and safety of Canadians put in jeopardy as a result of weather stations being closed. The toxicology centre

in Guelph, which does some unique work, is being closed. We have seen a $9.6 million cut from the social housing program. This is from a Government which says that it is concerned with the quality of life for Canadians.

The motto for students seems to be "wait until spring". The existing student programs that create jobs for students during the summer are gone. We are told that there will be a new program to replace it but we are not sure when that will be.

The record of the Government thus far is disturbing. In the face of that record, it is not possible for us to agree lightly to giving a blank cheque to the Government to do more of the same. We must have our questions answered about the intent of the Government in many areas and we certainly must have the discrepancy in the figures explained by the Department of Finance.

Mr. McInnes: Mr. Speaker, the Hon. Member indicated that in her learned opinion, which I respect, she considered that this Government has been incompetent in the two months it has been in office. Would she give the particulars on which she bases that statement?

Miss Nicholson (Trinity): Mr. Speaker, I have already listed many examples of what I consider incompetence, because the Government attacks the quality of life of Canadians without producing the savings and costs that it claims will result.

However, I am delighted to have the opportunity to add a further example. It is the matter of the cancellation of the census. As a result of this cancellation, the Government has eliminated more than 500 person years of employment. It has eliminated a source of data which is essential to the shared programs legislation. In fact, census data is built right into the formula for the equalization Act. Two provinces, and possibly a third, have a constitutional requirement for a census. Therefore, the Government will have to do a partial census, which makes the figure which it gives us as a saving in the census also suspect.

Furthermore, small businesses which rely on census data will be deprived of that information. They will have to find their own money to do these studies in some way. Big business already has in-house facilities and will not suffer.

When one considers the equalization payments which constitute such a large part of the Government's expenditures, I do not believe that it knew what it was doing when it wiped out the census. Without the proper data, how is it possible to plan schools, manpower training and transfers to the provinces to support these programs? I do not believe the Government knew what it was doing when it axed the census. I am glad to see the Prime Minister has in fact admitted that and is prepared to reinstate it.

● (1650)

Mr. Riis: Mr. Speaker, I listened carefully to the Hon. Member for Trinity (Miss Nicholson). I found her speech to be most informative. I have a general question for her. the Hon. Member for Trinity was here when the finance critic for the Liberal Party introduced an amendment to the motion we are debating condemning the Government for bringing to the House a Bill requesting borrowing authority into the next fiscal year. Can the Hon. Member explain how this Bill, making that request, differed from the Bill her government brought in on a number of occasions which, to my recollection, did exactly the same thing?

Miss Nicholson (Trinity): Perhaps the Hon. Member was not here when I began my remarks, Mr. Speaker, because I explained that it was a matter of a number of factors coming together. There is the request for moneys over two years. Added to that there is the fact that this is a new government. We have not had a budget. We had an economic statement bootlegged into the debate on the Speech from the Throne, which deprived us of the normal opportunity for debate. It appears now that we are unlikely to have a budget before May or June.

Another factor was the discrepancy between the figures provided by the Department of Finance to our government a couple of months ago and to this Government. I said the Department of Finance officials must explain those discrepancies. The other fact I mentioned as also being unusual is that Ministers of the Crown themselves have admitted that some of the numbers are inaccurate. I think there we have a number of factors over and above the request for a two-year period.

The Acting Speaker (Mr. Paproski): If there are no more questions or comments, I would like to recognize the Hon. Member for Mississauga South (Mr. Blenkarn).

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I am very used to speaking on borrowing authority Bills.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Blenkarn: This is the first time I have spoken on a borrowing authority Bill from this side of the House. It is certainly a different feeling. I am very much opposed to the massive government borrowing that we have in this Bill. I have always been opposed to that massive government borrowing. I know the Minister of Finance (Mr. Wilson) is opposed to massive government borrowing. I know the Minister of State for Finance (Mrs. McDougall) is opposed to that kind of borrowing. Indeed, I know the entire side here is opposed to it, although I am not at all sure of the attitudes of members of the New Democratic Party, nor am I sure of the attitudes of members of the Liberal Party. Everywhere we go and every time we hear from them, they say: "You can't cut that out. You can't drop that. My goodness gracious, deficit financing is fine".

Mr. Deans: Borrow more.

Mr. Blenkarn: Yes, borrow more, they say, because we must have more.

Mr. Deans: Don't forget there is a question period after this.

Mr. Blenkarn: What we ought to have from the NDP and the Liberals is a proposal whereby we could develop a new form of agriculture. Maybe we could learn how to grow money trees. That is what we have here. We had a modest effort by the Minister of Finance on November 8 to try to come to grips temporarily with the financial conditions of this country. He brought forth certain cuts, terrible, disastrous cuts, vicious, brutal cuts. Why, Mr. Speaker? He had cut about $2 billion from the real expense of the country, plus another $700 billion or so out of the administration of Departments. These are terribly brutal, vicious cuts.

Mr. Riis: Can we quote you?

Mr. Blenkarn: Indeed, if there is any criticism of the November 8 statement, it is that those cuts were not severe enough, because there is no way we can continue to borrow, borrow, borrow, and borrow.

Mr. Riis: You are a walking mine field.

Mr. Blenkarn: We cannot put on the backs of our kids—the Hon. Member for Kamloops Shuswap (Mr. Riis) quoted me in previous speeches in the House on this matter—on the backs of our children's children, and children's children yet unborn, burdens that we are putting on them. Before this decade is over, if we carry on in just the way we are doing now, just with the forecasts of this Minister of Finance, we will have a national debt in excess of $410 billion.

We are in the situation of a frog in a well, only the well has awfully slippery sides. We try to get ahead, we cut expenditures, yet we cry about them.

Mr. Riis: Cut taxes.

Mr. Blenkarn: And then we find the interest rate keeps going up and the cost of interest keeps going up, and pretty soon we wind up with a situation where interest expense itself is the major cause of the deficit of the country, as it is right now. Only yesterday Members saw a release from the Minister of Finance indicating the financial position of the country for the period ending September 30. What was the financial position of the country? For every dollar we spend, we borrow 39 cents. What kind of sense of obligation, what kind of sense of purpose, what kind of sense of frugality and what kind of sense of direction of the country is that when we borrow 39 cents out of every dollar we spend? And that is for the first six months of the year. If this carries on, very soon we will not be able to borrow sufficient money to pay the interest on the borrowed money.

We are rapidly getting to the point where we are leaving our children a bankrupt, insolvent nation. Perhaps the only way we will solve our credit problems is to declare bankruptcy. Perhaps we ought to be proposing that this Bill be called "The National Insolvency Bill for 1984-85 and 1985-86", or "The Waste of Canada's Heritage Bill", or "A Bill to make sure our Children are Bankrupt".

Things cannot go on like this, Sir. We hear Members from the other side say, "My goodness gracious, you are going to charge something more for getting citizenship or a passport. My goodness gracious, ferry rates are going to go up 15 per cent perhaps". Or we hear them say, "My goodness gracious, you will have to get tough with people because they play around with the unemployment insurance scheme. Gee whiz, isn't it terrible?" We have to operate this country with a sense of frugality, Mr. Speaker. I know they have not been used to that. They believe we have one great money tree, that it is all wonderful, and spend, spend, spend, and spend. That is the attitude of this city. That is the attitude until now, and that attitude must change. It will change.

We have taken over a problem that will not easily be solved. I said before the election that we could not clean up this mess in ten years. It is at least that bad. It is going to take us at least this decade to begin to get this country's finances back in some reasonable shape. We have taken one weeny step so far and all we have are crocodile tears.

Let us talk about it for a moment. Let us talk about the Unemployment Insurance Act which they say is so sacred. Let us talk about the fact that I saw a proposal for a man here in Ottawa being offered early retirement. Included in that proposal was a statement made by his employer that he could collect unemployment insurance for a full year and not have to apply for work because unemployment insurance is paid to him. Is it fair for a person who retires early to get 98 per cent of his former wages because of unemployment insurance payments and $32,000 per year in his pay package? That is not my concept of unemployment insurance.

• (1700)

The other day I was speaking with my young brother who runs a construction company. He said that his fellows work 55 hours per week in the summer-time. They build up pretty good pay packages, but as winter approaches they cannot work 55 hours per week. They are lucky to be able to work five hours or seven hours per day. Some days they cannot work at all because of the weather. I would like to indicate what is done in his company. They raffle off the right to be on unemployment insurance because they can make more money on pogey than they can working. That kind of thing has to stop. If members of the New Democratic Party and of the Liberal Party want to defend that, they should come to my riding and defend it. They should defend it with the people of this country because they know that that is not cheating, but it is an absolute abuse of the system. The system must be changed. We must get at that problem. We must reduce the deficit.

We must not allow the problems raised in the financial statement, and the suggestions, which only begin to touch the problem, to interfere with our judgment as to how we come to grips with the damage that has been done to our children and our children's children. There is an amendment before the House indicating that we really cannot do this. I have spoken on such an amendment before. I do not like the situation. The Government brings forth a two-part Bill. Part I indicates that

we need $7 billion when we really need $5.3 billion to the end of the year. But we need a little coverage. I will speak about coverage in a moment, but we need $16 billion on account for next year.

Why do we need it? Let us understand why we need it. Hon. Members will know that when we receive the Main Estimates at the end of the first supply period, we approve five-twelfths of the Estimate. In some cases it is more than that. We know that we will be in the hole next year and have to borrow massive amounts of money. In this Bill we come before the Parliament of Canada and say that we know we will be in the red next year. It is much the same as when we present the blue book Estimates. We know that the whole Estimate has not been approved and that we have not inquired into the figures. However, we know that we will have to spend some money to pay people, that we will have to run to Parliament and to keep the country rolling. Therefore, we want the right to have part of what we will require as borrowing for the following year.

Would it not be wonderful if a budget came out showing that we did not need a nickle more than the $16 billion? I would hope for that, but I am as positive as all Hon. Members are that we will need more than $16 billion. The $16 billion in Part II of the Bill is really only a small down payment. I would hope not, but it is a down payment on what may be required for next year.

In his economic statement, the Minister of Finance estimated that the financial requirements for this current fiscal year would be $29,877 million and that the financial requirements for the next fiscal year would be $29,193 million. Those are massive amounts of money. Indeed, it is far more money than we can afford to borrow. Yet we hear cries about cuts and that there is no way we can come to grips with these problems. We hear nothing from the Opposition but more, more, more.

I spoke on these Bills before when I was in Opposition. I made certain suggestions to the then government and to the House. One of the things I talked about was the standing committees of the House. One of our key jobs in the standing committees is to examine estimates detail by detail and to ensure that proposals made by public servants and Ministers are worthwhile. We have an obligation—and I hope we use it in this new Parliament with its new standing committees—to examine Estimates in detail. Where we feel that the proposal is a little rich for Canadians, we will come to grips with it and vote against the estimates. That is what we ought to be doing. We should all count upon opposition members to take a look at every estimate in detail. They should say that we really do not need an expenditure and that they will vote against it; that is the kind of thing which ought to be done.

Also we ought to priorize where we are going in terms of public expense. The Hon. Member for Trinity (Miss Nicholson) said something about the poor old CBC. She said that we cannot possibly cut them, that it was terrible to have to cut them. The poor CBC had to lose $75 million out of nearly $1 billion. Is that tragic? I will tell the House where I stand in terms of social payments. You can wipe out the whole CBC budget before you affect the old age pension; that is my priority. If we have to make those decisions as Members of Parliament, we have an obligation to make them. That is what I would expect to hear from a constructive Opposition. However, we have heard crying about poor programs which are gone. It is laughable that we should have such an Opposition. It is not prepared to come to grips with the reality of the country. Members of the Opposition think that their job as elected Members of Parliament is to come here to see what they can grab for their ridings—what kind of program can I get for my people, or how much can I milk the old "you now what" for? That has to cease. It is time that we had a responsible Opposition prepared to say, "Here is what you can do—you can eliminate that expense and this other expense; that is what we think you ought to look at".

I am surprised the finance critic of the Official Opposition is not here. In his former capacity, he was Minister responsible for economic development and he led us into this marvellous R and D tax credit scam.

Mr. de Jong: That's right, it is a scam.

Mr. Blenkarn: I hear the Hon. Member. We opposed it strenuously. That scam has cost between $1,200 million and $1,500 million. Then we wonder why our revenues this year are down by $1,800 million! There is $1,200 million or perhaps $1,500 million there. That is the kind of thing the finance critic gave us when he was in charge of economic development. It is unbelievable that he should say, "Oh my goodness, you are cutting". He made sure that we did not have the revenue. That is the problem. The House should applaud the Minister of Finance for stopping the scam.

Mr. de Jong: It is not being stopped.

Mr. Blenkarn: The scam has to be changed. There is a whole series of things which must be changed.

Last year the House looked at the budget of the former government. After a serious debate on Bill C-21 in the last Parliament, a Bill for borrowing authority for $29,555 million, we were able to point out that it did not balance with the projections of the then Minister of Finance. We were able to reduce it by $5 billion. Therefore, through negotiations and through pressure we were able to reduce the last borrowing authority Bill, the one under which we are presently operating, from $29.5 billion to $24.5 billion.

• (1710)

It seems that Liberal finance people did not figure correctly in the February 15 Budget. Unfortunately, we have to come back to this House and again get that $5 billion back for the balance of this year. That is what we are talking about. There are some small changes in the mathematics and it is now $5.3 billion.

We obviously need around $2 billion to enable us to interfere in the foreign exchange markets. We obviously need to have the opportunity to borrow cheaply if such an opportunity arises over and above the regular requirements. The $2 billion lapses on March 31.

The other provisions in the Bill allow for a borrowing authority of $16 billion commencing the next fiscal year.

Mr. Deans: That is wrong.

Mr. Blenkarn: My friend says it is wrong. I have already pointed out to him that every time we vote Estimates on March 31, we vote nearly half of the Estimates through. The Cost of the estimated borrowing requirement is approximately half of the Bill. If he is prepared in the normal course of events in this House to vote Estimates that way, why can we not have the money through so we can operate effectively?

Mr. Deans: I want to see the budget.

Mr. Blenkarn: The Hon. Member for Hamilton Mountain (Mr. Deans) knows that the budget is projected for April, possibly May. The Speaker indicates my time is up. With the permission of the House, I would like to carry on for a few minutes.

The Acting Speaker (Mr. Paproski): The Hon. Member's time has expired. We do have 10 minutes for questions and comments. Maybe he can carry on then. I will recognize the Hon. Member for Gander-Twillingate (Mr. Baker) on the first question and a short comment, I hope.

Mr. Baker: Mr. Speaker, when listening to the Hon. Member, I was reminded that the previous speaker from the NDP mentioned earlier today George Orwell's book *1984*. This speaker is a perfect example of somebody who practises doublethink. How can the Hon. Member on one hand say that his Party and his Government stand for cutting, cutting, cutting, and that is good for the Canadian public, when his Party promised 388 individual expenditures over and above what the previous government had done during the election campaign? There were 388 promises, everything from the kitchen sink from Newfoundland to British Columbia. The Hon. Member knows that.

I would like the Hon. Member to explain why his Party did that. He knows what I am saying is correct. If their philosophy is to cut and to keep down the deficit, why did they commit so many new programs and make so many false promises during the election campaign? If the Hon. Member denies they made them, later in the debate I will stand up and read them.

Mr. Blenkarn: Mr. Speaker, I hope the Hon. Member will stand up in the debate. I would like to hear from him in respect of this. He should look at the financial statement of the Minister of Finance. He will note that the policy changes thus far effected include the promise of fuel tax rebates. This is in the works at the present time and involves a net cost of $77 million. Some things have to be done in the country. Changes have to be made. Most of these promises are part of a changed direction. He knows that. His constituents know that. We believe they approve of that.

Mr. de Jong: Mr. Speaker, I enjoyed listening to the remarks of the Hon. Member for Mississauga South (Mr. Blenkarn). I have always enjoyed listening to his remarks, particularly when he was in Opposition. I thought that he was one of the most effective Members in the Opposition at that time. When it came to government measures, particularly borrowing Bills and so forth, he put up some good, valid arguments. It is a little sad today to see him have to swallow some of the arguments he has used in the past. I say it is sad because I doubt if he believed half of what he said to us today. If you consider the speeches he made in the past and what he has said today, there is quite a difference.

I was intrigued when he mentioned the scam, and I agree it is a scam, of the tax credits the previous Liberal government gave to research and development. Originally Mr. Lalonde's Budget estimated a loss of $100 million. I think it is now close to $1.5 billion. Estimates are that it will cost some $2 billion in lost revenues from that tax credit. Earlier in the day I called it a flip-flop scam. The Minister of National Revenue (Mr. Beatty) claimed it was not a scam. He thought it was incorrect to call it a scam.

In questioning the Minister of National Revenue earlier today, I was concerned that the moratorium which the Minister of Finance (Mr. Wilson) put on the R and D tax credit scam was not very effective. There is a grandfather clause which allows all sorts of companies to apply for this R and D tax credit. It is estimated that we will lose a further $400 million to $500 million on this scheme. I asked why he does not tighten the lid and put a freeze on this grandfather clause. All sorts of other corporations are allowed to claim that they have transactions in the works, transactions that might be on the back of an envelope. Revenue Canada is allowing this. We will lose another $400 million to $500 million. Surely the Hon. Member will agree that the time has come to put a lid on this R and D tax credit scam and not allow one more penny to be lost from the public purse.

Mr. Blenkarn: Mr. Speaker, I want to quote what the Minister of National Revenue (Mr. Beatty) is alleged to have said, according to Linda McQuaig of *The Globe and Mail*. He said:

> In some cases it is pretty tenuous how grandfathered they are. You know it is amazing that grandfathers are still having children.

The Hon. Member for Regina East (Mr. de Jong) is correct. We have to terminate this. I know the Minister has been terminating it as quickly as possible. We must remember that when people have started an action on what has been granted to them as a legitimate tax expenditure, it cannot be terminated that easily. The only way it can be terminated is by legislation. I hope there will be legislation terminating it. People rely on the present law and do what they are legally entitled to do. The fact that you have a bad law means that the legislators have not done their work very well. It is not the fault of the people. We have to change that legislation and I think we have to change it very quickly.

Mr. Rompkey: Mr. Speaker, at one point in his speech the Hon. Member for Mississauga South (Mr. Blenkarn) used the metaphor of milking the cow when talking about politics and politicians. I would like to relate a metaphor that a former

colleague of mine used to tell when talking about the present state of the country. He said that the way things are going, we need a new emblem for Canada. He thought it should be a cow on the map of Canada. She is feeding in the West, they are milking her in the centre, and you know what she is doing to us in the Atlantic provinces.

I used that to start my question to the Hon. Member because he is interested in more cuts. Does he feel that these should be indiscriminate across the board, that all people in all sections of the country should be treated equally? He takes the same premise for the cuts in UI, for example, as does the Minister of Finance (Mr. Wilson). The Minister of Finance said in his statement, as repeated by the Hon. Member today, that there are people in this country who do not want to work, that Canadians are lazy and that they do not want the jobs that are open to them. We were told that there are 167,000 jobs available somewhere in this country. I wish someone would tell me where those jobs are.

• (1720)

I would like to tell the Hon. Member that in the Town of Fort McMurray, which is in the riding of Athabasca, there are 8,000 Newfoundlanders out of a population of 25,000. Those Newfoundlanders are there not because they want to be there. They would probably rather be back home. They are there because they want work. They borrowed money and hitchhiked to Fort McMurray to get a job. They are not on pogey but are earning wages. The fundamental assumption that there are people in this country who do not want to work must be challenged.

Does the Hon. Member agree that in addition to the cuts that have already been made, there should be more cuts in unemployment insurance in the Atlantic provinces before the jobs are created? In the Atlantic provinces, there are no job alternatives right now. If the Hon. Member believes that, how does he square it with a policy of regional economic expansion? It still has not been made clear whether or not the Conservative Party is for regional economic expansion. If it is, how does the Hon. Member square his position on UI cuts before jobs are created with a policy of regional economic expansion? If he is not for regional economic expansion, how does he square it with the equalization payments that are now being paid to provinces on the assumption that some provinces in the country are underprivileged?

Mr. Blenkarn: Mr. Speaker, I presume I have unlimited time in which to reply to that series of questions that deal with all of the policies of this Government. Briefly, the Hon. Member knows that Canadians want to work and are hard-working people. They are also pretty intelligent people.

Under the present scheme, unemployment insurance benefits are paid at a rate of 60 per cent of former income earned. If, for example, one earned $10 an hour, then, working a 40-hour week, that makes $400 gross per week. Subject to tax on both ends, that person's unemployment insurance benefits, at 60 per cent, would be $240 a week. Therefore, that person would be absolutely crazy to take a job paying less than $9 an hour, figuring the tax difference and the cost of going to and from work. There are some things about this scheme which are very anti-employment. What we must do is to put some incentives back into the unemployment insurance scheme. That is where the problem lies.

Mr. Deans: Mr. Speaker, I would like to say two things. First, given the prestigious position of the Hon. Member for Mississauga South (Mr. Blenkarn), who is the Chairman of the Finance Committee, I would be quite willing, and I am sure my colleagues on all sides of the House would be quite willing, to extend the question period to allow him to continue to answer the question. I do not want him to feel restricted in any way given the role that he must play in and around the House of Commons. After I have asked my question, perhaps you might, Mr. Speaker, find out whether there is unanimous consent to allow him to continue to answer some questions for a reasonable period of time, for example, another five minutes.

Some Hon. Members: Agreed.

Mr. Deans: Agreed? Could you ask that question, Mr. Speaker?

The Acting Speaker (Mr. Paproski): Is there unanimous consent to allow the Hon. Member for Mississauga South (Mr. Blenkarn) to answer questions for a further five minutes?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): I am sorry, I hear a "no". The Hon. Member's question must be very succinct or I will have to cut him off.

Mr. Deans: Mr. Speaker, I think that that is unfortunate. I would like to ask the Hon. Member a question and it is a simple one. When listening to him, I wondered whether in fact he had ever been to Damascus. I would like to ask him now whether he has ever even taken the road. However, it seems to me that he has.

Is the Hon. Member telling the House that he no longer supports the position contained in the motion put by the former Leader of the Official Opposition in which he said:

—that this House holds the opinion that the granting of an authority for the borrowing of a sum greater than the amount which is required to meet the Government's needs to the end of the current fiscal year is objectionable in principle—

Is the Hon. Member suggesting now that he—

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member for Hamilton Mountain (Mr. Deans). There was not unanimous consent to extend the question period. Therefore, both questions and comments must end now. We have already gone over the 10-minute period allotted. Perhaps at a later date the Hon. Member for Mississauga South will be able to answer the question of the Hon. Member for Hamilton Mountain. I would now like to recognize the Hon. Member for Hamilton East (Ms. Copps).

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I am sure that Members on the government side must be very happy that the Hon. Member for Mississauga South (Mr. Blenkarn) was not able to answer that question. It just points out another embarrassing situation in which they find themselves. I am not surprised that the Hon. Member was muzzled by members of his own Party. The comments he has made about the workers of Canada are unbelievable and in fact express to the Canadian people the kind of hidden hypocrisy of his Party and the disdain in which his Party holds the Canadian workers.

For the Hon. Member to suggest that Canadians are taking advantage of the unemployment insurance system, that they are scheming and plotting to rip off the system, that they are not prepared to work and that they are prepared in fact to rip off the system, is an absolute travesty and distortion of the facts as they exist, not only in the community of Hamilton which has very severe unemployment problems, but in other communities across Canada as well. Perhaps the economy of the community of the Hon. Member for Mississauga South is robust enough to withstand the kind of onslaught of fiscal slashing that we have seen in the Finance Minister's economic statement.

When the Hon. Member says to the House that a 15 per cent increase in ferry rates is no problem I know the Hon. Member is not reflecting the view of Hon. Members on this side of the House. I am not sure that he is reflecting the views of other Conservative members from the Maritimes who have been elected on a platform of creating jobs and stimulating the economy.

With this borrowing Bill, we have another indication of the unbridled arrogance of the Tory majority. In an almost unprecedented move, a decision was made by the Government to move ahead with a borrowing authority Bill, which in fact goes into a new fiscal year and which occurs at a time prior to the tabling of the Supplementary Estimates.

This Government preaches co-operation. However, if we look at the record of the Government over the last few weeks, it is clear that it has no intention of co-operating and has no intention of trying to work out an opportunity for all Members to participate. I would like specifically to draw to the attention of the House the kind of abrogation of democracy that we have seen with the introduction of this particular borrowing Bill. This Bill is in the same spirit as the Government's tactics over the last few days of trying to deny Members an opportunity to speak in their respective committees and in the House of Commons.

For those in the House who did not have an opportunity to witness this let me say that there was a ridiculous situation in the Standing Committee on Labour, Manpower and Immigration studying the Estimates last night in which government members convened a meeting with less than 24 hours' notice. The opposition critics could not be properly substituted. The Minister of Labour (Mr. McKnight) was present discussing housing Estimates and I was present in my role as Official Opposition critic but did not have the right to vote on those Estimates. To me, Mr. Speaker, and to Members on this side of the House, that is a clear indication of the Government's secretive and closed approach to parliamentary democracy.

We have heard the motion moved some time ago by the former Leader of the Official Opposition. At that time he said that borrowing provisions should not extend into a new fiscal year. It again seems to me that when Conservative members were in Opposition, they sang one tune, but now that they are in Government, they are singing a totally different song.

I think Members on all sides of the House must hold dear to their hearts our required parliamentary tools. In particular, all Members are aware of the massive mandate given by the Canadian people to the Conservative Government on September 4. That massive mandate carries with it a very unique responsibility, and that responsibility is to ensure that constructive criticism can be carried out in the House of Commons and in parliamentary committees, and this is particularly true, Mr. Speaker, when this Government preaches co-operation. This Government is saying to the Opposition, "We need $16 billion to carry on government business".

• (1730)

Unlike the former opposition Party which now sits on the government side of the House, we in the Liberal Party do not want to be obstructionist. We want to assist the Government in carrying out its responsibility in discharging the mandate it received from the Canadian people. However, incumbent upon the government members is the recognition that in order to be able to carry out that responsibility, they must have all of the facts at hand. It is irresponsible to suggest that on the basis of a less than one page document, in both official languages, we should give to the Government of Canada the authority to borrow $16 billion. This should not be done without discussion and Supplementary Estimates, without the kind of voting authority which should be accorded to every Hon. Member of this House, and without the tabling of documents, which have been clearly denied us by the Minister of Finance (Mr. Wilson). Therefore, it would be irresponsible for us, as Hon. Members of the Official Opposition, to support this legislation.

It seems to me, Mr. Speaker, that this move by the Government, not only to muzzle the Hon. Member for Mississauga South, but to muzzle the kind of constructive opposition we are attempting to provide, is just another indication of a Government which is afraid to go to the Canadian people. It is afraid to put the facts on the table and it is afraid to let the Canadian people know about the measures it is considering when it moves on budgetary items.

I asked, Mr. Speaker, on numerous occasions in this House for the Finance Minister to table the forecasted job losses which would happen as a direct result of his economic statement. Yet the Minister of Finance has refused to do so. He knows, as his colleagues know, that his Conservative Government was given a massive mandate on a promise of jobs, jobs, jobs, but since this Government has been in power, all we have seen from coast to coast is cuts, cuts, cuts. And the Hon. Member for Mississauga South has the gall to stand in his place and suggest that the ferry cuts are just one small cut in a

stream of cuts which are not going to hurt the Canadian people. He has the gall to also suggest that the workers of Canada are ripping off the unemployment insurance system. It seems to me, Mr. Speaker, that there are some very serious questions which need to be answered but which have not yet been answered by this Government. There are questions which have not been answered by the Minister of Finance.

The Minister of Employment and Immigration (Miss MacDonald), as part of her job-creation program, has created an unemployment insurance police force of 700 persons. Not only is this Government not satisfied with an economic measure which will deny older workers the kind of security they need in their less than high income earning years, but it has said to these older workers, "You cannot collect unemployment insurance benefits until you exhaust your severance pay, your pension benefits and until you are reduced to the lowest common denominator". This is being done in an effort, in my opinion, to reduce our universally accessible unemployment insurance scheme to nothing more than a welfare benefit. This is the same Government which said, "Universality is a sacred trust".

I am not sure the Hon. Member will applaud when he sees the further initiatives taken by the Minister of Employment and Immigration. These measures will not only impose financial hardship on those workers who most need our help, but, to add insult to injury, the Minister has set up a 700-person police force whose job it will be to weed out the so-called abusers of the system. When the Canadian people, on September 4, gave this Government the massive mandate for job creation, I do not believe this was the kind of job creation they had in mind. I am sure that Hon. Members on all sides of the House can stand in this House and provide examples, as I have attempted to do earlier today, of the financial hardship experienced by older workers. In my own community there are corporations such as Consolidated-Bathurst, where workers with combined years of service of 25 years to 30 years have been sent out on the streets with no jobs and very little chance of future employment.

The re-employment prospects of those workers are being further jeopardized by the Government's sword of Damocles which is hanging over their heads. The Government is suggesting to those workers that not only will it root them out and push them out of unemployment insurance benefits, but it will ensure that they do not get a penny from the Government of Canada until they have used every last cent of their pension savings or severance pay. I do not believe this is the mandate which the Canadian people accorded to this Government. It seems to me that we in the Official Opposition cannot support a document of this nature. We definitely need to get more information. That information has not been forthcoming, Mr. Speaker. I hope that most Hon. Members from all sides of the House do not share the same cynical view of the Canadian worker and taxpayer as expressed by the Hon. Member for Mississauga South (Mr. Blenkarn).

[*Translation*]

Mr. Speaker, I think it is clear that the Progressive Conservative Party received a massive mandate from the Canadian people on September 4 of this year. Conversely, Canadians must have the assurance, as has been customary for centuries in Parliaments not only in Canada but also in Great Britain and other countries, that this Government acknowledges its responsibility for ensuring that the Opposition's voice is heard clearly and unequivocally in all committees and in all proceedings of the House.

Up to now, we have seen a Government that promised co-operation, that it would be open, not only with the Canadian public but also with Members of Parliament, and also a Government that would like to proceed in committees and demand billions of dollars without giving the Official Opposition the information on which it can base agreement or disagreement with the Government's expenditures.

Take for instance the unemployment situation. If I am not mistaken, I heard the Hon. Member for Mississauga South (Mr. Blenkarn) say that the unemployed in Canada are people who want to take advantage of the system, especially Canadians between 50 and 60 years old.

Mr. Speaker, when the Canadian people gave the Progressive Conservative Party a mandate to create jobs, it did not mean the Government to introduce all kinds of regulations and as it were, police unemployed managers between 60 and 65 who really have trouble finding jobs.

Canadians are willing to work and do what they can, and they will even move to another city if they can find employment there. However, it is also true that there are no jobs available for the unemployed who are older and for those who are in what is called the mid-career period.

For the Government, its Members and even the Chairman of the Finance Committee, who has a fairly responsible position in this Government, to tell Canadians that the unemployed are cheats and want to take advantage of the system is something I find incredible, and I am sure that is the reason why Members on the Government side did not want him to answer any questions, because even if he is Chairman of the Finance Committee, one of the most important committees of the House of Commons, he is revealing the Progressive Conservative Party's real policy which is only referred to behind closed doors. What he is saying now is mostly what the Conservative policy was before the election. It is also quite obvious that they never wanted to tell the Canadian public the truth, because if Canadians had known before September 4 that the Government's policy would be to make cutbacks from the Atlantic to the Pacific, if Canadians had known, they would have never given the Government the mandate they gave. The Government has a responsibility here. It has a responsibility to clarify—

Mr. Speaker, the Progressive Conservatives have a responsibility to show Canadians that they are going to stop this masquerade they have been carrying on for Canadians during the first two months of their mandate.

They have no credibility with the Canadian people. They speak about job creation but then they cannot take their mind off the deficit. They will make cuts, for example, within the Canada Mortgage and Housing Corporation. At the same time, they say that their policy is to make more housing units available for workers and for the poor. However they are reducing the funds available to CMHC for the construction of houses when we know that such developments have created 20,000 jobs in Canada this year. Some 20,000 jobs have been created, but the economic policy of the Tories is to cut programs and reduce the number of jobs in Canada and that is why the Minister of Finance (Mr. Wilson) is ashamed to table in the House the papers which clearly show that his economic policy will reduce the number of jobs in Canada.

• (1740)

[*English*]

It is a littered trail of broken promises.

The Government comes to the Opposition now and speaks of co-operation. It tells the Canadian people that it needs $16 billion in order to carry out the work we have ahead of us over the next number of months. It is clear this Government is asking for this co-operation when its policy has been one of government behind closed doors. It has been a policy of *gouvernement à huis clos*.

The only exposure we have had to government policy has been the error by the Minister of Finance in leaving his dossier where it could be exposed to public view. It seems to me the Government should have a policy where the people and Governments of Manitoba, Ontario and Quebec know whether there is going to be a further $200 million reduction in transfer payments as a direct result of this Government's inability to renegotiate agreements. The taxpayers of Canada have a right to know this information, but not by way of the kind of hotel caper we saw manifest itself this week. To suggest the Minister of Finance is going to embark on open government by leaving a trail of dossiers behind him is a travesty. It was stated in the House today, and I think it is quite clear, that the Hon. Member for St. John's West (Mr. Crosbie), in his former capacity as Minister of Finance, would never have committed such a grievous error. I hope the Prime Minister (Mr. Mulroney) and the Government will take the Minister of Finance to task.

I know that a number of government members take their responsibilities very seriously. They have spent many hours pondering on those responsibilities, particularly in view of the fact that they do not have that much else to do. They will know that although we in Opposition are small in number, we have a right to be heard. The inviolate right of this Chamber is the right of free speech, and that includes the right to a free and full discussion on financial matters, such as the expenditure of $16 billion. I see the government House Leader (Mr. Hnatyshyn) is nodding his head in approval. When he was in Opposition it was stated quite clearly—

Mr. Hnatyshyn: Me?

Ms. Copps: Nodding your head in approval. You are agreeing.

Mr. Deans: It is an affliction.

Ms. Copps: I think it should be noted for the record that the government House Leader agrees we must all take our responsibilities very seriously. But the Government is moving ahead with the unprecedented introduction of a borrowing Bill, at a time when we have not even dealt with Supplementary Estimates, when we have been denied our voting rights as a result of the Government's inability to get its political act together, a Government that introduces a borrowing Bill which extends into a new fiscal year in an unprecedented move of arrogance. It seems to me that Members on the Government side should be knocking on the door of their House Leader and Minister of Finance and the Hon. Member for Mississauga South. I hope maritime Members will confer with the Hon. Member for Mississauga South to determine whether they support his position on ferry cuts. Do they see any problem with a 15 per cent increase in the cost of ferry service?

We have a job to do, Mr. Speaker. We are going to be here for a good while in our respective roles, at least for four years.

Mr. Gormley: How long?

Ms. Copps: Pardon me?

Mr. Gormley: A lot longer than four years.

Ms. Copps: The Hon. Member will live to eat those words, I am sure. Mr. Speaker, it seems to me that the Government has the responsibility to provide information, and we join with it in that responsibility.

[*Translation*]

Mr. Della Noce: Mr. Speaker, I have a comment.

[*English*]

I would like to address myself to the Hon. Member for Hamilton East (Ms. Copps). She speaks and speaks and speaks with many arguments. She said very clearly that we have had a mandate since September 4, but I am wondering if it was 1984 or 1972. Her Government had a lot of chances to do something.

[*Translation*]

She also referred to unemployment, Mr. Speaker. She referred to unemployment; she said and she repeated that we are doing nothing, that we cut, and cut, and cut. It is again the same story that we have been hearing here. She had ample opportunity, her Government had ample opportunity to do that, to solve the unemployment problem. There were 800,000 unemployed, they brought that up to 1,500,000 and now she

would have us in two months solve this unemployment problem. Those are the results that are now facing us.

The Hon. Member also refers to broken promises. We are not being given any chance of doing something here. They are already attacking what we are in the process of doing and they talk about promises. However, I am very surprise that we should suddently hear the Hon. Member for Hamilton-East (Ms. Copps) refer to Quebec. I am reminded of my colleague from Bourassa (Mr. Rossi), who is suddenly interested in something he never mentioned in four years, namely gasoline. He will not stop pestering us, and when we have the floor he speaks over and above us. Because all of a sudden he is interested. Good, I commend him for that, and I commend my colleague for Hamilton-East for her interest in Quebec. We hear so many things about Quebec these days, because they say we are a majority with 58 members. Think of what you were with 74 members! So here we are today and all of a sudden things start to come back. Anyway, I am pleased, and I commend her for her interest in Quebec. There is however something I can tell the Hon. Member. If there were then 800,000 unemployed and if now there are 1,500,000 you could ask your colleagues what to do and why it has not been done. This by way of a brief comment.

Ms. Copps: Mr. Speaker, I am pleased that the Hon. Member should give me an opportunity to talk about Quebec, because I know he is new here and has only a vague idea of what goes on in the House. Well, Mr. Speaker, I had the challenging opportunity to work in the province of Quebec during the great political years between 1974 and 1976, and I met and interviewed many future politicians before they had even thought of running for office. So, if he wants to bawl me out and say that I do not know anything about Quebec, I think he should learn a few things before making such remarks.

Another thing, Mr. Speaker, I find it interesting, even laughable to hear the Hon. Member talk about broken promises. Unless I am mistaken, he got himself elected because he promised his constituents that he would do something about gasoline prices, but that is the last they heard of it. He never did anything. He said there would be no gasoline tax increase.

An Hon. Member: Beating his gums again!

Ms. Copps: We can see now, as my colleague points out, that he has conveniently forgotten his promises. The people of Quebec will no longer take him seriously because he has already shown to the Canadian people that he cannot do anything except reneging on the promises he made during the election campaign.

[*English*]

Mr. Gormley: Mr. Speaker, I wanted to comment on several remarks made by the Hon. Member for Hamilton East (Ms. Copps). It is said every week when one goes back to Saskatchewan that one has been living in a cocoon. That cocoon, particularly that in which members of the Opposition and the media find themselves, has enveloped the opinion of many people here. When I return to my riding every weekend I realize that people across Canada feel that they finally have a Government which is accountable, co-operative and consultative. Would the Hon. Member for Hamilton East concede that the events which have necessitated this borrowing may have occurred some time prior to the past three months?

• (1750)

With regard to a constructive Opposition, one would have to go a long way to find the kind of vituperative, strident polemics that we have been hearing. Does the Hon. Member believe that the matters which have necessitated this borrowing have been going on for any longer than the past three months?

Ms. Copps: Mr. Speaker, I realize that the Hon. Member may not have past experience in this Parliament, but if one wants to talk about vituperative attacks, one should take a few pages from the book of the Hon. Deputy Prime Minister (Mr. Nielsen), who is now the chief of the political commissars. This Member may not be in a cocoon, but he has been cuckolded by his Government.

Some Hon. Members: Right on.

Ms. Copps: He has been cuckolded by his Government because he has to stand in his place as one of the major bookends and defend broken promises made by his Government, which was elected on a policy of openness and job creation, but then immediately moved to cut back on senior workers and on unemployment insurance benefits and to make it tough on the workers of Canada. This poor soul must go back to Saskatchewan to defend those policies. He is being cuckolded.

Mr. Taylor: Mr. Speaker, I was delighted to hear the speech of the Hon. Member for Hamilton East (Ms. Copps) because the more speeches we hear of this nature the longer the Liberals will stay out of power. This talk about borrowing almost makes me laugh. We are borrowing $16 million only to clean up the mess the Liberals left. When we have had 16 years in office like the Liberals had we will not be borrowing money; we will be lending money. We will have a heritage fund. We will not be wasting it the way the Liberal regime did.

How the Hon. Member can stand up without her face blushing as red as her dress, I cannot understand. She is a new Member here and I want to be nice to her. She is a very nice lady. She has a very nice dress, but she should remember that she is over there because the people of Canada got sick and tired of the Liberal regime borrowing over $100 billion. The Hon. Member should not complain that we are borrowing a little money to clean up the mess the Liberals left.

Ms. Copps: Mr. Speaker, as a point of information, my dress is a blouse, but I do not think that is particularly relevant. It seems to me that the antediluvian suggestion of the Member that he should be nice to me because I am wearing a nice dress and am in a nice Liberal colour, is a clear indication of the

kind of antediluvian, prehistoric policy-thinking of his Government. We will have had enough of him after 16 months.

[*Translation*]

Mr. Della Noce: Mr. Speaker, I should like to say something to my colleague from Hamilton East (Ms. Copps), if only the Member for Bourassa (Mr. Rossi) would shut up so we can speak. He did not give me that opportunity a moment ago.

The Hon. Member for Hamilton East told me earlier that I am young and inexperienced. True, I am young, I have little experience, but I can still make a contribution in this House. But listening to her, one would think . . . Talk as much as you want about higher gasoline prices, my colleague from Bourassa cannot enlighten you about my election campaign because he was too busy, afraid as he was of losing his seat. He was too busy working in his own riding.

An Hon. Member: You must have been away!

Mr. Della Noce: I said during my campaign—if he does not know it he should have followed it, it is still in the newspaper—

An Hon. Member: Stop bragging!

Mr. Della Noce: I think that the Hon. Member for Bourassa, besides not telling the truth, thinks he is still on the government side.

Mr. Speaker—

[*English*]

Mr. Speaker: I am forced to advise Members that the 10 minute period for questions and comments has expired. Once the 10 minutes have expired I am forced to cut off the exchange without any further comment.

I have come here myself to rule on the amendments which were proposed with regard to the borrowing authority, having spent some time studying the precedents. I thought it would be useful it that were done now in order to advise the House on the matters which it is in fact dealing with.

The Hon. Member for Saint-Henri-Westmount (Mr. Johnston) has proposed an amendment to the motion for second reading of Bill C-11, which reads:

> That the motion be amended by deleting all the words after the word "That" and substituting the following words:
>
> this House will not proceed with a Bill to provide borrowing authority for a fiscal year for which the Government has not provided complete details of spending requirements or revenue projections.

The Member is attempting to move what is known as a reasoned amendment, but he will know that specific conditions must be met for such an amendment to be in order.

Citation 744(1) of Beauchesne's Fifth Edition states: "It must be declaratory of some principle adverse to, or different from, the principles, policy or provisions of the Bill."

The proposed amendment, in the opinion of the Chair, is not opposed to the principle of the Bill but rather is attempting to indirectly impose conditions upon the passage of such a Bill, that of requiring the provision of more detailed information relating to the Bill. This is clearly not in order and Members may wish to refer back to previous Speakers' decisions, such as that of Speaker Jerome on October 23, 1979 when a similar ruling was given.

In short, the Chair finds that passage of the amendment would not determine the status of the Bill, and therefore the amendment must be ruled out of order.

For these reasons, I must rule that the amendment proposed by the Hon. Member for Saint-Henri-Westmount is unacceptable as a reasoned amendment and cannot be put.

If I may now deal with the amendment proposed by the Hon. Member for Kamloops-Shuswap (Mr. Riis), it reads as follows:

Mr. Riis, seconded by Mr. Deans moves:

> That all of the words after the word "that" be deleted and the following substituted therefor:
>
> "that this House holds the opinion that the granting of an authority for the borrowing of a sum greater than the amount which is required to meet the government's needs to the end of the current fiscal year is objectionable in principle and this House therefore declines to give second reading to Bill C-11, an Act to provide borrowing authority".

This amendment, in the opinion of the Chair, does clearly oppose the principle of the Bill and falls within the conditions as set out in Beauchesne's Citation 744(1). It is declaratory of a principle adverse to the principle of the Bill. I therefore rule that this amendment is acceptable and is therefore now before the House.

I will recognize the Hon. Member for Calgary South (Mrs. Sparrow), and, with the consent of Members, will call it six o'clock. She will be the next Member to speak on the matter.

It being six o'clock, this House stands adjourned until tomorrow morning at eleven o'clock, pursuant to Standing Order 2(1).

At six o'clock the House adjourned.

HOUSE OF COMMONS

Thursday, November 29, 1984

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1984-85 (No. 2)

MEASURE TO ENACT

The House resumed from Wednesday, November 28, consideration of the motion of Mrs. McDougall that Bill C-11, an Act to provide borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs; and the amendment thereto of Mr. Riis (p. 694).

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, I am pleased to participate in this debate in support of Bill C-11. I would first like to commend the Minister for introducing this Bill which will enable us to borrow the most necessary funds to keep the country going. The Government must borrow to meet its financial requirements. We have produced the facts that are necessary for speedy consideration of this Bill.

In his economic statement the Minister of Finance (Mr. Wilson) advised Canadians that adjustments, cuts and new initiatives were needed to support and encourage economic recovery, to create jobs, and to give Canadians the confidence and stability to invest in this great country in order that it will move forward. The Government promised to take control and it is doing just that. The economic situation which we inherited after years of Liberal mismanagement calls for some tough specific actions, but they will be sound. Running the country is exactly like running any business. We all know that when expenses are greater than revenues a deficit is created. The Government was elected to deal with the challenges facing the country and the deficit is one of our greatest challenges.

Canadians have given the Government a strong mandate to embark on the long, complex and painful task of building a lasting economic consensus for our nation. I believe Canadians know that the Government is approaching, and will continue to approach, Canada's problems. Paying the bills is one of our problems. The Government is moving with compassion, commitment and fairness.

To put our own fiscal house in order and to reverse the massive buildup of public debt, we must and will meet our commitments. Many of these commitments were made by the previous government. We are going to honour our commitments. We are honest, sincere and open. The people of Canada want, and shall receive, fair treatment, Mr. Speaker. They voted for a Government that will get the country back on its feet. Through extensive consultation and communication with the provinces, business people, labour and all Canadians, the Government will make fair decisions for all regions of Canada. We will no longer see confrontation and unilateral decisions, for the Government has a responsibility. It is facing reality. We can no longer meet every need. We simply cannot do it all.

My home is Calgary, Mr. Speaker. Calgary was absolutely brought to its knees by the financial mismanagement of this country and the destruction of the oil and gas industry in 1980. The Liberal National Energy Program was a disaster. The previous Government singled out a number one industry and then raped it. Half of the drilling rigs in western Canada have been idled or they have left the country. People left for a more secure and favourable climate. Those who were left behind went belly-up. The only way to make a buck in the drilling industry is to keep that iron turning.

I invite Hon. Members here today to come out west to the producing provinces. Come out and see the rigs. Come on the floor. See the pipe which is made from the steel from Ontario and the wire cable that is made in Mississauga and the Arctic clothing that comes from Quebec. The survival suits in the Beaufort are made in Vancouver.

• (1110)

As one can see, when the resource industry was so hard halted thousands of jobs were lost all across Canada. The previous Government's energy policy is directly responsible for hundreds of thousands of lost jobs, billions of investment dollars leaving this country and four wasted years in achieving self-sufficiency for Canada.

A PGRT was applied to gross revenues. That is a petroleum and gas revenue tax, where there were no deductions for spending on new exploration and development and no deductions for royalties paid to the provinces. The previous government then revised the corporate income tax. The old earned depletion deduction was eliminated. It then imposed a natural gas and gas liquids tax. It went on and on. In its greed, the Liberal Government heavily taxed this industry. It based its theory on high world oil prices and increased consumption. However, someone forgot to tell that government that one does not budget on anticipation but on hard facts and figures.

We in the oil and gas business need a tremendous lead time to produce. We need 8 to 12 years for geological surveys, for land acquisition and exploration. We need this in order to get development and production. This industry has to find its raw materials first before it can manufacture the product. These

are unique circumstances. The up-front capital is high risk and should be treated as a high-risk investment.

I correspond with some 250 members of the Canadian Federation of Independent Business, and small businessmen in my riding on a regular basis. They are desperate to keep their businesses going, let alone expand their capabilities. This means jobs and we cannot foster tomorrow's increased employment until we meet yesterday's obligations.

This is what Bill C-11 is all about. If my hon. friend, the Member for Hamilton East (Ms. Copps), was in the House today, I would ask her to turn back a few pages in history to see what her government did to strangle the resource industry. When that industry turned down, we quit making hole and when we quit making hole we did not need pipe. If we did not need pipe, then we did not need steel from Hamilton. We did not need draw works and we did not need wire cable. In fact, we did not need anything. The unemployment in her riding is directly related to her government.

This Government is committed to giving Canadians a well managed, efficient and productive Government. We promised a major overhaul of planning and budgetary controls and we will produce. There are no easy solutions. Our mandate is huge but we will keep our promises. I want to tell my hon. friends how proud I am to be a member of the House and to have this opportunity to speak in support of Bill C-11 today.

Mr. Deputy Speaker: Questions and comments?

Mr. Boudria: Mr. Speaker, in concluding her remarks, the Hon. Member talked about the promise. Of course, we know that the Government's promise to which she referred was to create tens upon tens of thousands of new jobs in this country as soon as the new Government could be sworn into office.

I am sure that the Hon. Member and the Prime Minister (Mr. Mulroney) recall this statement being made. Could she tell us of the Government's progress in keeping this promise? Specifically, how many tens of thousands of jobs have been cut since the Government came to office, rather than created, as it promised?

• (1115)

Mrs. Sparrow: Mr. Speaker, I appreciate my hon. colleague's comments. When we came into office we had no idea what we were facing. The Liberals had 16 years to create this mess and we are going to do our very best to pick up the pieces very slowly and put them in place. We are going to get Canada off its knees and on to its feet and then we are going to run. We are going to give the people of Canada an opportunity to take hold of our resources, be they natural or human resources. We are going to give this country an opportunity to be what it should be.

Mr. Boudria: Mr. Speaker, I have a further comment. The Hon. Member has just told us that her Government did not know what it was doing when it was sworn into office and did not know what was going on. It just did not know where to start doing its job, nor did it know what the books looked like. It seems that the Tories are the only people who did not know what was going on. We certainly knew—

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Boudria: Did I hit a tender nerve on the other side, Mr. Speaker? As I was just about to say before I was so rudely interrupted, we certainly knew that we could not make billions of dollars of promises, but we did not make promises with which we could not live. We chose to promise only those things on which we could deliver.

Mr. Stewart: That is why you have 40 seats over there.

Mr. Boudria: That may be why we got 40 seats, but we still have our honour.

Some Hon. Members: Oh, oh!

Mr. Boudria: At least when we get back into power we will be able to deliver on those things we promised. We will not disappoint the people of this country, such as this Government has done since it has assumed office. They are right, Mr. Speaker, they did not know what was going on. They still do not know what is going on. They promised tens upon tens of thousands of jobs.

In this book that I have in my hand entitled "Expenditure Review", the Government has cut thousands of jobs from my riding right here in the Ottawa area as well as in the ridings of several Hon. Members. I see the Hon. Member for Gatineau (Mrs. Mailly). Maybe she could stand up and comment on the thousands of jobs cut in her constituency. None has been created but thousands have been cut. That is the disappointing record of this Government so far. We had enough of a similar government not long ago after nine months. We have had enough of this one after two months.

Mrs. Sparrow: Mr. Speaker, I would like to ask my colleague—

Mr. Boudria: You can't ask. I ask.

Mrs. Sparrow: Let me make a suggestion to my colleague, Mr. Speaker. Did the Hon. Member know he was giving us a $34 billion deficit?

An Hon. Member: Is that one of the promises?

Mrs. Sparrow: It started at $29 billion. I believe it was the finance minister in the previous government who made a miscalculation of maybe $5 billion.

I would like to tell the Hon. Member that we have been given a tremendous mandate. We have been handed a problem. We are very unhappy with our problem but we are going to work slowly and surely and we will get tens of thousands of people back to work. Already the Minister of Energy, Mines and Resources (Miss Carney) is working very closely with the provinces and with the industry on a new national energy

program. We will develop that. We are working in the agricultural area. Yes, Mr. Speaker, people will see in the next four years that we will stand by our promises and we will meet them.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Gatineau (Mrs. Mailly), on questions or comments.

Mrs. Mailly: Yes, Mr. Speaker. I have a comment on one made by my hon. colleague. He said that in my riding—

Mr. Deputy Speaker: I would remind the Hon. Member that questions and comments are to be addressed to the speech made by the Member for Calgary South (Mrs. Sparrow) and not to the Hon. Member who made the other comment.

Mrs. Mailly: Mr. Speaker, I would like to direct my comments to the Hon. Member for Calgary South (Mrs. Sparrow) and congratulate her on her realistic approach and on having had the patience to listen to the nonsense of the Hon. Member sitting nearby, who said we had not created any jobs. Since September 17 of this year, we have created 34,000 jobs in this country. I can assure my hon. colleague from Calgary South that she was right when she said we have already created a climate favourable to employment. In my riding, where factories were in great trouble as a result of neglect on the part of the previous administration, thanks to the initiative and imaginative approach of Gatineau workers, we are now reopening factories that had been closed down.

• (1120)

The Hon. Member is correct in saying that out West they are drilling oil wells with Ontario steel and the talents and human resources of Quebec and Gatineau, because I know that, as far as my riding is concerned, we have people who are working out West. Many lost their jobs over the last three years, that is true, but fortunately, a number of people are still working in Western Canada.

I know that thanks to efforts of our Government and the negotiating and conciliatory skills of our Minister of Energy, Mines and Resources (Mrs. Carney), there will very soon be a considerable activity in the West. Canadian oil will be produced by Canadians, consumed by Canadians and used to help develop Canada's resources, and this will be done by Canadian companies, not like what happened in the past, when jobs were exported because they were buying out foreign companies and sending billions of dollars to Belgium and buying oil from other countries because the administration here in Canada did not have the political or moral courage to face up to its responsibilities.

[*English*]

Mr. Brisco: Mr. Speaker, I should like to add some comments which would have unquestionably been made by the Hon. Member for Calgary South (Mrs. Sparrow). Given the constraints on her address, there are other matters which we should introduce into this discussion or into this debate.

The challenge has been made that this Government has not acted on anything. What a facile challenge; what a simple one to respond to! I recall the Liberal Minister responsible for the Canadian Wheat Board delaying for two months making payments to the wheat stabilization board, simply because he did not know where he was supposed to sign the cheque. We did that immediately. We froze Seaway tolls immediately. We froze the abandonment of rail lines, which guarantees and ensures that farmers in western Canada have an opportunity to get their wheat on rail. We froze the rail abandonment in my constituency, which is in the forest sector, to ensure that the mills could get their lumber to overseas markets. Those were the kinds of initiatives which were taken immediately. Also we took a very interesting initiative about which I am very happy. It was the initiative to relieve members of the Liberal Party of their seats in the House of Commons.

It is true that the Hon. Member for Calgary South did not have an opportunity to make that suggestion to the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria). Nevertheless, contingent upon that defeat of these people who had not been serving Canadians the way they wanted to be served was a number of employment opportunities which the Liberals themselves had created. Those opportunities without direct address to the intelligence, the capability and the area of endeavour of individuals have now been terminated. I think that is most appropriate.

Mr. Simon de Jong (Regina East): Mr. Speaker, in some ways I experience *déjà vu* entering the debate on the borrowing Bill, the request of the Government to borrow some $23 billion. I have heard these types of debates before. The actors have changed but the lines remain the same. When the Conservatives were in opposition and the Liberals were in government, very often I heard the lines which are being delivered by Conservative members today being delivered by Liberal members. We hear Liberal members today giving the lines that the Conservative members used to deliver. The actors have changed, but the lines surely remain the same.

• (1125)

An Hon. Member: Nonsense.

Mr. de Jong: The Hon. Member opposite says nonsense. How well I remember the debate in 1982 when the Liberals brought in a borrowing Bill ranging in the billions of dollars. Not only were they wanting to borrow money for the present fiscal year but also for the next fiscal year. At that time the Leader of the Opposition and the Official Opposition were outraged, and rightfully so. Today we hear the same lines and see the same procedures. The names of the actors have changed but again the lines remain the same.

It is interesting to see that now the members of the Liberal Party are opposing what the Government is doing, saying it is not parliamentary, it is not right. They are correct. Their objection is valid. However, how soon they have forgotten that only a few years ago they were doing exactly the same when they were in government. The word hypocrisy is a mild word to describe this behaviour. How soon our friends across the way have also forgotten.

I was somewhat disappointed in the speech last night of the Hon. Member for Mississauga South (Mr. Blenkarn). He was one of the most capable critics of the Government and of government borrowing Bills in this House. He was a man of integrity who thought out his arguments well and presented them forcefully. Members like the Hon. Member for Mississauga South and other Opposition members in both the Conservative Party and New Democratic Party succeeded in forcing the previous government to break down its borrowing authority Bill.

Let me warn the Minister and the Government that the very same tactics that the Conservative Party used in 1982 can be used again today against them. The business of this House can be brought to a standstill by the Opposition if the Government insists on breaking the rules and traditions of this House. The page that we will borrow is the page that the Conservative Party wrote in 1982. Let this Government be warned that we will not forget their opposition in the past. We will certainly raise that opposition if it continues to operate in the same manner that the Liberal government of the day acted.

It is somewhat distressing to hear the speeches of Hon. Members of this House, particularly Government members. Their depth of understanding of economic and government issues is very shallow. As I hear their remarks, I am reminded of religious cults like the Moonies. All I hear are simplistic phrases being bandied about, not just by back-benchers but by Ministers as well. They are simply solutions, as far as Government members' are concerned, to the problems facing the economy of Canada and the western world today.

The big bogyman is government—too much government spending which resulted in tremendous deficits, which in turn has yanked up interest rates. This has resulted in a downturn of economic activities. The solution is to bring down the deficit by slashing government spending; down go the interest rates, up goes growth, up goes job creation and hurrah, happy days are here again!

Some Hon. Members: Hear, hear!

Mr. de Jong: I am reminded of the experiments of Dr. Pavlov. When certain stimuli were presented to the dog, the dog started to salivate. Just now, when I uttered certain key buzzwords, all at once Hon. Members of the Conservative Party break out in applause as though there were simplistic solutions to the problems that face our economy. They feel as though the tremendous economic, social and technological changes western civilization is going through can be resolved with just these simple measures.

• (1130)

As with the Moonies and as with all forms of religious cults and thought-control groups, it frightens me. It frightens me how complex and difficult problems can be reduced to simplistic phrases which, when heard by normally intelligent men and women, cause them to break out in this mad applause. The idea that there are simplistic answers to complex issues is, in the end, the essence of totalitarian thinking. It is the essence of communist and fascist mentalities.

Some Hon. Members: Oh, oh!

Mr. de Jong: Mr. Speaker, again we hear this rumbling. Obviously a nerve has been touched.

When looking at the evolution of human consciousness and the social history of the human race, one can see that there have been those simplistic solutions to complex issues in times of great social stress. This eventually leads to people trying to fit square pegs into round holes. I am afraid that Hon. Members are so convinced that this is the solution that, when it does not work, they will indeed attempt to fit a square peg into a round hole. That is my fear, Mr. Speaker.

Let us look at this simplistic solution that the Government has offered. The notion is that our deficit is much too high. I agree with that. I do believe that our deficit is much too high.

Some Hon. Members: Hear, hear!

Mr. de Jong: Hon. Members applaud again. Let me educate them a bit. Let me suggest to them that in my home province, the Province of Saskatchewan, the Government has had a balance budget for years and years. When the so-called socialist horde composed of irresponsible spenders and freewheelers inherited the province in 1944, it was a province that was broke, that was in debt, that did not have an electrical system or a roads system. It had a population that was scattered over many, many miles. We were able to electrify that province and build a roads system second to none without incurring tremendous debts. When we were defeated in 1982, the budget of the Government of Saskatchewan had a surplus while the budgets of the Government of Alberta, the Government of B.C. and the Government of Ontario had deficits. Those were well-to-do provinces controlled by Tories.

Let us now take a look at Saskatchewan today. After two years of Tory rule, after two years of cut-backs in social programs, after two years of selling off provincial assets like Crown corporations and highway equipment, Saskatchewan has the highest accumulated deficit in the history of the province. All of the past deficits rolled into one cannot meet what has been done by the Tories in only two years.

Hon. Members are not applauding any longer. Is it a shock for Tories to realize that Tory governments have produced the largest deficit in the history of England, the United States and Saskatchewan? Surely that does not quite make sense in light of the rhetoric we have been hearing here. What is going on? Tories who are philosophically committed to balancing the budget end up in the end with record deficits by using Tory

programs. What is going on here? What is the explanation for this?

Mr. Stewart: Time.

Mr. de Jong: The Hon. Member says that it takes time. How much time will it take? Will it take two years, four years, eight years? After all, the Hon. Member must realize that when the Government of Saskatchewan was elected in 1982, it was going to create instant jobs and instant prosperity, just like the Tory Party during the 1984 election campaign promised instant jobs and instant prosperity for Canada.

Ms. Mitchell: Did they do that?

Mr. de Jong: Of course they did not do it. The unemployment rate in Saskatchewan has increased since the Tories were elected. So much for business confidence in the Province of Saskatchewan.

Let us have a look at the situation, Mr. Speaker. Why do Tory times produce massive deficits? They produce massive deficits because they are committed to a philosophy and theory of economics that has been shown not to work. It is the monetarist theory developed by the Chicago School of Economics and Dr. Friedman. I will explain it in a plain and simple way which I think Hon. Members, particularly the Hon. Member for Bow River (Mr. Taylor), will understand. The philosophy is that if one feeds a horse a great deal of oats, the sparrow will eventually get some. That is essentially the monetarist philosophy. They believe in giving the corporate sector a great many tax breaks. I say this tongue in cheek to the Hon. Member for Bow River because I know that he is a prairie populist who has as much distrust of the CPR as I have, but they believe in giving tax breaks to the CPR. The essential notion is that if the corporate sector is given a lot of tax breaks, eventually those breaks will filter through the economy and create jobs and prosperity for all. That is a nice simplistic solution except that it does not work. Because the solution does not work, we have a downturn in economic activity. The Government forgoes tremendous revenues. We see this over and over again.

As the critic of the Revenue Department, I have been following the actions of the Minister of National Revenue (Mr. Beatty) with some interest. This is an example of the philosophy at work. In *The Globe and Mail* of November 28, there appeared an article with the headline: "Ottawa makes it easier for business to avoid tax". It is indicated in that article that the Minister has announced that his Department will help the private sector find tax loopholes in order to determine if setting up a dummy company is legal or not. The third paragraph of the article to which I have referred reads:

> An advance ruling would allow a company that is considering, for instance, establishment of a dummy corporation that would reduce its tax bill, to find out whether its proposed strategy is legal.

The Minister went on to say that he thought that business people were spending too much time looking for tax loopholes. He felt they should be spending their time making money and doing normal business things rather than looking for tax loopholes. Therefore, the Government, at the expense of the people, will find these tax loopholes for them. Is that not sweet of the Government? How much are we going to lose on this? When is the Government going to realize that, in order to reduce the deficit, it should stop looking at the expenditure side and start looking at the revenue side?

Just yesterday we heard from the Economic Council of Canada which stated in its report that the problem with the deficit is not over-expenditure but lack of revenue. A newspaper article of November 28, 1984, reads as follows:

> The federal deficit, expected to reach $34.6 billion this year, has not been growing because spending is out of control, the council said. Rather, the Government has failed to keep raising enough taxes to cover its expenditures.
>
> Tax exemptions and loopholes combined with slow economic growth during the past 10 years have cost Ottawa almost $100 billion in tax revenues.

Is the Government concerned with the revenue side? Is the Government concerned with doing those things that create economic activity and therefore tax revenues? Is the Government concerned with doing those things that would stop some of the tax loopholes? No, Mr. Speaker, because in its simplistic solution it is the expenditure side that is the cause of our deficit. As far as the Government is concerned, spending is out of control. Again, simplistic solutions to complex problems will lead to further disaster in Canada today.

It is unfortunate that the Hon. Member for Mississauga South is not present today. I attempted to ask him some questions yesterday when we asked the House to give unanimous consent to allow the Hon. Member more time for an exchange after his speech. I understand that every Member of the House was willing to give him more time except a member of the Conservative Party. I found that a bit strange.

• (1140)

The Hon. Member for Mississauga South spent a fair amount of his time explaining how some provisions of the Unemployment Insurance Act allow some of his constituents, who worked many hours during the summer and who were involved in the construction business, to be eligible for UI payments and they take advantage of those payments during the winter construction slowdown, even though they are really not in need. However, legally, they are eligible for those benefits. The Hon. Member felt that that was wrong and that the requirements should be tightened. In a scheme such as unemployment insurance there are many different situations. There may be cases of people receiving benefits which perhaps they should not be receiving. In some cases it may be legal, in other cases it may not be legal. The Hon. Member for Mississauga South was very concerned about that. I accept the concern of the Hon. Member, but we should maintain a sense of proportion.

Was the Hon. Member concerned about the tax loopholes which are being provided through the research and development tax credit? He called it a scam, and I certainly agree with him. It was introduced in the Budget which was brought down by Mr. Lalonde. It was only supposed to cost the public treasury $100 million. Now the estimate is that it has cost over $1.5 billion and this scam will cost another $400 million or

$500 million. It will produce very few actual research and development dollars. For example, I understand that Imperial Oil bought $500 million worth of the credits and has paid itself a fee for doing the paper transactions of $25 million. I wonder what type of research and development will result.

I congratulate the Government. When it was elected it realized that this was a scam and set about trying to correct it. It corrected it! It imposed a moratorium. However, now we realize that the moratorium had a flaw. It had an escape hatch which is called a grandfather clause. The Minister of National Revenue admitted that under the provisions of the grandfather clause all sorts of new deals are being introduced and that it will cost the public treasury another $400 million or $500 million. When I brought this to the attention of the Hon. Member for Mississauga South he told me to wait a minute, that it could not simply be cut off overnight. Agreements were made. He said that we should not have to tell business folks that this provision was part of the law and that it would be cut off overnight. The Hon. Member was quite concerned about the propriety of cutting off the grandfather provision of the R and D tax credit scheme. It is too bad that he did not have the same concern about cutting off UI benefits to those people who are eligible for them and who are planning their retirement with those benefits in mind. Those people know that his Government will cut out the provisions of the Unemployment Insurance Act. When the Unemployment Insurance Act is changed, there will be no grandfather clause. Those changes will be overnight. There will be no provision for those people who are earning $15,000 or $20,000 a year. But for Imperial Oil there are a lot of grandfather clauses.

That is the difference between that political party and the NDP. That party is concerned with the Imperial Oils of the world. Our concern is with the person who is retiring and who has an income of $25,000, $30,000 or $40,000 a year. That is the difference, and because of that I oppose this borrowing authority Bill.

Mr. Deputy Speaker: Questions and comments?

Mr. Boyer: Mr. Speaker, the Hon. Member for Regina East (Mr. de Jong) said in his remarks that he was going to educate the Hon. Members of this House, in particular Members on this side, about certain things having to do with the economic policy of the Government. In his remarks he talked about simplicity and lamented the fact that the Government had outlined in a simple and straightforward manner the formula for economic renewal. While he eschews the notion of simplicity, he went on to compare the economic thinking of the Government to the Moonies. Talk about over-simplistic analysis!

In his remarks he also used the word "hypocrisy". Yet he denounced the large size of government deficits and went on to speak critically of a government which has come into office inheriting a record-high deficit and a spending level which is increasing. The Government is taking definite, specific and immediate steps to bring the situation under control. I think the word "hypocrisy" is not appropriate.

He also asked when the Government would begin looking at the revenue side and not only deal with cuts in expenditures. If the Hon. Member is asking when the Government will deal with that, his "education" of Members on this side leaves a great deal to be desired. Where was the Hon. Member when the Minister of Finance (Mr. Wilson) said that he would close the tax loopholes which involved the research and development tax credit? He lamented that nothing was being done to deal with loopholes. He spoke of the revenue side and the fact there were benefits for some. Where was he when it was announced that there would indeed be a minimum tax on the rich? Where was he when the Minister of National Revenue (Mr. Beatty) outlined a series of fair and proper measures to ensure that tax revenues owing to the federal Government would be collected? That is concrete and precise action on the revenue side. People who have been avoiding tax will be dealt with in an effective manner, not on the basis of the quota system which was tried by the previous Liberal government.

Where was he when the Minister of Finance, outlined in his economic statement that the way to economic recovery the way to generate funds on the revenue side and the way to get the deficit down is through letting the private sector return to doing what it does best: creating jobs, generating wealth and continuing to be involved in genuine economic activity?

I would say to the Hon. Member for Regina East that if he intends to educate Hon. Members, he should first do his homework.

Mr. de Jong: Mr. Speaker, I am somewhat amused by the comments of the Hon. Member. I will first deal with his point regarding my charge of hypocrisy. I made that charge because, as I suggested to him and to other Hon. Members, what the Government is doing now—borrowing money for the next fiscal year—is what it opposed when it was in opposition. As well, the government is asking for $2 billion in "pocket money". The Tories opposed that in opposition. They said: "What do you mean, borrow $2 billion in case of emergency?" Those were the speeches I listened to from the Hon. Member for Mississauga South. The Government is now doing exactly what it criticized when it was in opposition, and I call them hypocrites for that. I think I have the right to. Not the Hon. Member, of course.

• (1150)

Some Hon. Members: Oh, oh!

Mr. de Jong: In fact, he was not even here then.

I am afraid, Mr. Speaker, that the Hon. Member did not listen properly to my remarks about R and D. I congratulated the Government for putting a moratorium on this scam, but then I went on to say that the moratorium is not all that effective because of the grandfather clause which will cost the taxpayers another $400 million to $500 million. This money will be lost. That is why during Question Period yesterday I asked the Minister of National Revenue to put a freeze on the grandfather provision. He did not answer me. I am saying to the Government that it should put a freeze on the grandfather

clause and save those $400 million to $500 million. Because of the deficit we cannot afford to lose that hunk of change for something that everyone, including the Government, recognizes as being so unproductive.

The Hon. Member mentioned the minimum tax. I congratulate the Government for acting on this provision. We will have to see what type of minimum tax is introduced, whether it is smoke and mirrors or whether it will be a meaningful tax which will make the system a little bit fairer. That we will have to see.

The Hon. Member talks about tax collection. The Government pointed out in the economic statement that it was going to try and collect some $400 million in taxes that no one disputes are owed to it. In fact, there are some $4.5 billion in uncollected taxes which are beyond dispute. There are almost $400 million which the corporate sector has collected from its employees which they have not transmitted to the Government even though they are legally required to do so at the end of each month. For the Government to enforce just that one provision would bring in almost $400 million, never mind the $1.6 billion the corporate sector owes but has not yet paid.

The Hon. Member ended his remarks by saying that the Government is committed to letting the private sector do its thing and if we could only do that, prosperity is here. I suggest to him that the economic history of this country and its development is one where the private and public sectors have worked together. There is a tremendous role for the public sector to play, and for this Government to destroy that part of the public sector will be disastrous to this country and the private sector as well.

Mr. Deputy Speaker: Questions and comments continue. I recognize the Hon. Member for The Battlefords-Meadow Lake (Mr. Gormley). I ask Hon. Members to keep their questions and comments short as we have only a 10-minute period.

Mr. Gormley: Mr. Speaker, I would like to respond in light of the fact that the Hon. Member for Regina East (Mr. de Jong) and I come from the same province. Several of his statements should be clarified for the record, particularly those dealing with the economic comparisons involving Saskatchewan.

The Hon. Member referred to cults and related activities. The hallmark of a cult is the fact that there has to be a great deal of proselytizing going on and I think the people of Canada chose us to do this. We did not have to do much proselytizing to make people understand the deficit had been running out of control and something responsible had to be done about it. The Hon. Member remarked that somehow changing politics had caused some economic problems in Saskatchewan. If one looks at a comparable period in Alberta, in prosperous times that province was able to build up a very handsome surplus; but Saskatchewan had a balanced budget. However, when the new government had a chance to look at the books it realized that, through some very creative bookkeeping involving Crown corporations and government departments, a true accounting of the state of the economy had not been given. Given the kind of economics that this Member advocates, then the deficit would be twice as large as it is. I just wanted to comment on the Hon. Member's statement that Saskatchewan's economic difficulties arose because of the change of government. That is not the case.

Mr. Deputy Speaker: I am sorry to interrupt the Hon. Member but the period for questions and comments is now over. I ask again that Hon. Members please try and keep their comments and questions short, as we have three other Members who have not been able to speak, the Hon. Member for Simcoe South (Mr. Stewart), the Hon. Member for Erie (Mr. Fretz), and the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey). However, I shall give 30 seconds to the Hon. Member for Regina East (Mr. de Jong) to answer the comment.

Mr. de Jong: Mr. Speaker, we could spend some time debating the situation in Saskatchewan, which debates are of course occurring in the provincial legislature. However, the facts are still very simple and clear: Saskatchewan today has a deficit higher than it has ever been in the history of the province. That deficit has been incurred since the Conservatives have been elected in Saskatchewan. For the Hon. Member to say that they did not have a look at the books gives me a feeling of *déjà vu*. I do not think the people of Saskatchewan buy that and I do not think the people of Canada are going to buy it either. The people of Canada voted overwhelmingly to put the Conservatives into office because they were tired of the Liberals, not because of any of their programs or policies.Those programs and policies did not exist.

Mr. Deputy Speaker: The period for questions and comments is now over. I would like to remind Hon. Members of this House that the first two speakers we have had this morning have referred to a specific absence of other Members from the House. I know this was not meant in any critical way but I ask Hon. Members not to refer specifically to the absence of a Member from the House.

We shall now resume debate with the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey).

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, as the Hon. Member for Trinity (Miss Nicholson) said yesterday, the difficulty we have with this Bill is not so much in and of the Bill itself but that it has come to us all at once. It is hard to assimilate and it takes time to find out exactly what is happening and what the impact of the Throne Speech, the economic statement and now this borrowing Bill is going to be.

We on this side want to take the time to examine it and do two other things. First of all we want to make sure that our people know exactly what government policy is. Then, as their representatives in this House, we want to stand up and say what they would say if they were here. We are their representatives and our job is to say what they would say if they could be here. I want to try and tell the House and you, Mr.

Speaker, as well as the Government, what my people would say if they were here. I said some of it yesterday in reply to the Hon. Member for Mississauga South (Mr. Blenkarn) who made the same point that the Minister of Finance (Mr. Wilson) made in his speech. That is, that one of the reasons unemployment insurance has to be cut, among other programs, is that there are people in Canada who really are not trying hard enough to get jobs. There are 176,000 jobs, we are told, going begging in this country and now we have the Minister of Employment and Immigration (Miss MacDonald) hiring 700 people to go around the country and oversee the people who are unemployed. That is 700 new jobs, but what it will do for the unemployed remains to be seen. I do not think it is going to do very much.

Certainly the track record of the Department of Employment and Immigration in finding jobs for people in this country is not that good so far. But the suggestion was made that there were people who were not looking hard enough. In other words, there were Canadians who were lazy, satisfied and content to be on unemployment insurance. I and others in this House reject that as a cynical indictment of Canadian workers, particularly of workers in our own area. The Hon. Member for Mississauga South (Mr. Blenkarn) made that comment yesterday and I pointed out to him and to the House that in my area people have gone all over Canada looking for jobs and have not been able to find them. I wish someone would show me where those 176,000 jobs are, and show the workers in my area, because they certainly want them.

• (1200)

The Member for Calgary South (Mrs. Sparrow), who spoke earlier, talked about the elements in Calgary that come from all over the country. I watched her on TV as she spoke about the steel from Ontario and materials from other parts of the country that were being used in Calgary. She said that it was a truly Canadian operation. I accept that. However, she forgot to mention that a lot of the workers there were from the Atlantic provinces. They are there because there are no jobs in the Atlantic provinces. They have had to go elsewhere to look for work.

As I see it, this particular effort is not going to address the needs of the people of Atlantic Canada. I do not see that the effect of this move by the Government will be job creation in the Atlantic provinces, either temporarily or in the long run. If it has a long-run effect, it will be very, very long run.

There are a lot of cuts besides those in unemployment insurance. Eight point five million dollars is being phased out of summer employment for young people. In the Province of Newfoundland 50 per cent of all eligible young people are unemployed. That is staggering. It is a tragedy, Mr. Speaker. I do not think those jobs for young people in the private sector will come overnight or next winter. What do we say to young people in the meantime? Canada student loans as well as other programs will also not be increased. They have depended on Summer Canada but $8.5 million is going to be phased out of that program. Mr. Speaker, if you were a representative of that province, what would you say to the 50 per cent of young people who are unemployed? How would you explain that?

The Canadian Home Insulation Program is being phased out. I think there is a certain argument to be made in favour of that because that is certainly something that people should do on their own. It was an incentive program to encourage people to insulate and improve their houses at a time when energy was a factor and the housing industry needed a shot in the arm. The housing industry has picked up in some parts of the country but not in all parts. This particular move by the Government is indiscriminate. It treats all areas, groups and peoples alike. There is no consideration given for regional differences. The Canadian Home Insulation Program gave a lot of employment to small businesses, carpenters and electricians. It gave a lot of employment to many little people in the rural areas who depended on that program. What is their alternative?

With regard to the fisheries sector, $1.2 million has been cut which was designated for a marine service centre on the Labrador coast. The fishermen in that area are among the most disadvantaged of any in Canada. This will affect Inuit people and fishermen with small boats from small communities in Newfoundland who use those facilities in the summertime. That program was put in place because they need to catch up. It was put in place because the former government believed, as this Party now believes, that our job is to help first those who need it most and to put in place the things which they do not have but need to carry out their occupations. That $1.2 million was slashed indiscriminately with no thought given to what effect it will have on that particular area.

While the fishing industry in the Atlantic is on its knees and struggling for survival, $5 million is cut from the ad campaign attempting to sell fish in the United States. This comes at a time when, because of the strength of the U.S. dollar, the United States is buying a lot of European fish. I do not see how cutting $5 million from the fish promotion program squares with helping the private sector.

Relocation assistance was cut by $2.8 million. Labrador City, in my constituency, produces 50 per cent of all the iron ore in Canada. The Prime Minister (Mr. Mulroney) will know it well because he was president of the company that operated that particular town. Another town called Schefferville was closed down. I give the Prime Minister his due because he made sure that there were generous benefits made available to the people in Schefferville. I say publicly that that was a magnanimous stroke. Unfortunately, however, the same thing did not happen in Labrador City. There the company was allowed to use contract clauses to renege on severance payments to workers. They were allowed to treat workers as if they were on recall for three years rather than having been laid off. If there had been an upsurge in the iron ore industry in Canada, which everyone knew was not going to happen, at least not overnight, the workers would have been recalled. Therefore, the company was allowed to use that clause to avoid giving severance payments and the generous allowances which were given in Schefferville.

The Government of Canada had to step in and use a program called MILAP which was the successor to the Industrial Labour Adjustments Program. It was specifically designed to help workers, particularly in one-industry towns that had no alternative, to find either retraining or relocation. That is what must happen because even though industries may want to look out for the welfare of their employees, there are industries that cannot do it. These are Canadians who deserve, need and demand help. The Government of Canada must be responsible to help them but relocation assistance has been cut by $2.8 million when there are people with no prospects for alternative employment who need that help. I cannot accept that, Mr. Speaker. Separation payments, unemployment insurance and employment pension income is now going to be considered as income before people can start to draw those benefits anyway.

Returning to the housing industry, in Atlantic Canada and rural areas all across the country RRAP was an important program for people who wanted to renovate, rebuild or reconstruct their houses. A lot of senior citizens and people who could not build new houses took advantage of RRAP. A lot of small businesses that could not find alternatives and needed the work were surviving, to a large degree, on the RRAP program. That has now been cut by $29.4 million. I just hope that the private sector takes that up and the housing industry responds. I just hope that there are job alternatives available for those people so that they will be able to afford it without the help of RRAP. However, I do not see that happening, at least not very quickly.

I would not like to talk about ferry services. I saw the Hon. Member for Malpeque (Mr. Gass) here earlier. I know he had to leave but I was hoping he would stay around. If he were here I think he would have to agree with me that to cut ferry services to an island is to cut off a lifeline. The House must understand that. If I did not explain that in the House I would not be doing my job as a representative in this Chamber. There is no other way, except to fly, to get to Prince Edward Island. There are many people who cannot afford to fly, or for some other reason cannot fly in. You cannot fly a tractor into Prince Edward Island or Newfoundland. Ever since we came into confederation in 1949 heavy equipment has been transported by ferry. That ferry service is our trans-Canada highway. It is the only highway we have to that island. The Government, the House and the people who make policy here must understand the effect that policy is going to have on people who live on islands.

I can accept helping the private sector and putting business front and centre. I can accept that in the long run that is the only way we are going to create permanent, lasting jobs in the country. I can accept all that. However, I cannot accept indiscriminate cutting with no thought of the effect it will have, particularly on disadvantaged areas of this country. There are cut-backs of $21.5 million in CN Marine. Airport and marine services are to be reduced and fees are to be increased.

• (1210)

Last week the Canadian Transportation Commission made what I believe to be one of its best reports. It concerned the North. In fact, it was a Conservative Prime Minister, John Diefenbaker, who, in the 1960s, had a vision of the North. If he were in the Chamber today he would be supporting that Canadian Transportation Commission report. He would agree that it would be possible to attract and keep people in the North if the fuel tax and airport fees in the North were eliminated. This would develop the northern area of this country. But if an undue burden is placed on those who already have one of the heaviest burdens to bear in this country, it will decimate and depopulate the North. It will not only be Schefferville that will close down; many other towns in the North besides mining towns will close down. The point I am trying to get across is that the cuts we have seen in those areas of the country will be devastating. I do not see what the alternative will be.

In order to be a good representative of the people I represent, I should point out those measures that I find beneficial in the economic statement. In fact, some of its measures were good. For example, fishermen, loggers, mine operators and farmers may be eligible for a fuel sales tax rebate of three cents per litre beginning in December. That is a good step and I congratulate the Government for it.

Widows and widowers between the ages of 60 and 64 will become eligible for the spouses' allowance program in the fall of 1985. That is a good move and the Government should be congratulated. The fact that veterans' pensions will be improved is a good step and I also congratulate the Government for that.

Finally, tax relief may be offered for termination benefits for workers in shutdowns of isolated one-industry towns. I bet it was the Prime Minister who put that in. The Government should be congratulated for that as well. Those are four measures that will help my people.

However, by and large, the message I must convey to the House is that these cuts will be devastating. I do not see what the alternatives will be. The suggestion is that private enterprise will in some way take up the slack, although we do not know when.

What is the record of private enterprise? In the fishery, for example, both major fishing companies in the Atlantic area were on their knees and virtually bankrupt. Our Government had to step in. The private sector was asked if it had any money to invest in these companies. No one in the private sector came forward to invest in the companies. Therefore, the Government of Canada invested money.

In the case of Fishery Products International, our government, along with the Government of Newfoundland, invested approximately $150 million. Much more must be invested if that company is to be financially stable. That industry is struggling and the record of private enterprise in that particular industry is anything but excellent.

Therefore we must ask if we can have confidence in the private sector in that particular industry. While that confidence may come about in the future, in the meantime I see these cuts putting a burden on fishermen who can least afford to bear that burden. The effect of that invested money has been to help some of the banks perhaps, but it has not helped too many fishermen in any substantial way.

What about forestry? The Government has also helped in forestry. While that industry is in difficulty, it is not as severe as the fishery. When the Government helps an industry in the forestry sector to modernize a mill, for example, it means the addition of new technology. New technology in and of itself does not create new jobs but eliminates jobs. Therefore, as a result of giving health to the forest industry through stability and modernization, some jobs have been eliminated. There is a vacuum in job creation which I do not see being filled by the forestry sector.

What about mining? I have talked about one mining town in particular but I believe it is general knowledge that this industry all across Canada is struggling in a very tough market-place. While some are doing much better than others, there certainly will not be a dramatic growth in the mining industry in the near future. In the meantime, how will those jobs be provided?

We are told that we should not look to those major corporations and multinational firms to create the jobs but that the real vitality in the private sector will be in small business. I support that concept. In this respect I have a great deal of time for the President of the Canadian Federation of Small Business. However, I would ask him to give details of where those 176,000 jobs are that he talks about because I want to get after the firms that have them. While there no longer is a relocation allowance, I want to find a way to send my people there.

I have a lot of time for his organization because I believe that the vitality of the economy will be with small business. However, this revitalization will not occur if the Government takes such action as cutting tourism out of the Industrial Regional Development Program. That program is one of the major tools the Government has now to assist private enterprise. I might say that the tourism industry includes many small businesses and employs many semi-skilled and non-skilled people. I believe that that industry has great potential in this country and it is surely not an incentive for private enterprise if the Government does not allow it to qualify under the IRDP.

I repeat that while the economic statement has some good points, the over-all cuts will have a devastating effect in the Atlantic area and I do not see where the slack will be taken up or how those cuts will be healed by the private sector. I believe the Government must reconsider its policy in this respect, to see how it affects the disadvantaged areas of the country, particularly northern and rural areas. I would ask the Government to do that because, if it does not, it will eventually pay the political price and will not return to this Chamber with the kind of majority it has today.

Mr. Duguay: Mr. Speaker, I want to comment on a question the Hon. Member asked during the course of his speech. He wanted to know what we would say to young people in Canada this summer. He was referring to the Summer Canada cuts.

Let me tell the Hon. Member that as a person who has spent nearly 20 years working with young people, there is one message that I do not want to give them. It is the message that the previous government gave them during the last 20 years, that the solution to the problem of jobs is to mortgage the future, to borrow money that we cannot afford to borrow and to create jobs that do not produce anything in this economy.

There are examples of some of the jobs that were created by this program. For instance, it was a young person's job to post CEIC posters, giving credit for the summer jobs to the Minister.

I am concerned about young people but I want them to learn something about the realities of life; the fact that jobs do not appear out of thin air and that make-work jobs are not necessarily jobs that create work. I want young people to learn that a free lunch is not a birthright.

• (1220)

The previous speaker alluded to the fact that Tory times mean massive deficits—

Mr. Orlikow: Mr. Speaker, I rise on a point of order. I thought this was a 10 minute period for questions. I would like to ask a question if the Hon. member is not going to take the whole period.

Mr. Deputy Speaker: The period for questions or comments allows Members to make comments. I would ask, however, that the Hon. Member make his comment within a reasonably short period of time.

Mr. Duguay: My comment will be short, Mr. Speaker. The previous speaker alluded to the fact that Tory times mean massive deficits and used the NDP example in Saskatchewan. It seems to me that one look at the Province of Manitoba, the only NDP government in this country, would illustrate what kind of deficit it has created.

Mr. Rossi: That has nothing to do with jobs.

Mr. Lewis: Mr. Speaker, the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey) made a very thoughtful speech and covered several areas of interest to the Government. Actually he was very complimentary to the Government in several ways. He made reference to devastation that he suggests will come as a result of the belt-tightening that we are doing with the complete mandate of the Canadian people. Could he give us any idea whether or not he feels the devastation that he predicts will be anything comparable to the devastation which his Party suffered on September 4?

Mr. Rompkey: Mr. Speaker, if the Hon. Member wants to rest safe and assure the seat he has in the security of the Government, he can do that. But there is another election

coming. That is what we are fighting. Right here, now, today, we are fighting the next election. My policy, and I have gone through five elections, has always been to fight the next election the day after the last one is over. What we are doing here today is fighting the next election. We will see what is going to happen in four years' time. The people of Canada have chosen. I give the Hon. Member credit. We will see what happens in four years' time. I tell the Hon. Member now, as I told the Hon. Member for St. John's West (Mr. Crosbie) the other day, that if his Government pursues this policy he will see that he will not be back on that side of the House in four years' time. If the Hon. Member for St. John's West believes that, I say to him again, as I said to him the other day: "Come now, debate with me in my riding. Run against me in four years' time and we will see who wins".

Mr. Orlikow: Mr. Speaker, I would like to direct a question to the Hon. Member. We hear so frequently from Conservative Members of Parliament about the tremendous advantages of the private sector and we hear criticisms of the public sector. My friend, the Hon. Member for St. Boniface (Mr. Duguay), just spoke about some of Canada's make-work projects as if that were bad. Would the Hon. Member take a few moments and explain what happened in the fishing industry on the East Coast? My impression is that private sector companies were going bankrupt, that there were so many people working in the industry that governments, not socialist governments but the federal Liberal government, and one or two provincial Conservative governments, had to step in and make it, at least in part, a public enterprise. Maybe the Hon. Member could give us a few details on that.

Mr. Rompkey: I alluded to that in my speech, Mr. Speaker. It is a good question. That is virtually what happened. The private sector was in trouble across the board. Some of the smaller companies are doing very well, but the major companies in Atlantic Canada were in real trouble. Most of them, with the exception of National Sea Products, were on the verge of bankruptcy, not because of either a Conservative, Liberal, or NDP government or the fishermen, or the stocks, or anything like that; it was their inability to compete in the marketplace with the Scandinavians and others. The private sector was just not doing the job. Both governments, the Government of Canada and the Government of Newfoundland, are in a partnership to try and do that particular job.

I made the point, and the point has been made again, that while I support, by and large, the theory that it has to be the private sector, and particularly small business, which creates long-term jobs, you have to question certain areas, particularly the one which the Hon. Member mentioned. The private sector's track record does not lead us to believe that it is going to do the kind of excellent job that we hope the private sector is going to be able to do.

I would like to take one more minute to speak about the fishermen. The situation for fishermen is even worse in some areas of the country. When the Hon. Member talks about devastation—and I raised this problem with the Minister of Employment and Immigration—there are in-shore fishermen in Newfoundland this year who will not get any benefits at all. In the community of Griquet, for example, on the northern peninsula of Newfoundland, there are probably 100 such fishermen. Probably the total fishing force of that community will not qualify for un employent insurance because the fish did not come.

This is something you have to appreciate about fishing. It is not quite the same as farming. First, there are not the same safety nets. Second, we are equally vulnerable to the kinds of hazards nature inflicts upon us. This year was a staggering year for the in-shore fishermen. Instead of cutting unemployment insurance, what the Government should be doing is instituting special programs to help those fishermen who are affected.

Mr. Nickerson: I have a question for the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey). His presentation dealt almost exclusively with decrying the Government for trying to put some realism into the national finances and therefore having to cut back on some expenditures. He exhorted the Government to spend even more money, especially in his particular area. Do I take it that the position of the Hon. Member for Grand Falls-White Bay-Labrador and the Liberal Party of Canada is that $23 billion of new borrowing authority is not enough, that they would prefer perhaps $50 billion of new borrowing authority, money that would then at some point in time have to be repaid with interest?

Mr. Rompkey: It is not my job to propose, Mr. Speaker. That is the Government's job. My job as a repesentative is to stand here in the Chamber and to say what effect the policy of the Government is going to have on my people. That is the duty of the Hon. Member as well. I would say to the Hon. Member that the increase in the fuel tax, the increase in airport fees and the other measures to be taken will be just as devastating in the Western Arctic as Labrador. I do not know how he is going to explain that to his people but I would not want to have to explain it to mine.

Mr. Baker: I have a comment and I will be very brief, Mr. Speaker. I have to congratulate the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey) on talking about the importance of having direct job creation programs, as he said, in rural areas, high unemployment areas. It appears to be a fixation with this Government to treat everybody across the country alike. As the Hon. Member said, they are doing away with direct job-creation programs.

We had an intervention from the Hon. Member for St. Boniface (Mr. Duguay). The Minister of Finance (Mr. Wilson) "didn't understand it at all. He said the Minister of Employment and Immigration will be developing new programs to provide permanent jobs for our youth. Therefore, the Summer Canada program will as a result be terminated".

How stupid, Mr. Speaker. You do not give a student looking for a job for the summer a permanent job. What he is really referring to is private enterprise. Private enterprise does not

exist in the high unemployment areas of the hon. gentleman's province. It does not exist. You must have direct job-creation programs. A community group applies for the program to carry out an activity. For somebody to stand in this House and say that was a waste of money and that the students were not doing anything is to criticize the local community group that applied to the government for the money.

If this Government is sincere about being concerned about students, it will have to turn around next summer and have the same kind of job creation program for students as the former Liberal government had. If it does not, then it can wave good-bye to any credibility which it has in high unemployment areas of Canada.

Mr. Deputy Speaker: The period for questions and comments has now expired. We will resume debate.

• (1230)

Mr. Stewart McInnes (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, in viewing the activities in the House I have been aroused and at times interested by the comments from the island of red interspersed with pink. However, I have gained heart and confidence when I have heard utterings from the sea of blue from time to time.

At this particular time I am compelled to recall a certain passage from *A Tale of Two Cities* by Charles Dickens. I should like to quote a passage from that bible and draw attention to the following well-known words:

> It was the best of times, it was the worst of times, it was the age of wisdom, it was the age of foolishness, it was the epoch of belief, it was the epoch of incredulity, it was the season of Light, it was the season of Darkness, it was the spring of hope, it was the winter of despair, we had everything before us, we had nothing before us, we were all going direct to Heaven, we were all going direct the other way—in short, the period was so far like the present period, that some of its noisiest authorities insisted on its being received, for good or for evil, in the superlative degree of comparison only.

The Liberals in their new-found station in life on the benches opposite, of course, will recognize that on September 4 Canadians said that it was the worst of times, that it was the age of foolishness, that it was the epoch of incredulity, that it was the age of darkness—and indeed it is for them—and that it was the winter of despair, which again is here for the Liberal party. If this is true, the Liberals will recognize that they were the authors of their own misfortune. Their hollow cries of objection can be nothing more than a knee-jerk reaction. If they paused and reflected, they would fully realize that they have created the mess in which we find ourselves today.

I have reservations about standing to support the massive borrowing Bill before us today, but there is no alternative. However, we on this side of the House believe, as the people of Canada agreed on September 4—and I am persuaded that they will reaffirm their belief in years to come—that this can be the best of times. They recognize that this is now a new age of wisdom, that we are at the commencement of a new epoch of belief, that there is a season of light, that we are on the dawn of a spring of hope and that we have everything before us. There is only one way to go, and that is up. Based upon the formulae, the confidence the Government has instilled in Canadians and the principles enunciated in the economic statement, that is the path Canada will now take.

I compare the situation in Canada to a dike and the sea. For the past number of years we have had a drip and a drip and a drip, increasing to two drips and three drips, until many holes appeared in the dike on which only band-aids, splashes of cement or chewing gum were applied. They were band-aid measures. There has been such an increase in the holes in the dike that it is in danger of collapse. Now more than temporary mortar or temporary band-aids must be applied to deal with this situation.

What is needed are structural changes in the dike. We have to start all over again because what we have had until now has apparently not worked. We will consult with structural engineers and architects in Canada. We will convene meetings and enter into dialogue with masons, carpenters and all people who are part of the central ingredient of our economy. It takes time to draft a new structure. We cannot build by copying the last structure, the one which failed. We have to return to the drawing-board and start again.

That is the intention of the Government. We also intend to consult with all people who are essential to and form a necessary component or part of the economic structure of Canada. We have set a course of action to speak with the provinces, labour, business and the people. We have spoken with the people. We have touched upon possible solutions. We have given them an indication of where we might go, and they have applauded. However, we have only started. We have only given a hint, a blueprint. Now we must fill in the details. But that can be done only after realizing that we have consulted and listened. We will ensure that the repercussions of our plans will be minimal on any group or any person who feels aggrieved or adversely affected. This is the new process of consultation into which this Government enters.

Indeed, we are prepared to listen to Hon. Members opposite who from time to time have given us some constructive ideas on how we might proceed. The last speaker from Newfoundland indicated that he had no obligation or duty to propose, only to criticize. He contradicted what previous speakers in his Party said only yesterday. They indicated that they had an obligation to enter into the dialogue and to participate. This is what this Government and this Party invite all Hon. Members of the House to do—to be constructive rather than just critical.

As members of the House collectively and individually, we have an obligation to rethink the process. What we have today is what we asked for. We are where we are because that is what the people of Canada asked of us. We have responded to their pleas over the years in endeavouring, particularly at election time, to appease them and console them. Collectively we have failed. I suggest the reason we have collectively failed is that there has been no leadership to indicate the direction we should take. Now we have leadership, tarting with the Prime Minister (Mr. Mulroney), down to the Cabinet, down to the Conservative Party and down, I hope, to all Hon. Members of the House. The Prime Minister indicated by way of leadership

that he would take a personal salary cut. The members of his Cabinet indicated that they were prepared to accept a cut in salary. Leadership is starting from the very top. It is in the interests of this country to follow. We cannot survive and we will not respond unless we follow. Members of this Party are prepared to follow a new course, a new direction. We are prepared to accept that new attitudes are required in order to change the basic structure and philosophy of this country.

● (1240)

We have an obligation collectively and individually to go back to our ridings, our church halls, judo clubs, all our community enterprises, all those groups which are well merited, well meaning and an integral part of our whole system. We have to tell them that times have changed, that they must be an integral part of the new system, the new attitudes and the new philosophy, that they cannot now make their first approach to government. Everybody must say: "Government is our very last resort".

The philosophy prevailing, the course of action followed year after year, has been built into a habit that is almost irreversible. This has caused the dike to collapse. The attitude that must now be adopted by each one of us is to say: "Government is a matter of last recourse". We recognize there are certain persons in our society who are not able to respond and are not capable of handling their own circumstances. For those people we will provide, guarantee and ensure their stability and all their essential needs.

For all others for which there is an option, our thrust must now be: What can we do for ourselves? In order to ensure that there is some initiative, some stimulus, some new direction, we must ensure that there is this new ingredient, this new understanding, this new willingness, collectively and individually among all of us—you, Mr. Speaker, the Prime Minister, myself and all Members — in order for the welfare of this country to go forward and prosper. We must gather in a united effort and say: "Yes, we are going to try something new".

We have tried all the other means. We tried those remedies that parallel the rescue effort to stem the tide behind the dike. We have heard rumblings of water over here. We threw money. There was a hole on this side of the dike. We threw more money. We have had agitations. We tried more intermediate and shortterm solutions, but never in the last 25 years has a constructive, national effort been made to harmonize and gather together the will of the nation.

Why is it that people in Canada fight for the right not to work more but to work less? Why is it that it is government this, government that, government stimulus, government monies, and pogey? Where did all this come from?

What is it that goes on south of the border that makes people there so different? What is it that compels those people to gather in line-ups outside their cities at 5.30 in the morning, bumper to bumper, to go into the cities for the right and privilege to work? What compels them? What is the initiative? It is the initiative of prosperity. They realize they have the right to gather together and enjoy the fruits of their labour, to participate and enjoy the profits. That is a joy and a happiness which they have cherished, which they have mastered. There is a national will and a national consensus because there is national leadership. That is what we have lacked for the last number of years, leadership. That is the hope and the new dawn for Canada—new leadership and new attitudes.

What should this Government do? It should not employ any more people. Government payrolls are large. They are exhausted. The Government of Canada does not want to increase the number of employees. We want to let our employees go. Where are they going to go? They are going to go to the new jobs created by the new attitudes, new initiatives and new stimulus that this Government is going to provide.

Mr. Riis: You sound like Bill Bennett.

Mr. McInnes: Perhaps the other side of the coin is President Mitterrand. Perhaps I should adopt the utterings and the philosophy, the encouragement and the initiatives of my learned friend. I have heard them. President Mitterrand and the French tried it. They are in retreat. They are in retreat faster than Napoleon could ever get out of Russia.

We can derive direction and inspiration. We have the benefit of the experience of Margaret Thatcher. Margaret Thatcher is loved by her people, not because she is a woman, not because she is handsome but because she is resolute. She has an idea. She has a purpose. She has confidence. Guess what is happening in Britain for the first time in 25 years? There is a national will. The national will has been reflected in the resolution of the people. Every time they have the opportunity to affirm her in the polls, they do so.

Mr. Riis: Read a single book about what is going on over there.

Mr. McInnes: I hear the Hon. Member, who was rather effusive in his suggestions during my last remarks, say: "What is the Government doing for small business? How is it helping?"

Mr. Riis: I said that?

Mr. McInnes: The record will show the Hon. Member said that. Small business, as large business, as individuals now have another chance. I will give an example of how the people of Canada will respond to the new direction and the new initiatives.

In conversation the other day, the Minister of Finance (Mr. Wilson) indicated to us that he had received a telephone call from a gentleman 93 years of age. This gentleman had abandoned the economy and the business in which he had been involved. He had thrown up his hands and said: "There is no hope, there is no reason, there is no encouragement and private enterprise has no place in this society". That was some years ago when he was at the ripe old age of 85. He had been wandering, meandering, trying to find a path where he might proceed, the promised land, so to speak.

After the economic message was delivered by the Minister of Finance, this 93 year old gentleman purchased a company employing 125 people. He indicated he has plans to add another 50 employees to the payroll of that company within the next six months.

When I hear my friends on repeated occasions asking: "Where are the new jobs coming from? Give us some evidence, some indication that private companies and individuals will respond", I give this as an example of what we can anticipate. There will not be 125 or 200 jobs, but hundreds and thousands of jobs created, because this is a new Canada. We do have new attitudes. Of course, on other occasions our friends have asked: "Where are the jobs? You have been in business for two months". It takes time to build a dike, Mr. Speaker. We must create and build a new dike. We must consult and that is the direction of this Government and Cabinet.

• (1250)

I should like to applaud the leadership of our Party. I ask my friends to enter into the dialogue in which we are involved and return to their constituents to say: "What we tried before obviously did not work. There is new hope. Let us be constructive, let us get together". This is a new era and a new beginning.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Questions and comments.

Mr. Orlikow: Mr. Speaker, I would like to say to the Hon. Member for Halifax (Mr. McInnes) that I was amazed to hear him suggest very clearly that there are all kinds of people in Canada, including those in his area, who are not working because they really do not want to work. If the Hon. Member looks at tomorrows's *Hansard*, he will see that he did say that. I believe that that just is not true. The City of Halifax has an unemployment rate of over 12 per cent and it is the city that is the best off in Atlantic Canada. To suggest that the people of Atlantic Canada are not working because they do not want to work and would rather collect unemployment insurance benefits is to insult those people in a way which he or any other Member ought not to do.

How can the Hon. Member think that his have-not province can be helped when the Government has reduced the funding for regional economic expansion by $200 million? A substantial part of that funding would have gone to Atlantic Canada. How can the Hon. Member think that his region, a region in which two of the major industries are fishery and forestry, can prosper when the Government has reduced funding to research and development in those two fields by $1.5 million each? How does he think that the fishermen in his province can prosper when the ferry service from Yarmouth to Boston on which fish were transported at pretty low costs has been stopped? How can those fishermen be helped now when the ferry service has been taken away and they will have to travel hundreds of miles to deliver their produce, increasing the price they have to charge and making it more difficult to compete? I would like the Hon. Member to explain to the House and more particularly to the people of Atlantic Canada how these cut-backs which the Government has implemented will help those people. We believe that those cut-backs will hurt them and will hurt them very seriously.

Mr. McInnes: Mr. Speaker, I thank the Hon. Member for bringing up this particular question. It is an area with which I have considerable experience. I have been involved indirectly in the fishing industry for a good number of years. The situation in the industry has been rather chaotic in the past number of years. The plans of this Government relative to the fishing industry will give it a direction instead of hodge-podge, massive regulation and intervention by government.

With respect to economic development, what the Government is going to provide and what the province wants are incentives. The province wants investment. Where will that investment come from? It can come from two sources. It can come from within Canada and from outside our borders. Nova Scotia has benefited dramatically and perhaps more per capita than any other region in Canada from outside investment. As an example of this, I would mention Michelin, the biggest employer in Nova Scotia. I would mention Nova Scotia Forest Industries and Volvo. There are a large number of good foreign corporate citizens in Nova Scotia. Unfortunately, this investment has slowed down because of FIRA and the attitude toward foreign investment of the previous government. It is our intention to change those rules dramatically. Our province looks forward to a new era of prosperity because people from foreign lands are knocking on our doors. They wish to do business in Nova Scotia, a province in which the people want to work and which has the climate for prosperity and making a real profit.

Mr. Gagliano: Mr. Speaker, the Hon. Member spoke about small business. I wonder if he is aware that all of the business associations in the country agree that payroll taxes affect the life of business. The first thing the Government did was increase payroll taxes by increasing UIC premiums. Can the Hon. Member explain how small business can put this Government in a new light?

Mr. McInnes: Mr. Speaker, it is good of the Hon. Member to remind the House that the situation in which the unemployment insurance fund now finds itself is accountable to the mismanagement of the Party of which he is a member.

Some Hon. Members: Hear, hear!

Mr. McInnes: It is necessary to apply a little medicine. The people of Canada are prepared to accept a little short-term pain with the confidence and understanding that, because of the new initiatives of the Government, it is only for the short term. In the long term, unemployment insurance premiums will not pose the problem they have always posed under his government.

[*Translation*]

Mr. Robichaud: Mr. Speaker, when I consider the speech by the Hon. Member for Halifax (Mr. McInnes), in which he said that they will be providing new stimuli for industry and help for small businesses, I find it very difficult to understand what he means. I think we do not give quite the same meaning to the words we use, especially when we are talking about the tourist industry. In his statement, the Hon. Minister of Finance (Mr. Wilson) announced a number of cutbacks that will have a specific impact on ferry services in the Atlantic provinces, services that are vital to the tourist industry. It is going to cost a lot more to use the ferry. We are increasing admission fees to National Parks, airport taxes and the excise tax on alcoholic beverages Mr. Speaker, when those very same Members were in the opposition last spring they were deploring the fact that the Government was taking such measures. Now, they refer to them as stimuli.

I wish the Hon. Member would explain how these cutbacks could act as a stimulus for the tourist industry.

[*English*]

Mr. McInnes: Mr. Speaker, that is a very valid and reasonable inquiry. There is prima facie some merit in what the Hon. Member has said. There may be an adverse reaction in the tourism industry. The tourism industry is a very important component of my constituency and is important to all Nova Scotians. However, I have had the benefit of analysis and consultations with people in the tourist trade. They have persuaded me, as I would echo to the Hon. Member, that in order to continue to encourage tourists to come to Canada, and particularly to Nova Scotia, we must build an infrastructure. We must ensure that proper tourist facilities are in place. The quality of our tourist trade has deteriorated in the last few years. There are fewer people coming to Nova Scotia now than there were five years ago. Again, it is a very basic problem.

We need some new money to build up the infrastructure to ensure that we can compete with other countries for the tourist dollar. That is the intention of these new tolls and raises. They again provide short-term pain but we need new funds. We cannot keep grabbing and grabbing from nowhere. There must be something there to grab. That is what it is all about.

Mr. Deputy Speaker: The Hon. Member for Simcoe South (Mr. Stewart) on a short comment or question.

Mr. Stewart: Whether Canadians do or do not want to work, in view of the differences of opinions between those on this side of the House and those on the other side of the House, what does the Hon. Member think about the Canadian Federation of Independent Business which identified last year that we paid out some $800 million to voluntary quits?

Mr. McInnes: Mr. Speaker, it is evident that the presidents of small business organizations and all business organizations across Canada are applauding the economic statement and the new principles of doing business in Canada as enunciated by the economic statement of the Minister of Finance. I believe the people of Canada, in editorial comment—

Mr. Deputy Speaker: I am sorry to interrupt the Hon. Member. Since it is now one o'clock, I do leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

FISHERIES

CANCELLATION OF FISHING VESSEL INSURANCE SCHEME

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I appeal to the Government of Canada to cancel or revise its decision to do away with the fishing vessel insurance scheme which it announced last week.

This decision will mean the doubling and, in some cases, the tripling of the insurance costs to fishermen, when they go to private insurance companies. Worse than that, it will mean that a great many of the fishermen—I estimate about half of the boat owners in Newfoundland—will not qualify for insurance from private insurance companies. The real problem arises in that the provincial Fisheries Loan Board demands that fishermen must have insurance before they can get loans from provincial government boards. Any insurance policies which are cancelled in the meantime will obviously mean that the loans will become due.

I would strongly suggest that the Minister of Fisheries and Oceans (Mr. Fraser) and the Minister of Finance (Mr. Wilson) should at least consult with the provincial Governments, the processors, the fishermen's unions and the insurance companies, and revise the decision which was made.

* * *

AGRICULTURE

GOVERNMENT PAYMENTS TO NIAGARA GRAPE FARMERS

Mr. Rob Nicholson (Niagara Falls): Mr. Speaker, I am pleased to rise on a matter that has concerned the grape farmers of the Niagara Peninsula for some time. I am referring to the grape surplus that has been anticipated by the farming community since last June. The problem has arisen for several reasons, the primary reason being the dumping of subsidized European wines in Canada. These low-priced imports have caused a decreased demand for domestic wines,

which is unfortunate, because my constituents and I have known for some time that the Niagara Peninsula contains some of the world's finest wine producing land.

Last July when the Prime Minister (Mr. Mulroney) visited the area he assured the farmers that, just as in previous Conservative administrations, their concerns would not be forgotten and the surplus would be taken up. Therefore, I was extremely pleased when this past week the Department of Agriculture began mailing cheques to our grape producers, covering 100 per cent of the surplus at 100 per cent of the cost—again demonstrating this Government's commitment to the agricultural community. Therefore, four years from now, farmers, along with other Canadians, are going to be able to say: "There were promises made, but more important, those promises were kept".

* * *

THE HON. STANLEY KNOWLES

DISTINGUISHED PARLIAMENTARY SERVICE

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, tomorrow is the forty-second anniversary of the first election to the House of Commons of the Hon. Stanley Knowles.

Mr. Knowles served in this Chamber as the Hon. Member for Winnipeg North Centre for almost 38 years. Every time we hear the words "Winnipeg North Centre", we are reminded of Stanley's unrivalled contribution toward ordinary Canadians.

His contribution is being recognized in Toronto tomorrow, which is why he cannot be here with us. So, I want to acknowledge his presence and his distinguished service, today. His mastery of parliamentary procedure enabled him to work effectively for ordinary Canadians, prodding and demanding action from successive Governments, for the elderly, the ill, and the unemployed. All Canadians can feel more secure and less fearful in their retirement years as a result of the work of the former Hon. Member for Winnipeg North Centre.

Stanley, we salute you.

Some Hon. Members: Hear, hear!

Whereupon the Members rose in tribute.

* * *

[*Translation*]

EMPLOYMENT

MANNER IN WHICH SERVICES OFFERED BY EMPLOYMENT CENTRES

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, I would like to congratulate you on your appointment and also take advantage of this opportunity to congratulate the Members of this House, especially the women who were elected on September 4.

I want to draw the attention of the House to a situation that is prevalent in Canada Employment Centres. The way public servants who dispense the services of this Department deal with clients is absolutely appalling. I often hear about such things from my constituents, and from conversations I have had with my hon. colleagues, I understand the same is true elsewhere. It is bad enough to be unemployed, but being treated without respect is even worse. For instance, it is impossible to get through to an Employment Centre officer by phone, since the lines are always busy. People have to deal with several officers who fail to provide for follow-up. On top of that there is a lot of waiting in line, and once they get to the counter, people are often told to see another officer. The impression is that courtesy is definitely expendable. I therefore think it is absolutely essential the Minister of Employment and Immigration (Miss MacDonald) be made aware of the way services are offered in Employment Centres, so that the Minister will be able to act without delay to humanize the process in all offices across Canada.

I would like to remind Hon. Members that Parliament and the Administration are supposed to serve the people of this country and not the other way around. This is something that was forgotten by the previous Government.

* * *

IMMIGRATION

GOVERNMENT POLICY REVISION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, when the Minister of Employment and Immigration appeared before the Standing Committee on Labour, Manpower and Immigration this week, I was given the assurance that any changes in immigration policy would be made in a spirit that would respect our humanitarian tradition.

To prove this guarantee was genuine, the Minister of Employment and Immigration pointed out past commitments, including the program for sponsoring refugees from Indo-China, started in 1979 when she headed the Department of External Affairs. The program was organized as follows: the Government would sponsor one refugee for each refugee sponsored by a private group. This program is not a very convincing example, because the Minister will recall that five months after the program was introduced, it was terminated by the Progressive Conservative Government which preferred to let the United Nations provide assistance to Cambodia. This decision put private sponsors in a difficult situation, since they then had to take charge of the refugees the Government had promised to sponsor. Therefore, although I certainly do not for a moment doubt the Minister's good faith, I will take her promises with a grain of salt, and I remain convinced that some drastic changes are in the offing with respect to our immigration policy.

[*English*]

CANADA POST CORPORATION

FUNDY-ROYAL RURAL POST OFFICES—ANNOUNCED REDUCTIONS IN SERVICE

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, several small rural post offices in Fundy-Royal and throughout Canada have been advised that their hours of operation will be reduced. In some cases the reductions have come in the form of closures all day Saturday and Wednesday afternoon. The announcement has caused considerable concern to the small communities. Postal services are, for many people, a critical and vital part of their personal and business concerns.

The people of Fundy-Royal understand that the Post Office Corporation is committed to providing efficient and effective service while attempting to whittle away its massive debt. However, there is a general fear that rural service is being sacrificed in the effort. In the past few years rural communities have witnessed a steady deterioration of services, most particularly the elimination of Saturday delivery. They do not want to see their service further reduced.

Closure of post offices on Saturday eliminates the only opportunity a great many patrons have for using postal facilities. Reduced hours of operation place additional restrictions on the accessibility of rural residents to this essential service. The post office is the lifeblood of many small and rural communities, and such cut-backs are always sorely and deeply felt.

I urge the Postmaster General and his officials to study carefully the effects of these closures on the affected communities, and recommend that the services and hours of operation previously provided to these patrons be maintained.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

LOCAL AND REGIONAL FRENCH PROGRAMMING OUTSIDE PROVINCE OF QUEBEC

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, last week, the Fédération des francophones hors Québec asked the federal Minister of Communications (Mr. Masse) to intervene and ensure that local and regional programming at the CBC French network outside Quebec would not be cut as part of the budgetary cutbacks planned by the Minister of Finance.

I hope the Minister of Communications supports the position taken by the Fédération, Mr. Speaker. The CBC French network's radio and television programs are sometimes the only source of information in French for most francophone communities outside Quebec.

It is absolutely vital that the Minister of Communication immediately inform the Canadian Broadcasting Corporation that French local and regional programming outside Quebec is an inviolable part of the CBC's mandate.

S.O. 21

• (1410)

AGRICULTURE

IMPORTANCE OF AID TO FARMERS

Mrs. Lise Bourgault (Argenteuil-Papineau): In Quebec today, Mr. Speaker, the Union of Agricultural Producers is celebrating its 60 years of farm activism. I should like to emphasize the untiring efforts of thousands of volunteers who have worked for over half a century to defend our farmers' interests.

If I may, Mr. Speaker, I should like to remind the House briefly of a number of claims made by Quebec farmers: a greater involvement of the Farm Credit Corporation in financing; interest rates not exceeding 10 per cent; a long term dairy policy reflecting production costs; programs oriented toward young farmers; a reassessment of the deregulation plan; the renewal of federal-provincial agreements concerning the development of privately-owned forests; an increased support for the marketing of new products such as sheep production.

Mr. Speaker, the farmers' claims have been denied for 15 years. Our government must help farmers to prosper. Only in this way will Right Hon. Brian Mulroney's commitment to make Canada a truly agricultural superpower really come true.

* * *

[*English*]

TOURISM

IMPACT OF BUDGETARY CUT-BACKS

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, I rise to urge the minister of Regional Industrial Expansion (Mr. Stevens) and, in particular, the Minister of State for Tourism (Mr. McMillan), to change the regressive actions announced in the economic statement by the Minister of Finance (Mr. Wilson). We in this Party were amazed to learn that the minister brought in a reduction of $200 million to the IRDIA Program. In particular, he has savaged the tourism industry by making projects under IRDIA ineligible for tourism. This will have a great effect on a lot of small tourist operators right across the country, in particular in those poorer regions of Canada which have based their small economies on the tourism industry.

I realize, Mr. Speaker, that some of this will be taken up by provincial and federal agreements on tourism, but the small operator in Atlantic Canada, in Quebec or western Canada, does not have any access whatsoever to dollars under the IRDIA Program. I urge the Minister of State for Tourism, and in particular the minister of Regional Industrial Expansion, to change these regressive policies and replace them with what existed previously.

S.O. 21

[*Translation*]

STATUS OF WOMEN

IMPORTANCE OF POLICY ELABORATION

Mr. Maurice Tremblay (Lotbinière): Mr. Speaker, the Abella report deals extensively with the principle of equal pay for work of equal value. I would like to point out to Hon. Members an important aspect of that issue which the group Recherche Action Lotbinière Inc. brought to light. The results of a survey indicate that 48 per cent of the respondents stated that they have some income from work outside their home, and 80 per cent of those working women are paid less than $15,000 a year. Seamstresses and baby-sitters are paid between 30 cents and $1.50 an hour and 51 per cent of them would like to work outside their home if they could.

Consequently, most women in Lotbinière, that is 76 per cent, are not financially independent.

In addition, I would like to point out that 87 per cent of the women are working in service industries which are the most affected by technological changes.

Therefore, Mr. Speaker, I should like to make the House more sensitive to that important issue before policies on the status of women are developed.

* * *

[*English*]

INDUSTRY

ONTARIO DAIRY INDUSTRY—PLEA FOR BETTER MILK QUOTA

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, cheese and butter makers in western Ontario have had to lay off workers and close factories, not because of the economy but because they have been unable to get enough milk to meet the demand for their products. Studies done for processors further indicate that this longstanding problem will get worse unless the supply of industrial milk in Ontario is increased.

It is ironic that, although Ontario has 40 per cent of Canada's population, the province is allowed only 31.3 per cent of Canada's production of industrial milk. The Province of Quebec has 48 per cent of the national quota, which is surplus to its needs. Processors there are selling tons of butter and skim milk powder to the federal dairy commission which exports these products, often at prices below cost. A better and more realistic way would be for the Ontario processors to be given an opportunity to buy the surplus quota from Quebec.

Therefore I call upon the Minister of Agriculture (Mr. Wise) to use his good offices to look into this longstanding problem and come forth with solutions that would assure the continued viability of the cheese and butter industry of Ontario, which is facing a very difficult time.

ORAL QUESTION PERIOD

[*English*]

ADMINISTRATION OF JUSTICE

UNLICENSED CABLE TELEVISION OPERATORS—STAY OF PROSECUTIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I address my question to the Prime Minister. A report in *The Globe and Mail* of November 27 suggests that the Prime Minister intervened with the Attorney General of Canada in order to have the Attorney General desist from prosecuting unlicensed cable television operators after he had already given the go-ahead to prosecute. The story says that the word came from the Prime Minister's Office.

I want to outline the importance of the question, Sir. I believe the principle has been established, both in this Parliament and at Westminster, that the discretion to prosecute by an Attorney General is an unfettered one and must not be interfered with or influenced by political considerations, even by his Cabinet colleagues. Sir Harold Macmillan stated the principle clearly when he said: "A tradition long supported by all political parties is that the decision whether any citizen should be prosecuted or whether any prosecution should be discontinued should be a matter for the prosecuting authorities to decide on the merits of the case without political or other pressure."

My question is: Did the Prime Minister or his staff direct that the Attorney General of Canada desist from that prosecution?

Right Hon. Brian Mulroney (Prime Minister): No, not directly or indirectly did I ever at any time or in any circumstances intervene with the Attorney General of Canada, who is charged with and fulfils the responsibility of making these determinations by himself. He is a man of honour and conscience, and I think he does it extremely well.

NEWSPAPER REPORT OF CAUCUS PRESSURE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the same report indicates that members of the Conservative caucus put pressure on the Attorney General to desist. Can the Prime Minister affirm or deny the fact that pressure was put upon the Attorney General by members of his caucus?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think my right hon. friend knows of the unquestioned integrity of the Attorney General. I can speak for myself and indicate that at no time, in any way, did I bring such a suggestion to the Hon. Minister. I believe that if the Right Hon. Leader of the Opposition were to address the question to the Minister of Justice he would confirm that no other member of the caucus did, as well.

[*Translation*]

REQUEST THAT MINISTER MAKE STATEMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I should like to put a supplementary question to the Minister of Justice and Attorney General. Perhaps the Attorney General was simply kidding about this matter yesterday afternoon in the House? Perhaps he might make a full statement on the circumstances related to the fact that the prosecution has been stayed or ended.

[*English*]

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am glad the hon. gentleman finally got around to asking me about this question because, if you want an answer, you have to go to the horse's mouth. Mr. Speaker—

An Hon. Member: What does that make the Prime Minister?

Mr. Axworthy: We went to the other end this time.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Crosbie: In this case, Mr. Speaker, the other end of the horse asked the question.

Some Hon. Members: Oh, oh!

Mr. Crosbie: Mr. Speaker, as Attorney General I made a decision that certain prosecutions would have to be stayed because I was advised that the Government was reconsidering its policy in the area of communications and in this area.

Ms. Copps: Who advised you?

Mr. Crosbie: I was advised by the Government that it was changing its policy—

Some Hon. Members: Oh, oh!

Mr. Crosbie: —and the Minister—what a bunch of juveniles.

Some Hon. Members: Hear, hear!

Mr. Crosbie: I was advised by the Minister of Communications that the Government had agreed with him to review the policy in this case, and it did not seem fair to me to go ahead and prosecute these eight or nine satellite operations in view of the fact that the policy might well be changed in the very near future. That is why the prosecutions are stayed. If there is no change in policy, the prosecutions will be going ahead again.

• (1420)

MINISTERIAL RESPONSIBILITY

Hon. Bob Kaplan (York Centre): Mr. Speaker, in view of the assurances which the Prime Minister has just given that he did not give direction, which assurances we must accept, I would like to ask the Minister to look at the answer he gave yesterday, which is to the contrary. He said he does accept direction from the Prime Minister in the exercise of his prosecutorial discretion. Would he agree that statements like that bring the administration of justice into disrepute?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I did not say yesterday that I accepted any directions from the Prime Minister, or anyone else, in connection with my duties as Attorney General. If the hon. gentleman got that impression, may I straighten him out today. I do not accept directions from anyone with respect to my duties as Attorney General. I seek advice. I will get the advice of my officials. I will hear representations, and if any Member of the House wants to make a representation to me I will take that representation for whatever it is worth. That is how I intend to proceed. I have never been dictated to by anyone in my life, and I do not intend to start now.

Some Hon. Members: Hear, hear!

Mr. Kaplan: Mr. Speaker, I gather the Attorney General of Canada has had a pretty interesting evening between giving yesterday's answers and today's.

ROLE OF ATTORNEY GENERAL

Hon. Bob Kaplan (York Centre): Mr. Speaker, I would like to refer to a statement which the Minister made yesterday which he must also correct. He said that he is a legal agent for a Department that has brought to his attention the violation of a federal statute. Would the Minister confirm that he is not in a client-legal agent relationship, but that he is in fact the chief law officer of the Crown when it is brought to his attention that a federal statute has been violated? Would he confirm that his prosecutorial authority applies to his behaviour and to the conduct of that proceeding, and that he is not just some mouthpiece or law office acting for a Department? He was wrong about that yesterday as well.

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the hon. gentleman has even asked for my resignation. I did not realize that I had committed such serious offences. However, if I ever do resign, or am asked to resign, I certainly am not going to cry about it, nor stir up any interest group to come to my protection.

Some Hon. Members: Hear, hear!

Mr. Crosbie: It all depends on the particular case involved. As Attorney General I am responsible for seeing that the laws of Canada are administered properly and obeyed. I also look upon it as a solicitor-client relationship with certain Departments and agencies when they ask the Government to ask for them. In certain cases we act as an agent. We act as an agent for the CRTC or for other government bodies. I am always willing to accept the advice and suggestions of the official critic opposite.

Mr. Turner (Vancouver Quadra): Mr. Speaker, on a point of order—

Mr. Speaker: The Chair cannot accept points of order during Question Period.

* * *

ENERGY

REDUCTION IN CRUDE OIL EXPORT PRICE

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. The Government has increased the petroleum compensation charge from $4.19 to $6.54 per barrel. At the same time the export charge for Canadian crude oil has been lowered from $6.43 a barrel to $4.68 a barrel and is currently in place at the lower rate. As the Minister well knows, this results in Canadian crude being sold on the U.S. markets at a price cheaper than it can be purchased in Canada by Canadian refineries. Why does the Government permit this to occur?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the issue addressed by the Hon. Member is a good example of why we are moving away from the terribly rigid pricing apparatus which was imposed by the previous administration. The problem that arises is that, in the very competitive oil and gas market which we face today, Chicago prices are below current world prices. That gives us a problem at the border. When we go to world prices, as we have indicated we will, we will be able to avoid this type of problem.

REQUEST THAT GOVERNMENT ELIMINATE PETROLEUM COMPENSATION CHARGE

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my supplementary question is relatively simple. Why does the Government not move now, in the interests of the Canadian consumers and farmers who have to pay the higher price, to eliminate, once and for all, the petroleum compensation charge?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I am glad the Member asked that question. It gives me an opportunity to explain that the previous administration left us with a $1 billion deficit in that account, because they broke their own agreement and refused to raise prices last year in the middle of their leadership campaign when they should have done so. We have a $1 billion deficit which we must deal with. We are dealing with it in negotiations with the provinces. At this moment we are not in position to remove that charge on the Canadian consumer. We have stated that we are going to world prices. When we go to world prices there will be no need for that charge, and the problem will be avoided.

DOMESTIC PRICE OF OIL

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, given that we are already at 96 per cent of world price, why is it necessary for Canadian consumers to pay more for the products they must have in order to survive in the unusual climate of Canada? Why is it necessary for Canadian consumers to pay more for their own oil than American consumers are required to pay for the same oil?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the answer is because that Party opposite supported the previous Government on the national energy policy.

Some Hon. Members: Hear, hear!

Mr. Deans: That is not true.

* * *

EXTERNAL AFFAIRS

NICARAGUA—DIPLOMATIC RELATIONS

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, my question is for the Secretary of State for External Affairs. By the way, when the Minister wants some simple facts about Nicaragua he does not have to send a tape to a radio station in St. Catherines. He has only to come to my office in the East Block and I will tell him.

I would like the Minister to tell us whether it is true that when he made his very important decision not to send an observer to the election in Nicaragua he was not aware that there was an ambassador in Canada for Nicaragua, let alone did not consult him?

Right Hon. Joe Clark (Secretary of State for External Affairs): No, Mr. Speaker, that is not correct.

Mr. Chrétien: If it is not correct, I think the Minister should send a correction to St. Catherines because that is what the tape was saying.

[*Translation*]

REQUEST THAT MINISTER VISIT NICARAGUA

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, as a supplementary, I would like the Right Hon. Minister for External Affairs to tell me why he does not want to go to Nicaragua during his visit to Mexico, as our Secretary of State for External Affairs did last March, where he could see on the spot that the elections were held perhaps somewhat more democratically than the Americans are saying?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, two days ago, I had the opportunity to have a frank talk with some representatives of Canadian non-governmental organizations in Nicaragua. This conversa-

tion was very valuable in my opinion, and I believe that there is an excellent degree of co-operation between the Government and private Canadian citizens who are interested in what is happening in Nicaragua.

What we are considering now is how the Canadian Government could have a positive impact, even though it would probably be a minor one, in bringing about stability and peace in Latin America.

* * *

[*English*]

FINANCE

CORPORATE TAXES—GOVERNMENT POSITION

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is for the Right Hon. Prime Minister, and is with regard to some conflicting comments made by the Minister of Finance. The other day the Minister of Finance was speaking to the Canadian Tax Foundation and he indicated that the Government was committed to cutting back on the vast array of tax breaks available to the corporate sector. Later that same day he said that the Government was also considering creating new tax breaks to replace the system of direct grants and subsidies to the corporate sector. Could the Prime Minister explain which of these is the direction of the Government? Is it cutting back on tax breaks to the corporate sector, or is it not?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not think there was any confusion in the statements of the Minister of Finance. I think he was just speaking to the fact that we did inherit a rather confused tax situation that clearly has some injustices. He is looking at a mechanism whereby the tax system can be simplified and clarified. In that process I suppose some of the items to which the Hon. Member refers will be dealt with. I see nothing inconsistent at all. He is trying to bring an element of fairness into the tax system of Canada.

• (1430)

MINISTER'S VISIT TO UNITED STATES

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, today the Minister of Finance is in Washington where he has indicated he is looking at American plans for their corporate tax system. If they reduce their corporate tax rate or provide more loopholes, Canada would be forced to do the same. Is the Government now not only taking direction from the United States for its interest rate policy but planning to take its corporate tax policy from the United States as well?

Right Hon. Brian Mulroney (Prime Minister): As opposed to the previous Government, rather than blame our friends for all of our problems, we consult with them to see if we cannot work them out together.

Mr. Deans: Like in Manitoba?

Mr. Mulroney: The Minister is making an important trip today to visit with Secretary Regan. In the process I suppose he will be updated on some changes that Congress is contemplating in their tax system. It may be that Canada might learn something outside its borders. It is possible.

* * *

[*Translation*]

CULTURAL AFFAIRS

GOVERNMENT POSITION

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I would have liked to direct my first question to the Minister of Communications (Mr. Masse), but considering the urgency of the matter and the Minister's temporary absence—I imagine he is quite busy right now—I will have to ask my question to the Right Hon. the Prime Minister of Canada.

This morning, all Canadians, and particularly the artistic community, were quite excited to hear about what appears to be the new policy of the Minister of Communications who is quoted as saying, as reported in a major article by Mr. Hugh Winsor in the *Globe and Mail:*

[*English*]

—the Conservative Government is questioning the traditional arms-length relationship governments have had with the CBC and other cultural agencies, and is moving rapidly to apply a direct political hand to cultural policy.

[*Translation*]

Mr. Speaker, would the Right Hon. the Prime Minister tell the House whether that is indeed the new policy statement of the new government under this enlightened guidance? I hope all his colleagues believe so.

Right Hon. Brian Mulroney (Prime Minister): I hasten to reply, Mr. Speaker, because I certainly would not want the Hon. Member to be excited. It is extremely important.

I did read that article and I noted that the Minister is seldom quoted, although there is one quotation where the Minister of Communications (Mr. Masse) states:

[*English*]

My broad interest as Minister here is to be sure that as much money as possible is given to the artists and as little as possible is stuck somewhere in the pipeline by bureaucrats or by administrative costs.

[*Translation*]

I think that is indeed the Minister's intention, namely give as much funding as possible to the cultural communities with a minimum of intervention by the government.

Mr. Prud'homme: Mr. Speaker, in my first supplementary question, I would like to ask the Right Hon. the Prime Minister if he can reconcile—and when I say that we are excited, I think I speak on behalf of nearly 250,000 people who depend directly on cultural activities and over 200,000 others

who, indirectly, are involved in that great cultural industry. In a government policy statement—

Mr. Speaker: Does the Hon. Member have—

Mr. Prud'homme: A supplementary, Mr. Speaker.

Mr. Speaker: I presume the Hon. Member wants to ask a question.

Mr. Prud'homme: A supplementary. Can the Prime Minister reconcile that with this very clear statement of the Progressive Conservative Party:

[*English*]

"We are committed without question to the arms-length principle and regard peer review as the most equitable and consistent mechanism for federal funding to support individual . . ." et cetera.

[*Translation*]

How can one reconcile that new tenet of the new Minister of Communications with all the statements made by the present Minister of Indian Affairs and Northern Development?

Mr. Mulroney: Mr. Speaker, I would suggest that you might take it easy with the Hon. Member, he is learning. He is new at this game. I say that with much respect for my colleague who has put his finger on a vital issue. I am pleased to be able to confirm that the position of the federal government in respect of, for example, the CBC and other groups, will be to stay at arm's length at all times.

Mr. Prud'homme: One last supplementary, Mr. Speaker.

Mr. Speaker: No. The Hon. Member for Swift Current-Maple Creek (Mr. Wilson).

* * *

[*English*]

FINANCE

FUEL SALES TAX REBATE—POSITION OF BULK FUEL DEALERS

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, in the absence of the Minister of Finance I wish to direct my question to the Minister of State for Finance. It concerns the fuel sales tax rebate to primary producers.

There is potentially a very serious problem in the procedure for handling the rebate. Due to the varying degrees of integration, some bulk fuel dealers have tax-free inventory while others have tax paid inventory. Since those with the tax-free inventory can grant the rebate at the time of sale, the 22-cent per gallon rebate, others must collect it. Is the Minister aware of this problem which can devastate bulk fuel dealers across Canada? Is something being done to remedy the situation?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I am delighted to have a question from across the aisle, if not from across the House. I was beginning to think that I should turn my desk around to a more appropriate position.

In answer to the Hon. Member, it is a problem about which we are aware and our Department is studying it very closely. As he knows, this tax relief measure was introduced for farmers, fishermen, miners, and loggers. We are very anxious that it work on their behalf as a relief measure. We are looking at the best way to implement this. I will take the Hon. Member's question as notice and will give him a precise answer.

* * *

INDUSTRY

GREAT LAKES FOREST PRODUCTS LTD.—PROPOSED UNITED STATES NEWSPRINT MILL

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. This morning's *Globe and Mail* announced that Great Lakes Forest Products Ltd. of Thunder Bay and Dryden will be entering into a partnership with five U.S. newspaper publishers to establish a newsprint mill in Washington State. The Minister will also be aware that this corporation has received upwards of $50 million in provincial and federal moneys over the last few years.

Does the Minister agree that we should not be funding Canadian corporations which are investing outside the country in direct competition with our own industries and workers? Will he move to recover the funds that have been given to this corporation?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I would remind the Hon. Member that that company has invested $416 million in the modernization and upgrading of plants in Dryden and Thunder Bay. I believe the Hon. Member should surely agree that, in a very international world as far as the forestry industry is concerned, it would not behoove the Government to ask companies such as the one to which he refers to restrict their activities if they believe they will become more viable as a result of the type of investment to which the Hon. Member has referred.

COLLECTION OF DEFERRED TAXES

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, my supplementary question is directed to the Minister of National Revenue. Given the response by the Minister of Regional Industrial Development and the lack of willingness to bring back the tax dollars, would the Minister of National Revenue agree that the $116 million of deferred taxes owed by Great Lakes Forest Products to the Government should be brought into the public purse as soon as possible?

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, as the Hon. Member knows, the provisions of the Income Tax Act preclude my discussing the case of any

individual taxpayer. However, I will take the Hon. Member's representations as notice.

* * *

METRIC CONVERSION

GOVERNMENT POLICY

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Last week I asked the Minister to give us the Government's policy on metric. His answer was unclear, indecisive and, in that sense, indefensible. What is the Government's position on metric? Is metric in or out? Consumers want to know, and producers want to know. Would he make the Government's position on metric clear?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, I announced last week that we were in the midst of a period of intensive consultation and study. We are waiting to receive comments from all interested parties that want to air their views on the subject, and I think this Government will want to have all these opinions so that it can prepare recommendations for submission to Cabinet in due course.

• (1440)

[*English*]

REQUEST FOR RESIGNATION OF PARLIAMENTARY SECRETARY

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, on the other hand, last week the Minister's Parliamentary Secretary did make a very clear and definite statement that metric was out.

Mr. Dick: Never.

Mr. Rompkey: The Parliamentary Secretary and the Minister are both part of the Government. The Parliamentary Secretary is not a member of the Government but he is a part of the Government. If the Parliamentary Secretary is not speaking for the Government, is the Minister going to call upon the Parliamentary Secretary to resign?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, it is customary for the Minister who is responsible for a given department to announce policies after consultation with Cabinet and caucus members, and that is how I intend to proceed.

CULTURAL AFFAIRS

BUDGETARY CUT-BACKS

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. Why has his Governement decided that our cultural agencies will suffer budgetary cutbacks that are twice as high as cuts made in other federal areas?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, all Government agencies will be subject to budgetary cutbacks, and as far as I know, a general attempt has been made to proceed equitably throughout the Government, perhaps with a few variations. Basically, however, our purpose has been to clean up our public finances, but in a manner that is fair to all. If the Hon. Member would like to indicate some specific examples, perhaps I could look into this with her.

[*English*]

LEVEL OF GOVERNMENT FUNDING

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, it is hard to see what is equitable about twice as strong budget cuts. Are they twice as less worthy as other agencies for government support? Would the Prime Minister explain how this can be justified in view of the very specific promises in the course of the election campaign that funding would be maintained at present levels, with cost of living increases? Would he not agree that there has been profound reversal of policy from the time his party was in opposition to coming into government?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it would be helpful if I knew the case to which the Hon. Member refers. There has not been any precision at all in her allegations. I can only repeat what I think is widely acknowledged, that while reductions in public expenditures are always difficult and painful, I know that she will agree with the fact that indeed a colossal mess was inherited by us and we had to deal with it fairly and objectively across the board. We have tried to do that.

* * *

NATIONAL ENERGY PROGRAM

PETROLEUM GAS REVENUE TAX—STATUS OF NEGOTIATIONS WITH PROVINCES

Mr. Alex Kindy (Calgary East): Mr. Speaker, I would like to address a question to the Minister of Energy, Mines and Resources. It relates to the National Energy Program that was introduced by the Liberal Government with the help of our friends, the NDP.

Some Hon. Members: Oh, oh!

Mr. Deans: That is wrong.

Mr. Kindy: Some of the provisions in the national energy program, for instance, the petroleum and gas revenue tax, are extremely discriminatory, because it is a tax on revenue, not profit.

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

Mr. Kindy: Would the Minister report on the status of discussions between the petroleum and gas producing provinces and her Ministry? Second, would the Minister also indicate whether there is a deadline to those discussions?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Yes, Mr. Speaker, I can report favourably on the progress of the negotiations with the western producing provinces. We have had regular meetings. The last one was this week. More will be scheduled. We are also, at the same time, meeting with representatives of the Governments of Newfoundland and Nova Scotia. There is a meeting under way today with the officials of Newfoundland on the Atlantic accord.

In terms of a deadline, we have set ourselves a working deadline of January 31 to make progress, and we are confident that we will make progress. We will be proceeding with some of the very important issues as long as it takes to come to an agreement.

* * *

EMPLOYMENT

PROVISION OF FUNDS TO CREATE JOBS

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is for the Right Hon. Prime Minister. Can he reconcile the musings of the Minister of Employment and Immigration with the statements of the Minister of Finance? The Prime Minister will know that his Employment Minister has stated that the $1 billion allocation for job creation has been money reallocated from within the Government. The Minister of Finance has stated in the supplementary information, and I quote very briefly, Mr. Speaker:

—it is possible to begin to provide some support for the creation of new employment opportunities . . . Specifically, the Government is providing a special budgetary allocation of $1 million in 1985-86 primarily for this purpose.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it is so clear to me that it does not need any further clarification.

Some Hon. Members: Oh, oh!

SOURCE OF FUNDING

Mr. Dave Dingwall (Cape Breton-East Richmond): If it is new money, Mr. Speaker, will the Prime Minister indicate to the House whether the new money will be found by raising the taxes or increasing the deficit? Will he clarify that for Members of this House, because this is an urgent matter?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I suppose the first thing we will do is look in the closet that Mr. Lalonde opened last summer.

Some Hon. Members: Oh, oh!

Mr. Mulroney: We are also going to deal with the question of government expenditures. My right hon. friend, the Leader of the Opposition, has already referred to billions of dollars in waste. We are looking at that and at the excellent initiatives undertaken by my friend, the Deputy Prime Minister. We are looking to attempt to exercise prudence and frugality in the utilization of public funds. Altogether this is where my hon. friend, the Minister of Employment, will find the money that she requires to be so helpful to the unemployed.

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HARBOURS AND PORTS

KENORA AND NORTH BAY

Mr. Speaker: The Hon. Member for Kenora-Rainy River.

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, may I thank you for identifying me correctly for the first time. I know how tough it is to tell those bearded fellows apart.

Some Hon. Members: Oh, oh!

Mr. Parry: My question is directed to the Hon. Minister of Transport in the sure knowledge that his answers will demonstrate some of the horse sense his colleagues can only talk about. In a recent report prepared for the Ministry it was suggested the Ministry should move to divest itself specifically of two public ports, Kenora and North Bay. Can we have the Minister's assurance that this recommendation will be given the most careful determination before any action is taken?

Hon. Don Mazankowski (Minister of Transport): I will take the Hon. Member's representations into consideration, Mr. Speaker.

[*Translation*]

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

May I ask the Hon. Minister whether there will be a series of public consultations before a decision is made?

[*English*]

Mr. Mazankowski: I will take the Hon. Member's suggestion into consideration as well, Mr. Speaker.

[*Translation*]

TEXTILE INDUSTRY

GOVERNMENT POLICY

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. Since the textile industry in Canada, and especially in the riding of Drummond, is an integral part of the economy and a major source of jobs, I would like to quote a few statistics that speak for themselves. In 1980, there were 80,706 jobs in this industry, while in 1983, there were 75,900, representing a loss of 4,806 jobs—

[*English*]

Mr. Speaker: The Question Period is not for reading information into the record. It is for asking questions.

[*Translation*]

Mr. Guilbault (Drummond): Mr. Speaker, considering these facts, could the Minister inform the House whether he intends to propose the introduction of global quotas and controls on increases in the volume of imports, so as to create an environment that is more likely to attract investment in this industry, and give the industry a chance to restructure, to adjust and to streamline its operations so that it can continue to survive in a very competitive market?

● (1450)

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in answer to the question of the Hon. Member for Drummond, I should like to assure him that the situation with respect to the textile industry is one of the higher priorities in our Department. The statement made by the Prime Minister when he was in Sherbrooke on July 26 of this year, setting out 10 points which our Government would follow, is certainly what we are now concentrating on. I can only assure the Hon. Member that we have already met with representatives of the textile industry to work out a long-term plan for that industry. I think all members of the industry, including its workers, will be very pleased with it.

* * *

ST. LAWRENCE SEAWAY

ACTIONS FOR DAMAGES FOLLOWING VALLEYFIELD BRIDGE MISHAP

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is directed to the Minister of Transport. Would he confirm that literally dozens of notices of legal action have been served on the St. Lawrence Seaway Authority, totalling millions of dollars, and citing the Authority for negligence and improper maintenance in the breakdown of the Valleyfield Bridge? While he is on his feet would he inform the House what discussions, if any, have taken place with Stelco in Hamilton to guarantee an alternate supply of iron ore, in light of the fact that seven shiploads of iron ore are tied up in the St. Lawrence Seaway system at a critical time for Stelco? What is being done to prevent further lay-offs?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I am aware of the fact that there are intentions by the shipping companies to take legal action. Legal counsel has been appointed. We will be dealing with it in the appropriate manner.

In so far as the other part of the question is concerned, as I indicated yesterday, officials of the St. Lawrence Seaway Authority and my Department are doing everything possible to restore normal service. The best we can do at this particular time is to try to get the bridge in operation, and that is what we are doing. Some of the other points which the Hon. Member made are somewhat hypothetical. We will try to get the bridge operational as quickly as possible.

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[*Translation*]

SCIENCE AND TECHNOLOGY

SOLAR ENERGY INDUSTRY—GOVERNMENT POSITION

Mr. David Berger (Laurier): Mr. Speaker, my question is not taken from the Toronto newspaper that has been quoted many times today.

My question is directed to the Minister of State for Science and Technology (Mr. Siddon). The Minister is aware that the solar energy industry, consisting of a number of small Canadian-owned companies, is in a crisis situation as a result of the Government's budgetary cutbacks.

In the days to come, many of these companies will have to decide whether to lay off employees or simply to close down.

Mr. Speaker, my question is quite straightforward: What does the Minister intend to do?

[*English*]

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, as has been indicated in the House on previous occasions, the decision to terminate the special program designated to alternate energies does not in any way inhibit the solar energy industry, or any other alternative energy industry, from coming to the federal Government with reasonable applications for support under a number of other available programs.

Mr. Berger: The Minister knows that that is totally impractical for many companies which had approved contracts that have been stalled by the Government.

REQUEST FOR TRANSITIONAL ARRANGEMENT

Mr. David Berger (Laurier): Mr. Speaker, will the Minister provide some form of transitional mechanism, a grandfather

provision, if you will, so that the industry is not left high and dry like the aeronautic industry when a previous Conservative government decided to shut down the Avro Arrow?

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, the connection drawn by the Hon. Member is totally specious, as he realizes. Indeed there is money available through the Department of Energy, Mines and Resources, the National Research Council, and other agencies. If proponents of projects in the solar energy industry would wish to come forward, their application would be considered alongside that of anyone else's. Following 10 years of funding under the existing program, which was already grandfathered for a second five-year period, we are not sufficiently convinced of progress to the extent that special allocated funding should be continued in this area.

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FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

TAPING OF MEETING BETWEEN MINISTER OF FINANCE AND MANITOBA MINISTER

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Prime Minister. Will he now confirm that an official of his Government secretly and deliberately taped the meeting between the federal Finance Minister and the Finance Minister of the Province of Manitoba? Most important, could he explain why it was done?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I understand that a young man on the staff of the Minister of Finance indeed taped, without permission, part of the meeting. It was improper and unacceptable. It was a mistake made by an over-zealous young person. I don't know that you would want to say any more about it than that. The Minister has acknowledged the error and indicated publicly that it will not happen again.

Mr. Murphy: The Prime Minister is correct in his answer.

REQUEST FOR GUIDELINES TO PREVENT RECURRENCE

Mr. Rod Murphy (Churchill): Mr. Speaker, my supplementary question is also directed to the Prime Minister. He started his Government with a promise of honest and open communications. In keeping with that trust, will he confirm or promise that there will be guidelines for political officials so that this never happens again?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I wouldn't introduce new guidelines to save my soul.

Some Hon. Members: Hear, hear!

Mr. Mulroney: You shall never see another set of guidelines around here. I may tell my hon. friend, as I think we all recognize, that there was a mistake in judgment by a young person.

Mr. Deans: A very serious mistake.

Mr. Mulroney: It was serious. I suspect that all of us at 22 or 23 years of age have made mistakes. In fact I know of some people in here who continue to make them, and fortunately we're forgiven.

Some Hon. Members: Oh, oh!

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VISIBLE MINORITIES

INTERNMENT OF JAPANESE CANADIANS DURING WORLD WAR II—CONSIDERATION OF COMPENSATION

Mr. Sergio Marchi (York West): Mr. Speaker, my question is directed to the Minister of State for Multiculturalism. Last week he denied in the House that a chair of Japanese studies was being contemplated as compensation for that community. However, he later admitted it in an article in *The Toronto Sun*. Now I have received reports that a million dollar institute is being created. Given the fact that he promised throughout the campaign that a committee including Japanese-Canadians would monitor all alternatives for compensation, why are these considerations being undertaken in isolation from the Japanese-Canadian community?

Hon. Jack Murta (Minister of State (Multiculturalism)): Mr. Speaker, I do not know where the Hon. Member is getting his information from. Certainly if I were him I would go back and check my sources, because his question was not right. I can only reply to him that the matter is under active consideration by the Government at this time. He will be one of the first people to know about the decision when the Government makes it.

ESTABLISHMENT OF COMMITTEE

Mr. Sergio Marchi (York West): Mr. Speaker, I do not think that is quite correct. Nonetheless, in keeping with those comments, will the Minister tell the House today that he will maintain the promise to establish a committee? Will he give us its terms of reference and its membership, immediately?

Hon. Jack Murta (Minister of State (Multiculturalism)): Mr. Speaker, the Hon. Member will get the information when the Government has made the decision, and not one minute before that.

* * *

INDIAN AFFAIRS

POLLUTION OF ENGLISH RIVER SYSTEM—COMPENSATION SOUGHT FOR INDIAN PEOPLES

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, Great Lakes Forest Products has already been brought to the attention of the House today by my colleague from Thunder

Bay-Atikokan. The company had acquired, at Dryden, a mill which poisoned the English River system with mercury emissions. The question of compensation for the White Dog Indian Band has been a matter of controversy in northwestern Ontario for years.

In the absence of the Minister of Indian Affairs and Northern Development, will the Minister of the Environment ensure that Great Lakes Forest Products, which has been holding back on making compensation, will do so forthwith before any of its funds leave the country for investment in the United States?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I shall take the Hon. Member's question as noticed I shall reply as soon as possible, after consulting with my colleague who is responsible for Indian Affairs and Northern Development.

* * *

● (1500)

[*English*]

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of two, presented by Hon. Members on Wednesday, November 28, 1984 meet the requirements of the Standing Orders as to form.

VIA RAIL—SERVICE IN CASSELMAN; VIA RAIL—SERVICE IN GLEN ROBERTSON

Mr. Speaker: The petitions presented by the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) do not meet the requirements of the Standing Orders as to form.

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BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like to pose to my distinguished colleague the usual question posed on Thursdays about the business of the House for next week.

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, after that comment I am almost prepared to say that anything the Liberals want they can have, but I will not go that far.

We have had the usual amicable discussions between House Leaders. I have indicated to them our intentions with respect to House business of which I would now like to advise the House. There will be a change in the business this afternoon. After Routine Proceedings, we will proceed with the consideration in Committee of the Whole of Bill C-7, an Act to amend the Income Tax Act and related statutes. If debate on Bill C-7 is concluded, we will then move to the consideration in Committee of the Whole of Bill C-9, an Act to amend the Customs Act and the Customs Tariff. Should consideration of Bill C-9 be completed, we will then return to consideration at second reading of Bill C-11, an Act to provide borrowing authority.

Tomorrow the order of business will be the same, Bill C-7, Bill C-9 and Bill C-11 at whatever stage they are then at.

I want on this occasion to designate this coming Monday as the fourth allotted day in the current supply period.

On Tuesday the first order of business, due to a great deal of public demand, will be Bill C-6, an Act to amend the Saltfish Act. It is my understanding that there is agreement among the parties to deal with this Bill at all stages in the House on Tuesday. If the Saltfish Bill is passed before the end of the day, we will return to the consideration of Bills C-7, C-9 and C-11, in that order.

On Wednesday the order of business will be the following: Bill C-7, if not previously disposed of, followed by Bill C-9, followed by Bill C-11. If the Bills that I have enumerated have been disposed of, the House will at that stage commence consideration of Bill C-12, an Act to amend the Excise Tax Act and the Excise Act.

We will observe the progress of the House with respect to the legislation that I have enumerated. It is always subject to a change in the order of business, depending on the progress and circumstances.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, the Government House Leader indicated the intention to return to Bill C-11 upon the completion of Bills C-7 and C-9. As the Government House Leader knows, my colleague from Kamloops-Shuswap (Mr. Riis) moved an amendment yesterday. In an effort to expedite the passage of that legislation and other legislation, I would like to ask if it might be possible to arrange for some meetings between my colleague and the appropriate finance personnel to discuss the possibility of reaching a compromise on the amendment that we offered yesterday for the consideration of the House.

Mr. Hnatyshyn: Mr. Speaker, we are very much interested in discussing the matter and seeing what proposals the Hon. Member for Kamloops-Shuswap (Mr. Riis) has on behalf of his Party, as we will be glad to consult with the appropriate spokesperson for the Official Opposition. We will be prepared to enter into discussions to see whether we can expedite the affairs of the House of Commons at any time.

Mr. Deans: Mr. Speaker, in an effort not to hold up the passage of that or any other legislation, would it be possible for the Government House Leader to make an effort to have those discussions take place prior to the calling of the Bill for further second reading debate? It may be possible in the intervening time to come to some understanding and to eliminate a lengthy debate.

Tabling of Documents

Mr. Hnatyshyn: Mr. Speaker, I will do my best on that. As I indicated, and I do not think the Hon. Member will mind if I mention this publicly, part of the difficulty in having a meeting today is that the Minister of Finance (Mr. Wilson) is not in Ottawa today. Quite frankly, I have not had the opportunity of discussing the matter since the meeting of House Leaders with my colleague, the Minister of State for Finance (Mrs. McDougall). I can assure him that we will do our best to get these discussions on as soon as possible.

ROUTINE PROCEEDINGS

[*Translation*]

MANAGEMENT AND MEMBERS' SERVICES COMMITTEE

PRESENTATION OF FIRST REPORT OF STANDING COMMITTEE

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I have the honour of tabling the first report of the Standing Committee on Management and Members' Services. We have finished our work, and I have the honour of tabling the Committee's report in which we have approved your budget, Mr. Speaker.

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

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[*English*]

CORRECTIONAL INVESTIGATOR

TABLING OF 1982-83 ANNUAL REPORT

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, I have the honour to present the Annual Report of the Correctional Investigator which covers the period June 1, 1982 to May 31, 1983.

Mr. Robinson: Mr. Speaker, I rise on a point of order with respect to the document which has just been tabled by the Solicitor General (Mr. MacKay). I note that this document covers the period June 1, 1982 to May 31, 1983. As I understand it, this is an annual report and the requirement is that it be tabled annually. I would like an explanation from the Solicitor General as to why there is such a lengthy delay in tabling this particular document. Surely that kind of delay is not acceptable.

Mr. Speaker: I am prepared to allow a question by unanimous consent. As to whether there is a requirement, I am not sure that that is a point of order. The Solicitor General (Mr. MacKay) may want to comment.

Mr. MacKay: Mr. Speaker, that is a very legitimate question. A similar report will be tabled very soon. It seemed there was no particular virtue in delaying this one. I wanted to table it as soon as it seemed appropriate. If I have been delinquent in tabling it up to this point, I certainly apologize to the House, but I do not think there was any harm done.

* * *

PETITION

AID TO ETHIOPIA

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, I have the honour and the duty to present to the House a petition from the parishioners of Our Lady of the Roman Catholic Church in Larder Lake, Ontario, who have called upon me to thank the House of Commons and the Government of Canada for the recent aid package program to Ethiopia.

* * *

CANADA SAFE DRINKING WATER ACT

MEASURE TO ENACT

Mr. Neil Young (Beaches) moves for leave to introduce Bill C-212, an Act to protect and enhance the quality of drinking water in Canada.

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

Some Hon. Members: Agreed.

Mr. Young: The purpose of this Bill would be to protect and enhance drinking water quality in Canada and provide for an opportunity for public involvement in the making of regulations. It would permit water users to sue to recover damages for contravention of the Act.

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

* * *

[*Translation*]

PUBLIC WORKS ACT
PUBLIC LANDS GRANTS ACT

MEASURE TO AMEND

Hon. Roch La Salle (Minister of Public Works), seconded by Mr. Hnatyshyn, moved for leave to introduce Bill C-13, to amend the Public Works Act and the Public Lands Grants Act.

Mr. Speaker, is it the pleasure of the House to authorize the Minister to introduce the Bill?

Some Hon. Members: Agreed.

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

Mr. Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

• (1510)

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, the following question will be answered today: No. 19.

[*Text*]

MINISTRY OF STATE FOR SCIENCE AND TECHNOLOGY LAWYERS

Question No. 19—**Mr. Howie:**

How many lawyers are employed by the Ministry of State for Science and Technology?

Mr. Bernard Valcourt (Parliamentary Secretary to Minister of State for Science and Technology): There are no lawyers employed by the Ministry nor are there any assigned to the Ministry from the Department of Justice.

[*English*]

Mr. Speaker: The question as enumerated by the Parliamentary Secretary has been answered.

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

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

Mr. Speaker: Pursuant to Standing Order 58, I do now leave the chair for the House to go into Committee of the Whole.

House in Committee on Bill C-7, an Act to amend the Income Tax Act and related statutes—Mrs. McDougall—Mr. Danis in the chair.

The Chairman: Order. House in Committee of the Whole on Bill C-7, an Act to amend the Income Tax Act and related statutes. Shall Clause 1 carry?

Clauses 1 to 15 inclusive agreed to.

On Clause 16—*Idem*

Mr. Gray (Windsor West): Mr. Chairman, I do not want to hold up the progress of this Bill, but it just occurred to me that it might be helpful to the Committee if the Minister would draw to the attention of the Committee any divergences in this Bill from the Bill presented by the previous government. I think it important to have confirmed on the record that the Government finds that the legislation presented by the last Liberal government is the best thing it could come up with at the beginning of its mandate.

Mr. Hnatyshyn: Mr. Chairman, as always, I am prepared to join issue on matters raised by my distinguished colleague, the Hon. Member for Windsor West. As the Hon. Member will know, we are very much interested in cleaning up a lot of the legislative items that were not addressed by the previous government. My colleague, the Minister of State for Finance, will point out the details with respect to the specific inquiry made.

We are interested in proceeding with these items at an early date for a very good reason. It has been recognized by the Government, and the Minister of Finance will address this, that after a Budget is brought down there is some uncertainty with respect to the specific legislation that will be passed by Parliament to bring into effect items specified in the Budget. We have brought these matters before the House as a result of the Budget which was brought forward by our predecessor government in February, 1984. We have done this at the earliest possible date with a view to bringing clarity and certainty to the people of Canada regarding the Budget that did pass.

My colleague, of course, will address the specific question. However, I did want to put on record that we are beginning to clean up the matters left hanging by the previous government. There are great and better things to come.

Mrs. McDougall: Mr. Chairman, there are six essential differences in this Bill from the Bill that was presented before. The first change clarifies the timing surrounding the small business tax simplification measures. These measures will be effective for 1985 and subsequent tax years in an effort to provide greater certainty for taxpayers by defining the date precisely.

The second change is that the small corporation test for eligibility for the 35 per cent rate of credit on research and development and for the 40 per cent rate of refundability of the investment tax credit for an extra month to pay any balance of tax is now to be based on taxable income for the preceding rather than the current tax year. This is also a clarification to provide more certainty and more precision in that planning.

In addition, the special rule to prevent corporations from obtaining the low rate when they are controlled by means of options by public corporations or non-residents is being deferred to apply beginning in 1986 rather than in 1985 so as to provide taxpayers with adequate time to rearrange their affairs.

The exemption from foreign property penalty rules for registered pension plans created for the exclusive benefit of non-residents employed outside Canada is being extended to other plans which, although not created for that purpose, in fact operate for the exclusive benefit of such persons. The proposal of last February to increase from 90 days to 120 days the time to file a notice of objection is not being proceeded with, due to more efficient procedures being introduced at Revenue Canada. As a result, the motion for this measure has been dropped.

● (1520)

There was also a proposal in February which would require the Minister of National Revenue to accept satisfactory security for disputed taxes. That is not being proceeded with in view of the work which is actively under way which will allow for the postponement of payment of such taxes until there has been a court resolution of the matter.

Mr. Gray (Windsor West): Mr. Chairman, I would like to ask the Minister some questions regarding her last two points. Could she explain to the Committee what are the more efficient procedures that have been introduced by Revenue Canada which will no longer make it necessary to allow taxpayers 180 days to file a notice of objection as proposed by the previous government?

Mrs. McDougall: Mr. Chairman, the efficiencies are being introduced at the time of the assessment and before the assessment so that the procedure can move much more quickly than it has in the past.

Mr. Gray (Windsor West): Mr. Chairman, would the Minister be able to tell us what are these procedures and what recourse the taxpayer has if, in spite of these procedures, the taxpayer is unable to get the information together to prepare a sound notice of objection within 90 days?

Mrs. McDougall: Mr. Chairman, I cannot tell the Hon. Member precisely what are the procedures. I know that the taxpayer can then discuss with the Department the next stages. The taxpayer should be in a position, as far as the Minister of National Revenue assures me, to have an answer.

Mr. Gray (Windsor West): Mr. Chairman, the Minister indicated that her Government had dropped the proposal of the previous government to allow a taxpayer to give securities satisfactory to the Department, and if that were done payment of taxes could be deferred until an appeal was disposed of or had been dropped. I would like to ask the Minister, what is the exact situation today if the proposal to accept security has been dropped? What is the Department doing at the present time? Is it insisting on immediate payment once an assessment has been decreed? What is happening exactly?

Mrs. McDougall: Mr. Chairman, the subclause does allow the Minister to accept security should that be necessary.

Mr. Foster: Mr. Chairman, I would like to ask the Minister a question regarding the provisions of Bill C-7 with respect to taxable capital gains for farmers. Is it exactly as was outlined in the Budget statement of the previous Minister wherein a farmer would be able to transfer $120,000 from taxable capital gains over a 12-year period—and I believe it was from 1971 to 1983—into a registered retirement savings plan, which would effectively be $240,000 of capital gain? Does this Bill implement that provision of the Budget exactly as it was proposed by the previous government?

Mrs. McDougall: Yes, it does.

Mr. Foster: Mr. Chairman, in the Budget of Mr. Lalonde there was a provision wherein the allowable limits of the registered retirement savings plan would be increased from the $5,500 per year for a self-employed person to, I believe, $15,500 by 1986 or 1987 and that it would be cumulative. That is, if a person who was engaged in farming did not use the allowable limit each year but then subsequently sold his holdings and realized a capital gain, it would be cumulative. Does this Bill provide for that escalation over the period of the next three or four years, and will it be cumulative for taxable capital gains for farmers?

Mrs. McDougall: Mr. Chairman, it does not provide for that. In terms of the changes which relate to RRSPs, some of those are under consideration.

Mr. Foster: Mr. Chairman, in the original Budget of the former Minister of Finance, that was only proposed as a procedure, and the actual Budget Bills did not provide for that. Is that correct?

Mrs. McDougall: Yes, that is correct.

Mr. Foster: Mr. Chairman, is it the view of the Government that it would want to proceed with that proposal, as the legislation becomes necessary, in order for it to be implemented? Is it the intent of the current Government to increase the allowable limit for RRSPs to the proposals in the Budget of Mr. Lalonde, which I believe was to increase it to $15,000 over the next three or four years? On that basis does the Government intend to implement that proposal? Is that the policy of this Government?

Mrs. McDougall: Mr. Chairman, the Minister of Finance has indicated that he will be reviewing this before the next Budget is brought down.

Clause 16 agreed to.

Clauses 17 to 34 inclusive agreed to.

On Clause 35—

Mrs. McDougall: Mr. Chairman, I would like to amend subclause 35(5). I move:

That the French version of subclause 35(5) of Bill C-7 be amended by striking out line 35 on page 48 and substituting the following:

"de l'avis d'un médecin, la personne"

The Chairman: Shall the amendment to subclause 35(5) carry?

Mr. Gray (Windsor West): Mr. Chairman, I rise on a point of order.

The Chairman: Yes, the Hon. Member for Windsor West on a point of order.

Mr. Gray (Windsor West): I am given to understand that the motion to amend in this way should be moved by another member. If I am wrong, I will gladly withdraw the question, but I wonder if you can advise us on that.

● (1530)

The Chairman: The Member is correct.

Mrs. McDougall: I am sorry, Mr. Chairman, that was not our understanding.

Mr. Epp (Provencher): Mr. Chairman, I would move:

That the French version of Subclause 35(5) of Bill C-7 be amended by striking out line 35 on page 48 and substituting the following:

«de l'avis d'un médecin, la personne».

The Chairman: Shall the amendment carry?

Mr. Gray (Windsor West): Mr. Chairman, perhaps I could ask the Hon. Minister to put on the record the reason for the amendment.

Mrs. McDougall: Mr. Chairman, the amendment was necessary because in the original version the French and English were not precisely the same. The change was made so that the French version reads the same as the English version.

The Chairman: Shall the amendment carry?

Some Hon. Members: Agreed.

Amendment agreed to.

The Chairman: Shall Clause 35 as amended carry?

Some Hon. Members: Agreed.

Clause 35, as amended, agreed to.

Clauses 36 to 39 inclusive agreed to.

On Clause 40—

Mr. Orlikow: Mr. Chairman, I would like to ask the Minister whether, under the provisions of this clause, it will be permissible for people like doctors, lawyers and accountants, to mention just three, to qualify as small business people and therefore pay taxes at the rate of just 25 per cent?

Mrs. McDougall: Mr. Chairman, this will bring these professionals into line with other professionals who are taxed at the small business rate. I might add that this rate only applies as long as the money stays in the business. If the money is withdrawn, then there is another tax, which means a normal rate would apply.

Mr. Orlikow: Mr. Chairman, I do not claim to be an expert in taxation but I do not understand what the Minister is saying. I am asking a very simple question. Will doctors, lawyers, accountants and, I suppose, engineers be able to classify themselves as small business people and therefore pay income tax at the 25 per cent rate rather than, let us say, 35 per cent, 40 per cent or 50 per cent if their income puts them in that classification?

Mrs. McDougall: I apologize, I thought I had answered the question. If those people incorporate, then the corporation pays the small business rate of tax so long as the funds remain in the corporation. When the funds are withdrawn so that the professional takes them into income, then they are taxed up to the higher level. It only applies to an incorporated professional when the funds remain inside the corporation.

Mr. Orlikow: Mr. Chairman, here we have a government with a phobia about the deficit. It says to Parliament and the people of Canada that we have to cut various essential services because we cannot afford them. We have this tremendous deficit. Mr. Chairman, a big part of the reason we have these tremendous deficits is that the Income Tax Act is riddled with hundreds of sections which permit special groups to get special consideration so that they pay less than they should be paying. We have the banks, the most profitable corporations of this country, paying a smaller rate of tax than the bank teller pays in income tax. This goes all through the system, and I think it is time that the Government and Parliament faced up to this.

We learned something from a royal commission appointed by an earlier Conservative government under Mr. Diefenbaker, the Carter Commission, which brought down a report which said some very fundamental things about income. A dollar of income is a dollar of income regardless of how you get it. It is just dead wrong to assess people whose income is earned through wages or salaries at one rate, and assess people with income from investments at another rate.

Let me give you one example, that of the child tax credit. A person is permitted to deduct up to $1,000 in child expenses. That is a gift to the rich, because the person with a high income will save $500, a person with a medium income will save $250, and a person with a low income who has the expenses will save virtually nothing. I raise that as just one illustration of what is wrong with the tax system.

I know I speak for all members of my Party when I say I object very strenuously to this clause which will permit doctors, lawyers, accountants and other professionals this tax break. They do very well, better than most Canadians. They are in the highest income brackets in this country, and I object

very much to a proposal which will permit them to pay tax at a lower rate than others.

Mrs. McDougall: Mr. Chairman, I think I have already answered the question. This measure brings these professionals in line with other professionals. They were actually discriminated against before. I will take the Hon. Member's point of view under advisement.

Mr. Brisco: I do not want to delay the proceedings but I want to engage very briefly in the debate and say how delighted I am to hear the Hon. Member for Winnipeg North speak about all these middle-class people who are supposedly receiving an enormous tax benefit from the child tax credit. I think all the tradesmen and labourers at Cominco and various sawmills in my constituency are going to be very interested in that statement, particularly their wives. I think the Hon. Member is out of touch with reality when he raises that point.

I would conclude by saying that I am a professional and I pay my full share of taxes, whether it be 40 per cent or 50 per cent, and I am incorporated. I know a lot of professionals who are in the same boat. I am not afraid of paying my fair share of taxes, and the Hon. Member is not accurate in his assessment on the basis of current facts.

Mr. Orlikow: Mr. Chairman, I want the record to be quite clear. I am not objecting to a tax credit for the person working in the forest industry with an income of $20,000 to $30,000, or whatever it is. Until we have a universal daycare system I believe people should have a tax credit. I am objecting to the fact that the people with incomes of $75,000 to $100,000 can get more in the way of tax credits than forest workers, and certainly more than a person working in a hospital in my city. That is what I am objecting to. I want fairness, Mr. Chairman. When the Government introduces legislation which provides for fairness in the tax system, we will support it, but not until then.

• (1540)

Clauses 40 to 44 inclusive agreed to.

On Clause 45—

Mr. Orlikow: Mr. Chairman, I wonder if the Minister would explain what this section does.

Mrs. McDougall: I am sorry, Mr. Chairman. I have lost track.

Mr. Orlikow: Is this the clause which refers to share purchase tax credit? If so, what does that mean?

Mrs. McDougall: These are essentially technical amendments, Mr. Speaker. It has to do with the fact that the tax credit can be viewed as a benefit conferred on the beneficiary that arises as a result of the existence of the trust. This clarifies the matter by preventing the trust from allocating the credit. It has no revenue implications. It is really a technical amendment.

Clause 45 agreed to.

On clause 46—

Mr. Orlikow: Does this clause refer to the scientific research tax credit?

Mrs. McDougall: Yes, Mr. Chairman, it does.

Mr. Orlikow: Is this the provision which the former government estimated would cost taxpayers $100 million and which has now given credits of well over $1 billion with another $.5 billion coming through the pipeline?

Mrs. McDougall: Mr. Chairman, this is the basic part of that legislation, but these are simply technical amendments. They do not really change the status.

Mr. Orlikow: Mr. Chairman, it seems to me that the Minister should be able to tell us whether this is the section in the Bill which was so miscalculated by the former government, which the then Minister of Finance said would cost $100 million and which has now cost the people of Canada over $1 billion and is still rising. I would like to know from the Minister if this is the section of the Bill which provided for that.

Mrs. McDougall: Mr. Chairman, I answered that. I said that this is the section of the Bill which applies to that. It is the section on which a moratorium has been taken. However, these amendments do not relate to that part of it.

Mr. Orlikow: Mr. Chairman, if this is the section, why can the Government not act to plug the loophole? There have been innumerable reports which indicate that this provision, which was supposed to encourage Canadian companies really to move on research and development, has in fact not brought new money into research and development. It has been used as a tax scam by corporations wheeling and dealing. Instead of the $100 million which the then Minister of Finance indicated it would cost the Treasury, it has cost well over $1 billion. We have been told by the Minister of National Revenue that because so many of these agreements are being processed, he cannot do anything about it and we are probably going to lose another $500 million in the interim period. Why can the Minister and her Department not take steps to stop that kind of raid and theft on the public Treasury?

Mrs. McDougall: Mr. Chairman, there was a moratorium taken on October 10. This is the section. There was action taken by the Minister of Finance to end those parts that were not meeting the intent of the Act. These were debt flips where people were simply exchanging tax credits in a way that was not appropriate. That was stopped on October 10.

Mr. Orlikow: Mr. Chairman, the Minister says that this was stopped on October 10. That sounds very good, but from questions which have been asked in the House and the answers from the Minister of National Revenue we know that it has been stopped except for the fact that those that were already started cannot be stopped. I am saying to the Minister that that is a very expensive situation. According to the reports

which we have been able to get we are looking at a loss of a further $400 million to $500 million. The Government is going to tighten the rules on unemployment insurance and tell people who are unemployed, almost all of them through no fault of their own, that they are going to receive substantially less in unemployment insurance benefits. There is something wrong with the scale of values of the Government and its ability to act.

Mrs. McDougall: Mr. Chairman, I think that the question part of that statement related to the grandfathering provisions. It is entirely appropriate and certainly with many precedents that arrangements which are substantially in progress, or near conclusion, should be allowed to go through. We cannot ask taxpayers to negate their planning to the extent the Hon. Member is suggesting.

The Chairman: Shall Clause 46 carry?

Some Hon. Members: On division.

Clause 46 carried on division.

Clauses 47 to 50 inclusive agreed to.

On Clause 51—

Mr. Althouse: Mr. Chairman, I note that, among other things, this clause provides some exclusions from co-operatives being considered as corporate citizens. Would the Minister give us the basic logic or rationale that is used for these exclusions so that we can understand what role is expected for co-operatives? Could she give us some guidelines as to what the rule is within the Bill for these exclusions?

Mrs. McDougall: Mr. Chairman, this clause applies to private Canadian controlled corporations. Co-operatives are not, by their nature, the same thing as private corporations. They are essentially on the same footing in terms of taxation.

Mr. Althouse: I think I may be one or two clauses ahead of myself here. I wonder how the Act views co-operative farms. We have had some difficulty with the National Revenue Department interpreting co-op farms as being very like the small corporately held farms. Yet it seems that the proposal in Clauses 51 and 53 may in fact have the effect of excluding those who choose to form a co-operative farm from the right to roll over their property from one generation to the next.

• (1550)

The Minister will be aware that Revenue Canada says at the moment that when four or five family members form a co-operative, it is virtually impossible to turn the land in that co-operative over to the next generation on a roll-over basis. The Department deems the operators in that case not to be actively involved in the farm.

I want to make certain that co-operative farms operating under those conditions will get the same changes that are proposed in this Bill as are being offered to those who have chosen to set themselves up as small corporations, at which time the shareholders are considered to have been active farmers. Therefore, they have earned the right to turn over their shares in the land to the succeeding generation. I want to make sure that co-operatives are not excluded from that right.

Mrs. McDougall: Mr. Chairman, this section does not deal with the roll-over problem. In another sense, it does bring the two closer together. The co-operative corporations can obtain the benefit of the 35 per cent rate of investment tax credit and can obtain the right to a refund of 40 per cent instead of 20 per cent of any unused investment tax credits.

I would be happy to take the roll-over provisions into consideration. Apparently, it is not easy. It is a point well taken.

The Chairman: Shall Clause 51 carry?

Clause agreed to.

Clause 52 agreed to.

On Clause 53—

Mr. Foster: Mr. Chairman, this is the clause that I believe deals with the capital gains for farmlands. I take it from Clause 5.4(b) at page 78 that the amount that may be transferred to the Registered Retirement Savings Plan of farm capital gains is $10,000 per year for the period from 1971 to the end of 1983.

We are almost at the end of 1984. The scheme is very straightforward if one is dealing with that period. The maximum amount is $120,000. As we move into 1985 and beyond, with respect to the total amount of taxable capital gain that can be transferred to an RRSP, after that 12-year period, do you add the $5,500 as the amount that can be put into an RRSP by any self-employed person? Is that just a window in time that does not extend beyond the end of 1983?

Would the Minister indicate what happens if someone sells his farm at the end of 1984? Is the maximum that can be transferred to an RRSP the taxable capital gain on $120,000 over that period, or is it the $120,000 plus the $5,500 that any self-employed taxpayer can put into an RRSP?

Mrs. McDougall: The amount, $120,000 being the maximum, is reduced by the amount of income you would put into an RRSP. As far as ending in 1983, the Minister's intent is to introduce some changes to pension legislation early in 1985 in which this will be taken into consideration and become part of a broader and more comprehensive pension legislation.

Mr. Foster: Mr. Chairman, I was rather surprised when this tax provision was introduced. According to the economic statement, the whole question of capital gains on farmland was supposed to be referred to a parliamentary committee.

I just wonder if the Government is adopting the former Liberal government's policy with regard to taxable capital gains on farmland, whether it is being adopted in Bill C-7 and perhaps further amplified on the basis of the report of the parliamentary committee, or is this the Government's position with regard to taxable capital gains on farm property at least

for the first 12 years following the implementation of the capital gains tax?

Mrs. McDougall: Mr. Chairman, I think we should keep it in mind that this will help the farmers. There are other plans under way concerning farms and pensions. These matters are being studied, but they take longer. In the meantime, this is intended to help the farmer until those broader issues are resolved.

Mr. Foster: I want to be quite clear that when a taxable capital gain is realized under this scheme it would not matter whether the farm property was continuing agricultural production. Is that correct?

As I understood the Conservative campaign literature, the scheme was that capital gains on farm property would only be non-taxable as long as it stayed in agricultural production. I want to be quite clear that if there is a capital gain under this scheme and the farmer takes advantage of it, the land can be sold for urban development or whatever.

Mrs. McDougall: Mr. Chairman, the property can be sold to anyone for whatever purpose and it will apply.

Mr. Althouse: Mr. Chairman, I have a series of questions on this clause. First, as I understand it, this is not doing away with the capital gains tax which was discussed during the election. This is simply a continuation of the Liberal promise in the previous budget, is it not?

Mrs. McDougall: Yes.

Mr. Althouse: Therefore, for a retiring farmer to take advantage of it, he must buy 12 $10,000 RRSPs and bring that back into income in the future. It is not an avoidance of the capital gains tax, it is simply a way of stretching income from that capital gain into future year's income. Is that correct?

• (1600)

Mrs. McDougall: Mr. Chairman, a farmer can buy one or 10 RRSPs. A farmer can buy as many as he likes. The funds will be taxable. It stretches out the tax and gives him or her a steady source of income. Whether he does that in one plan or 40 plans is up to him or her.

Mr. Althouse: Mr. Chairman, I wanted to make it clear that this was not a way of doing away with tax on capital gains, but simply a way of delaying the capital gains tax into future years.

I want to deal with the definitions on qualified farm property found on page 77 and the full-time farmer definition found on page 78. These are the sections where we get into the problem that I had alluded to earlier with farmers who have chosen to set themselves up under a co-operative structure. I should get clarification from the Minister since she has her experts with her.

Does this description of a taxpayer in a corporation in paragraph (b) on qualified farm property include the type of co-operative that I was talking about just a few moments ago where the property is either held under a co-operative in fee simple in title or, which is the more likely case, the land is held by individual shareholders in the co-operative and they have chosen instead to operate a farming co-operative. This particular aspect of the Bill deals with qualified farm properties. This would affect those properties where the land is owned by the co-operative. Are those properties also eligible to be rolled over to the next generation through a transfer of shares? Are they eligible for the RRSP benefit, or have they been missed?

Mrs. McDougall: Mr. Chairman, could we have a little time to double-check this? I do not think it qualifies, but if the Hon. Member could give me a minute or two, I could give a better answer.

The Assistant Deputy Chairman: Yes.

Mrs. McDougall: Mr. Chairman, as this is drafted, we believe it is intended to incorporate definitions in this section all related to a family farm and whatever its definition is. We are checking right now with the Department and we will tell you later in the debate, if that is satisfactory. I know the point the Hon. Member is trying to make and I am doing my best to answer the question. Obviously it is not clear from this.

Mr. Althouse: Mr. Chairman, I have a few more questions along these lines. Perhaps when we finish with the questioning we could stand the clause and go on with other parts of the Bill. I am curious as to whether the definition of a full-time farmer would include a farmer operating along with a group of farmers in a co-operative. This is the other side of the coin to the first question. Revenue Canada has not done a very good job of addressing this matter and that is partly the reason I am raising it today. I have written letters to Ministers of Finance and I believe to the Secretary of State for Finance as well concerning this issue. What happens is that Revenue people tend to see farmers operating together in a co-op mode as being neither fish nor fowl. They are not able to transfer their property under the roll-over provision because the Department says they must be actively farming the land they are proposing to roll over to their sons, daughters or grandchildren. The requirements of Revenue Canada now are that the land must be farmed for two or three years by the donor or two or three years by the receiver prior to the roll-over provision taking place. Because co-operatives have been omitted from the Act, anybody engaged in that sort of farming is not permitted a roll-over. Consequently, many co-operative farms are having to die after the current generation of farmers reach a retirement age simply because there is no easy way for them to transfer the farm to their children.

Similarly, I want to be quite sure before we pass this Bill that we do not also discriminate against co-operative farmers who want to sell out, whether to their children or to others. I see no reason why they should be discriminated against when they are now permitting people who have structured themselves in a regular corporate manner to have access to these

RRSPs and to delay paying capital gains over a period of time that way.

Mrs. McDougall: Mr. Chairman, the question refers essentially to whether that qualifies as a share of the capital stock of a family farm.

Mr. Althouse: It relates to whether they are actually farmers?

Mrs. McDougall: It relates to whether they are actually farmers. This is defined in the Act in paragraphs (b) and (c) of Section 70 which, by some strange coincidence, I happen to have in front of me. Under this section it would appear that, yes, they would qualify under the definition as a full-time farmer. Does the Hon. Member want me to read it to him? Would he like to hear the Act?

Mr. Althouse: Mr. Chairman, I do not think I want to hear from the Act. What I have had, though, is a couple of cases where Revenue Canada did not interpret it in such a way that those people were actually farmers. I assume Revenue Canada officials read that section of the Act before they made that interpretation. While we have the Act open, it seems to me that it might be more useful to all concerned if co-operatives were designated quite clearly in this section of the Act. Where we put a corporation we could perhaps say "or a co-operative", and do that same sort of amending all the way through this particular section just so that we make it very clear what Parliament's intention is and what the Minister's intention is. I have not asked that. I assume it would to be fair and equitable to all types of family farm operations whether they had set themselves up as a co-operative or a corporation.

Mrs. McDougall: We have discussed the possibility of bringing some further technical amendments to the Income Tax Act. I would be very happy to take that back and consider it at that time.

Mr. Althouse: I have a further question just for clarification.

• (1610)

Under Section 31 of the Income Tax Act farmers who have left their farms to earn other income due to bad crops or a start-up situation are often declared to be not farmers at all or to be part-time farmers. I am wondering who is a full-time farmer as is indicated here. Is there any way of taking into account those people who have had to work off their farms for some of their income during the 12 years with which we are dealing? Will those partial years be recognized, or will the years that a farmer has been designated a part-time farmer be written off and lost to him for the purposes of setting up an RRSP?

Mrs. McDougall: Mr. Chairman, the intent is not to disallow farmers who have been faced with difficulties and forced to try to earn income from other sources. The intent of the definition is to eliminate all those Bay Street lawyers, who seem to be the butt of so many examples in the House, from going out and treating themselves as full-time farmers.

Mr. Althouse: For the purposes of clarification, for a farmer who decides upon the RRSP option and has been designated by the Department for one or two of those 12 years to have been a part-time farmer, or perhaps he has even received the hobby farm designation, which of those years would be deducted? For which of those years will he be made ineligible to declare an RRSP? Would it be only for the hobby farm designation? Would part-time farmers be able to call it a full year of farming and be fully eligible to apply a $10,000 RRSP for that year?

Mrs. McDougall: I think the Act says that a full-time farmer also includes any individual actively engaged in the business of farming. Then it goes on to deal with sections which are not as relevant. The hobby farmer is excluded.

Mr. Althouse: He would be excluded?

Mrs. McDougall: Yes, so it is in a way the reverse of the Hon. Member's definition.

Mr. Althouse: In order to be more specific, perhaps we could have an interpretation of what is meant at the bottom of page 78 where a restriction seems to be placed on who is a full-time farmer. It indicates that a full-time farmer would be an individual who in that year was actively engaged in the business of farming in Canada. Then subparagraph (iii) continues as follows:

—(other than an individual who in the year had or would, if he had sustained sufficient losses from the business of farming, have had a restricted farm loss for the year).

Does that not exempt people who have had restricted farm losses from using the RRSP option in the year in which they had restricted farm losses?

Mrs. McDougall: The answer is yes, and that is directed at the hobby farmer. That is specifically for the hobby farmer.

Mr. Althouse: As I understand it, there is also an in between designation where restricted losses are permitted for tax purposes. However, I think they would not be considered farmers for the purposes of using the RRSP option in this Act when they sell out. I want to be fairly clear on that so that people in that position know what they are getting into.

Mrs. McDougall: Mr. Chairman, I am sorry I am not making myself very clear on this point. I am really trying to. The definition of restricted farm loss is the restricted farm loss referred to in Section 31. All other farmers are included in this, but that specific term refers to specific farm loss as defined and applied to Section 31.

Mr. Althouse: Only the hobby farm designation?

Mrs. McDougall: Yes.

Mr. Althouse: This will apply only to what is colloquially known as the hobby farm section?

Mrs. McDougall: Yes.

Mr. Althouse: Mr. Chairman, could we stand this clause for the Minister to review the question of co-operative production units? Perhaps she would be prepared to move an amendment to make it very clear that those who chose to set themselves up as co-operative farmers would not only have qualified farm property under the first part of this section but would also qualify as full-time farmers. Then we could pick it up at a later stage.

Mrs. McDougall: Mr. Chairman, you are saved by the fact that the answer has just arrived. To the extent that a farm co-operative otherwise qualifies as a family farm corporation, for example, if all the co-op assets are farm assets and if the taxpayer or his spouse or his children were engaged in the business of farming, co-operatives will qualify for both the RRSP treatment and the roll-over. It used to be that they did not qualify if the farm was leased to a co-operative. If that was the only hitch, one would now qualify.

Mr. Althouse: Perhaps the Minister could tell us whether that comes about simply by a different interpretation within the Department, or whether there is now some change in the law which requires this.

Mrs. McDougall: There is a technical change in this Bill which makes a leased farm qualify for the roll-over.

The Assistant Deputy Chairman: Shall Clause 53 carry?

Some Hon. Members: Agreed.

Clause 53 agreed to.

The Assistant Deputy Chairman: It being after four o'clock, it is my duty to rise, report progress, and request leave to consider the Bill later this day, in order to make a certain announcement regarding adjournment proceedings.

Some Hon. Members: Agreed.

Progress reported.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Charest): It is my duty, pursuant to Standing Order 45, to inform the House that the question to be raised tonight at the time of adjournment are as follows: The Hon. Member for Algoma (Mr. Foster)—Research—Proposed Toxicology Centre project, (b) Consultation query; The Hon. Member for Westmorland-Kent (Mr. Robichaud)—National Parks—Employment at Kouchibouguac National Park, N.B., (b) Inquiry concerning employment for laid-off workers; The Hon. Member for Burnaby (Mr. Robinson)—Children—Sexual abuse—Badgley Commission recommendations, (b) Government position.

GOVERNMENT ORDERS

● (1620)

[*English*]

INCOME TAX ACT

MEASURE TO AMEND

The House resumed consideration in Committee of Bill C-7, an Act to amend the Income Tax Act and related statutes—Mrs. McDougall—Mr. Charest in the chair.

On Clause 54—

Mr. Andre: Mr. Chairman, with great honour, I present the following motion:

That the French version of clause 54 of Bill C-7 be amended:

(a) by striking out line 34 on page 81 and substituting the following:

"droit de déduire une somme désignée à"

(b) by striking out line 47 on page 81 and substituting the following:

"1983 tout en ayant reçu, en 1984, à titre de béné-"

(c) by striking out line 7 on page 82 and substituting the following:

"calcul de la somme désignée, être une"

The Assistant Deputy Chairman: Shall the amendment carry?

Some Hon. Members: Agreed.

Amendment agreed to.

The Assistant Deputy Chairman: Shall clause 54, as amended, carry?

Some Hon. Members: Agreed.

Clause 54, as amended, agreed to.

Clauses 55 to 60 inclusive agreed to.

On Clause 61—

Mr. Orlikow: Mr. Chairman, can the Minister explain at what level of income people will now qualify for not having to pay quarterly? The clause states that people whose income is less than $1,000 a year will no longer have to file quarterly returns.

Mrs. McDougall: Mr. Chairman, it depends on the family circumstances and so on who will have less than $1,000 and not have to pay quarterly. It is a relieving measure that affects a large number of senior citizens. It is a relieving measure for them.

Mr. Orlikow: I know, Mr. Chairman. I am sure every Member of Parliament has been approached at one time or another by pensioners in particular who have quite a small

income. Their tax is not very much, yet they are required to file quarterly returns and to pay quarterly. Often a very substantial part of their income is interest on Canada Savings Bonds, which they do not receive until November. Many times they are required to file and pay income tax on income they have not yet received. This is a very good proposal. I would like to know at what level of income an individual is not required to file quarterly under this provision.

Mrs. McDougall: Mr. Chairman, essentially the income can be at any level. It depends on the income, the number of exemptions, the number of deductions and what is the ultimate taxable income figure. You can start at any number, depending on your family circumstances, the sources of income and so on. I do not think there is any way of assessing what that would be. It does help 100,000 senior citizens and raises to 350,000 the exemption of seniors from the possibility of having to make instalment payments. Many of those will have incomes at a large variety of levels.

The Assistant Deputy Chairman: Shall Clause 61 carry?

Some Hon. Members: Agreed.

Clause 61 agreed to.

Clauses 62 to 69 inclusive agreed to.

On Clause 70—

Mr. Foster: Mr. Chairman, I heard the Minister's reply that somehow or other the efficiency of the Department makes it unnecessary to increase the appeal period from 90 days to 180 days, as was proposed in the previous Ways and Means resolution. That answer just does not make sense. An individual taxpayer who has been assessed wants to have 180 days rather than 90 days to file that appeal, consult with an accountant and so on. The efficiency of the taxation branch does not have anything to do with the appeal period. The convenience is for the taxpayer. The taxpayer has more time to review the situation, to consult and to decide whether he or she wants to appeal. I do not see what the efficiency of the tax branch has to do with this appeal period. The provisions in the previous Ways and Means resolution were more helpful to the taxpayer who wanted to appeal than the provision in the Bill before us this afternoon.

Mrs. McDougall: Mr. Chairman, apparently part of the problem with the 90 day objection period in the past was that the notice from the tax branch was either cryptic or inexplicable. The taxpayer took up a good deal of the 90 days trying to find out what the tax branch wanted. There have been better lines of communication with the tax branch. The explanations given initially are more detailed, more reasonable and written in language that people can understand. I am sure that the Minister of National Revenue could go into this in considerably more detail. Those are two or three examples of why he feels this period to be adequate.

• (1630)

Mr. Foster: Mr. Chairman, is that period of 90 days to mean 90 days from the day the assessment is mailed to the taxpayer? Does the taxpayer have 90 days from that time to file an appeal, or does he have 90 days from some other point in time? It seems to me that the clock starts ticking from the moment the notice of assessment is sent out. We do not know how rapidly those notices are received. It does not seem to me that that really matters, but what does matter is the amount of time that the taxpayer has to decide whether or not to make an appeal and to gather sufficient information concerning his tax liability to know whether or not he should appeal.

Mrs. McDougall: Mr. Chairman, the notice of objection is a fairly simple notification and does not require a lot of intricate legal preparation. We are talking about a three-month period, not about a matter of days or even weeks. If the taxpayer gets off to a better start by understanding what his tax assessment is telling him about what the problem is, then there is no reason why he should not be able to have his case ready within a three-month or 90-day period. It is a fairly simple procedure to file a notice of objection.

The Assistant Deputy Chairman: Shall Clause 70 carry?

Some Hon. Members: Agreed.

Clause 70 agreed to.

Clauses 71 to 104 inclusive agreed to.

Title agreed to.

Bill reported, read the third time and passed.

* * *

CUSTOMS ACT
CUSTOMS TARIFF

MEASURE TO AMEND

The Acting Speaker (Mr. Charest): Pursuant to Standing Order 58, I do now leave the chair for the House to go into Committee of the Whole.

House in Committee on Bill C-9, an Act to amend the Customs Act and the Customs Tariff—Mrs. McDougall—Mr. Charest in the chair.

The Assistant Deputy Chairman: Order. The House in Committee of the Whole on Bill C-9, an Act to amend the Customs Act and the Customs Tariff.

Clauses 1 to 16 inclusive agreed to.

Schedules I to III inclusive agreed to.

Title agreed to.

Bill reported, read the third time and passed.

● (1640)

BORROWING AUTHORITY ACT, 1984-85 (NO. 2)

MEASURE TO ENACT

The House resumed consideration of the motion of Mrs. McDougall that Bill C-11, an Act to provide borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs; and the amendment thereto of Mr. Riis (p. 694).

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I am pleased to say a few words about the amendment which was proposed by the New Democratic Party and about the borrowing authority Bill. I would like to refer to a policy statement which was made by the Government regarding Canadian fishermen, in which it proclaimed:

—Canadian fishermen and companies must be encouraged and assisted to modernize their boats . . . A Progressive Conservative Government will promote the orderly development of a middle-distance fleet and the present 65-foot upper limit on longliners will be removed.

At various times, prior to the Government coming into power, the Progressive Conservative Party stated its intention to deal fairly and, certainly as it has stated, in a better way, with fishermen than did the previous government.

In looking at the policies which were outlined by the Government, one wonders when they will be instituted. Certainly, they will cost a lot of money. There have been various actions announced by the Minister of Fisheries and Oceans (Mr. Fraser), as well as the various actions which were contained in the Economic Statement of the Minister of Finance (Mr. Wilson).

For example, fishermen will now be charged for the maps they obtain from the federal government which show the coastline. There was a statement by the Minister of the Environment (Mrs. Blais-Grenier) which indicated that persons would be required to pay for their calls to the weather office. Then the Minister of the Environment clarified that by saying that fishermen would be excluded. In other words, there would be certain occupational groups—because they need weather forecasting information, sometimes on an urgent basis due to ever-changing weather patterns—who would not be charged for the telephone call. It is another policy to the detriment of the fishermen, because they will hesitate before contacting the weather office in their area.

The Minister of Fisheries and Oceans also announced that berthage fees would be doubled. Not only that, but as I understand it after checking with the Department of Fisheries, in areas where the berthage fee was not previously charged it will now be charged on an equal basis right across Canada.

The Minister of Employment and Immigration (Miss MacDonald) announced that there would be no special program for fishermen who had a bad fishery this year. Those fishermen went out day after day looking for fish but they could not find the fish. Eventually, when the fishermen realized that the Government was not going to have a special program, such as the one that the previous government had last fall, they kept going out day after day until they had obtained enough fish to get low unemployment insurance stamps. A great many of them will live throughout the winter receiving welfare along with low unemployment insurance.

The Minister of Fisheries and Oceans then announced that the vessel insurance plan would be discontinued. Sometimes cuts are justified in government Departments. We certainly need more policies from the Department of Fisheries, which are to the advantage of fishermen. However, certain cuts are announced and decided by someone who looks down from on high and who thinks that an insurance shceme which is run by the government should really be run by private enterprise. Many arguments cannot be put against that philosophy. However, if we examined why the policy was implemented in the mid-fifties, we would discover that it was brought in for one reason. That reason is that there are certain types of fishermen in Canada who do not qualify for private insurance schemes. I suppose that anyone could qualify if they were willing to pay the money. It depends on how high the rate is. But a fisherman with a small boat which is tied to a wharf on the northern peninsula in Newfoundland will not qualify through a private insurance company.

The Minister of Fisheries and Oceans and the Minister of Finance have to realize that they should have consulted with the provincial governments, provincial loan boards, processors, the fishermen's union of Newfoundland, fishermen and the insurance companies before they decided to cancel this scheme. The reason is quite simple. The reason is that fishermen who have insurance policies through the federally-run vessel insurance plan, must have those insurance policies before they can obtain loans through provincial loan boards. That insurance must be in place. The money must come out of the fisherman's pocket. It is not a part of the loan which is granted by the local loan board.

The effect of this measure, which was ill-conceived and implemented without consultation with the people involved in the fishery or the insurance companies, will be that over the next couple of weeks each provincial loan board will have to decide what it will do when the insurance is cancelled, because a condition of the loan was that the fishermen involved must have that insurance policy.

The Minister of Finance and the Minister of Fisheries and Oceans would be well-advised to have that consultation now and to adjust the program to meet the needs of the fishermen. There are a great many problems in the fisheries. If the solution to those problems is to get rid of the fishermen, then this is a great way to do it.

There has been much discussion in the House since the debate began on borrowing authority concerning social programs and the actions of the Minister of Employment and Immigration as they relate to the Unemployment Insurance Commission. There has been much discussion regarding the Canadian Federation of Independent Business and its claim that it has identified 170,000 jobs which people in Canada could fill. One has to look at the people who draw unemploy-

ment insurance and understand their problems before initiating a policy which will drastically affect them, Mr. Speaker.

• (1650)

Of all the jobs available to people drawing unemployment insurance, there is only one sure thing available right now, the 700 investigators' jobs announced by the Minister of Employment and Immigration to try to take people off unemployment insurance. These being the only available jobs that I know of, I suggest that everyone on unemployment insurance write to the Minister and apply for one of those jobs. Surely the Minister would look favourably upon some of these applications because someone doing that kind of investigation should have experienced being on uenmployment insurance.

There are various reasons for the attitude on the part of the Government and a great many Canadians that people drawing unemployment insurance are ripping off the system. That is the attitude of a great many people, including some Members in this Chamber.

I suppose that if you look at the Auditor General's reports you will find some reason to justify that opinion. For example, a Member said this morning that there were several hundred thousand people who had quit their jobs and then drew unemployment insurance. In the Auditor General's report, where most of these figures are found, you see reference to this enormous number of people who had received overpayments or to the UIC paying out X number of millions of dollars when it should not have. You have to realize, Mr. Speaker, that included in that group is a very large number of people who received unemployment insurance because the UIC made a mistake. It is the law in this country that if the UIC makes the mistake, the person has to pay the money back. If the employer made the mistake, the person who received the money must pay it back. If you leave your home community and go some place looking for work and the UIC was not notified, and you are found out, you also have to pay back your benefits for that period of time. Included in that group of people who received unemployment insurance and should not have were those who had helped someone build their house or, if it is a fisherman, who had built a boat during the winter. That person was found out by one of the UIC investigators and he had to pay back all the benefits he received during the entire winter. So, Mr. Speaker, when you look at the figures you have to realize what these cases are, how these overpayments were created, and why that person owed the money to the UIC.

We have seen countless thousands of cases over the last few years of people who received benefits but were then declared not entitled to them by the Commission or its investigators. These people then go before a board of reference and they have the right of appeal to a deputy minister, or to the federal Court of Canada if it is a determination of a question by Revenue Canada, or to an umpire who is also a federal judge.

When you go over some of these cases, Mr. Speaker, you will discover extreme hardship cases. There are people with absolutely no income, and now they owe the federal Government a large amount of money. Those people are included in the figures tossed about by politicians, the business community and advocates of cutting back unemployment insurance. There are countless cases involving people who, through no fault of their own, have to pay money back to the UIC after receiving it for several years. If there is any humanitarianism in the system at all, Mr. Speaker, if the Minister has any sympathy for these people at all, there is a section in the Act which says that in cases of hardship the Commission can give the money owed to it. It would do far more for the Canadian people if the Minister were to examine that option rather than announcing that she is going to cut $200 million from unemployment insurance and hire 700 people to find low paying jobs for the unemployed.

Another question comes to mind, Mr. Speaker. These low-paying jobs that I referred to are just that. They have to be low paying because the Federation of Independent Businesses claims that people on unemployment insurance are too comfortable, that they will not accept jobs that pay less than unemployment insurance. Well, you get 60 per cent of your earnings while drawing unemployment insurance. An Hon. Member referred the other day to the fact that the average pay-out to a person on unemployment insurance is $155 a week. He was wrong because it is $155.88 a week. That 88 cents means an awful lot to a poor person sitting in a high unemployment area, and that is all the income he or she gets. The average period of time that someone receives unemployment insurance in Canada, as any Hon. Member knows, is 24 weeks, not a year as was intimated in the statement by the business community the other day. What I am getting at is this. If you are going to put these people into the low paying jobs the Federation is talking about, then you are discriminating against the younger person who has no income at all. You are discriminating against the person who is looking for work and not collecting unemployment insurance. The Minister could turn around and say: "Oh, no, we are really going to be trying to put these people as well into those jobs". Well, if so, the Government is not going to save the $200 million that the Minister talked about. She cannot have it both ways. It is one way or the other.

Mr. Orlikow: But she is going to try.

Mr. Baker: Mr. Speaker, if it were not so tragic, it would be humorous that the Government of Canada is trying to do two things with its job creation program. The Minister is going to have more people than ever before working on what I call "Section 38s". She will have more people than ever before doing this at the same time that these very poor people are being discriminated against.

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

● (1700)

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

The Acting Speaker (Mr. Paproski): Shall all orders and items preceding No. 153 stand by unanimous consent?

Some Hon. Members: Agreed.

* * *

PENITENTIARIES

ADVISABILITY OF ESTABLISHING MAXIMUM SECURITY PRISON FOR THOSE SERVING LIFE SENTENCE

Mr. Bruce Halliday (Oxford) moved:

That, in the opinion of this House, the government should consider the advisability of establishing a maximum security prison in a remote region of the Northwest Territories or on an island off the Coast of Canada, for those sentenced to life imprisonment and who are deemed to be an ongoing risk to society.

He said: Mr. Speaker, I shall not waste the time of the House by re-reading this private Member motion. One never ceases to be amazed at the surprises one gets in the House. We had a draw a couple of weeks ago and I was the one hundred and fifty-third person on that draw. Lo and behold, by last night my turn had come up. I was rather pleased because the subject matter of this motion of mine today is very germane to the public concerns regarding the state of our criminal justice system in Canada. I am very pleased that we are able to discuss this motion for an hour tonight. I hope that Opposition and government members will see fit to allow this motion to pass.

I would like to discuss this subject under four main headings. The first will be the background to the motion. Second, I will deal with the two principal objectives that such a maximum security prison would serve. Third, I will discuss the justification and feasibility behind this proposal. Fourth, I will discuss why I feel the Government should allow this to be approved and passed today.

I will first discuss the background behind todays private Members' motion. Members of the House who have been here for approximately 10 years will recall that back in 1976-77 and prior to that there was a lot of unrest in our prison system. As a result, the government of the day set up a special subcommittee of the Standing Committee on Justice and Legal Affairs to study the penitentiary system in Canada. That committee had 13 members. If Members here are interested in the average life expectancy of a Member in the House of Commons, of those 13 Members only two are left; the Deputy Prime Minister (Mr. Nielsen) and myself.

We presented that report in 1977 to the Solicitor General who had commissioned it. It dealt in some detail with the problem of the criminal justice system in Canada and changes that should be made. The committee made 65 recommendations, which were subsequently studied by the officials and the Minister. This report was unusually well received across the country and abroad. We have had requests from outside the country for copies of this report. I feel it had a very enlightened approach to the subject of prison reform. Some of the recommendations were far-reaching. In fact, they were too far-reaching for the officials in the correctional service of Canada at that time. I might add that they are still too far-reaching for the present thinking of many of the officials in the CSC.

I will read recommendation No. 63 which is germane to our discussions today. It stated the following:

The Canadian penitentiary service should carry out an in-depth study of the feasibility and viability of penal communities in reasonably inaccessible areas as an alternative to confinement in conventional institutions for inmates serving long sentences without eligibility for parole.

This recommendation, along with the other 64, was studied from time to time by the various governments since 1977.

Between 1977 and 1981 no less than seven progress reports were issued. I have copies here of five of the progress reports and summaries of the others. It is curious to read these in retrospect because each one says almost the same thing as the last one. They are going to do a study. They are going to do more research. They are going to consult with this body or this country. It is an ongoing litany of what looks, in retrospect, to be attempts to put off a decision in this particular area.

It has become so ludicrous, Mr. Speaker, that I would like to read from two of them. I will first refer to the progress report dated November 1, 1979 made by the Solicitor General of the day, now the Hon. Member for Durham-Northumberland (Mr. Lawrence). It reads as follows:

Research into this concept has been conducted and the major difficulties faced are the still relatively small numbers of inmates serving long sentences without eligibility for parole—

Parenthetically, Mr. Speaker, that may well have been true then. I dare say it was, but it certainly is not true now. Times have changed since 1979. The report goes on:

—coupled with the unknown factor of public acceptance of the concept itself.

I will address that in my remarks as I go on. The report continues:

In the meantime, individual programs are designed for and with each such long term offender. This will provide us with experience and knowledge upon which a viable program could be presented with the hope of obtaining widespread public support for its implementation.

I would submit, Mr. Speaker, that public support has now arrived. I will now quote from the final progress report on the implementation of the parliamentary sub-committee on the penitentiary system in Canada prepared for the former Solicitor General. It is dated June 5, 1981. I would like to read again under the heading "Recommendation 63". It reads as follows:

At the same time, the Service has co-operated in the formation of a Ministry Committee whose task it will be to direct and co-ordinate research and information-gathering on the various aspects of long term incarceration. This committee will give consideration to the advisability of conducting further research into the concept of penal communities.

In 1981, after having the original report for over four years, they are still saying that they are going to conduct further research into the concept of penal communities. They may well have been conducting further research, but I can assure you that we are not seeing the products of it at the present time. That suggests to me, Mr. Speaker, that we have a problem in the House of Commons. Indeed, we have more than one problem with the way this place runs, but during the existence of this report from the special sub-committee we have had no less than five Solicitors General in a seven year period. That is not even one and one-half years per Solicitor General. We wonder why we are not coming to grips with the prison system in this country. The current Solicitor General (Mr. MacKay) has only had a couple of months in office and I do not expect he will have been able to get a handle on the matter. Even so, imagine having four Solicitors General in a period of seven years and still not being able to finalize the research! They were talking about research at the beginning of this whole thing and were still talking about it in 1981 when we got the last report. We do not know what has become of that to this date.

On the subject of the background, we have recently had a rash of murders in the country, especially murders of policemen. We have had six or seven murders in the last two or three months. Unfortunately, one of those murders was in my constituency of Oxford in the City of Woodstock. It was in consequence of a similar murder one or two nights before in Montreal allegedly by the same suspects. There is a great deal of feeling, not only in my riding but across the country, about what we are going to do with the kinds of offenders who are in the mood, from time to time, to murder other law-abiding citizens, whether they be policemen, prison guards or whatever. Something needs to be done.

• (1710)

In an attempt to assess the problem in my constituency, I discovered that many people like myself do not support capital punishment, although a great majority of them are in favour of it. I also talked to Ruth Ross, who is the widow of OPP Constable Jack Ross who was shot in Woodstock. While she is sympathetic to the possible need for capital punishment, she is also very sympathetic to changing our criminal justice system in this country.

Recently she was interviewed by the Woodstock *Sentinel-Review*, which is the daily paper in our constituency. It was a rather lengthy interview which was conducted only two weeks ago, on November 15. I have been attempting to arrange a meeting between Mrs. Ross and the Prime Minister (Mr. Mulroney) so that she could relate some of her feelings as a widow. As a matter of fact, the Primer of Ontario is also trying to arrange such an appointment for Mrs. Ross here in Ottawa.

The article states:

> Mrs. Ross said she would attempt to bring to Mulroney's attention an immediate need to tighten the country's parole system.

It goes on to quote Mrs. Ross as follows:

> "Nobody gives a thought about the victims (of serious crimes)", she said. "Serious crimes are happening every day".

Finally, it states:

> Mrs. Ross said she strongly believes hard-core criminals in Canada's penal system: "Will never be rehabilitated".

Nowhere in that article is there any mention of capital punishment. While she had some sympathy for those who want capital punishment when I talked to her, she saw no reason to raise it in this interview. This suggests to me that many Canadians are looking for alternatives to capital punishment. I suggest that the motion before the House today offers that kind of alternative. Let me outline the two objectives behind the establishment of such a maximum security prison. The primary objective, I suggest, would be the protection of society.

I believe that incarceration institutions in our society serve three main purposes. The first is to protect society. The second is to serve as a form of punishment, and the third, but not necessarily the last, is, hopefully, to assist in rehabilitating an inmate to become a good citizen in our society.

Let me deal with the first objective of protecting society. I briefly described the incident in Woodstock which has put the need for protection for society into perspective for people in my area. At the present time there are hardened criminals serving time in our institutions alongside those who are less inclined to have a criminal type of personality. However, due to the overcrowded conditions, they are exposed to hard-core prisoners when this should not be the case. The time has come for us to relieve the pressure of overcrowding in prisons while establishing a type of prison for habitual criminals or those sentenced to life that is located in a remote area, such as this motion provides for.

The second objective of this motion reflects the need to improve the criminal justice system in this country. Members are aware that we are currently unable to keep certain prisoners incarcerated once they have served their sentence. While there may be a good reason for that, the inadequacy of our present laws allows people to leave prison when we know they may commit further and usually more serious crime than the first offence.

The overcrowding also leads to unrest and an increased level of violence in the prisons. This is a deterrent to those prisoners who want to be rehabilitated, and we must find a better way than these special handling units for segregating these people. There should be another mechanism for segregating hardened criminals from those who want to learn to help themselves while at the same time providing the degree of protection that Canadians are seeking.

In the time I have remaining let me say a few words about the justification and feasibility of the concept behind this motion. I have suggested there is an urgent need to deal with this issue as a result of the unrest in our prisons and in our society owing to the number of homicides that we are witnessing today. There is also a need to show people that we are

concerned about what is happening. This concern could be expressed by the establishment of such an institution in a remote area, whether in the Northwest Territories or on a remote island. The reason for putting a prison in such an area is that the environment itself would act as a perimeter control. The Hon. Member for Western Arctic (Mr. Nickerson) could attest to the fact that if anyone escaped from a prison in the Northwest Territories he would either freeze to death in the winter or be eaten by bugs in the summer. If the prison is situated on a remote island, the same environmental control would exist by its very nature. Such a prison would allow us to segregate hardened criminals from those who are hoping to establish themselves back within society.

Another consideration for such a prison is its cost effectiveness. The amount of security required would be much less in a remote area than at Millhaven or prisons in other highly populated areas.

Another compelling argument is its humaneness. I doubt that there are five Members here who have gone inside a special handling unit in one of our maximum security prisons. Our committee examined the prisons of this country. A special handling unit is a cell that does not have a window and may have one light. There is not even a window in the door. It is a desperate situation for a human to be in.

Studies have shown that that sort of inhumane treatment can be avoided in these special type of prisons. Those prisoners have more opportunity to move freely. In fact, there are some cases in which there are colonies where families can live with these prisoners. At the same time society is protected from those who will be desperate if they get out again.

Let me close by dealing with something which I, as a private Member, believe to be almost even more important than the subject matter of this motion. It concerns the reason why I believe the Government should accept this motion today.

There are basically three reasons. Without a doubt, I think that all of us in the House, including the Government, agree that our criminal justice system is inadequate. I think this has been expressed by the Prime Minister and the Solicitor General. While they may have different approaches to the subject, they have acknowledged the need to study the criminal justice system.

We are now getting increased pressure from the public to make such a review. This is evident in my constituency and it is evident in the House from a number of private Members' Bills calling for a return to capital punishment.

I think it is time that Parliament did something to indicate our concern about what is happening in the criminal justice system and recognized the need to tighten certain aspects of it.

The second point I want to make, which I believe was alluded to by the Leaders of all Parties during the election, is the need for greater authority and recognition to be given to private Members in the House. It is time that private Members were listened to more often.

• (1720)

I can see no harm in allowing an innocuous motion like this that only calls for the study of the feasibility of doing something. It does not permit the Government to do anything except study something. If that kind of motion cannot be accepted, then I am concerned about the role of the private Member in this House.

Finally, if I may have half a minute more, let me say that in this motion we have an opportunity for this House and the Government, if it will accept and pass it, to study some alternatives to capital punishment, for example, the establishment of an institution in some remote area where the public of Canada will be protected.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am pleased to participate in this debate but I am somewhat concerned about the resolution. I recognize that the Hon. Member in his proposal is very sincere and that what he is advocating, in his own words, is only a study and there is no harm in doing a study. I am nevertheless worried about the signals put out by this kind of study which may result in the construction of something which is a crossbreed between Alcatraz and Siberia. It is something that frightens me as a Member. It signals that we are losing faith that we can ever rehabilitate prisoners. I am frankly very worried about that thought.

Another question comes to mind, and I see the Hon. Member for the Western Arctic (Mr. Nickerson) here in the House and he must be worried: Does this mean that if someone is undesirable to one section of the country, we can send him off to another part thus indicating that that part of the country is less worthy? Does this mean that if we choose an island, say in the riding of the Minister of Justice (Mr. Crosbie), Belle Isle or some other place, that that would indicate the same message for that part of the country or any other island or remote area? I am worried about doing anything that would be that kind of signal.

We have to think why we incarcerate people. Is it solely to punish them? If the answer is yes, then surely our penal system would look different from what it is today, not that it is the greatest right now, but I would suggest that if to incarcerate people is only to punish them, we would probably still be whipping prisoners, cutting off arms, and carrying out capital punishment. We have decided as a society that that is not what we want to do with human beings. We have decided that we do not want to put people away forever and throw away the key. Even contemplating such an idea would indicate that we are abandoning the hope of rehabilitating people and that we have decided life has no value for certain human beings. In my view and belief, that is very wrong.

One could say that I am a soft touch or that I have a bleeding heart, but I am of the view that there is no life not worth saving. There is value in each and every one of us. If there is such a value, as I believe there is, then we need not think any further whether or not this scheme is feasible or whether we should study it any further.

I say no to capital punishment. I say no to throwing away the key. I say no to any kinds of schemes with similar results. I say yes to reform of our penal system. I say there is a better way. But the ultimate objective of that better way is surely not to dispose of human beings, it is to make them more worthwhile. It is to make things more meaningful for them and eventually for all of society.

That is the extent of my remarks. They are brief but they are heartfelt. I do wish that all Members of this House would consider the signal and the objective of a resolution such as this.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, in rising to speak to the motion put forward by the Hon. Member for Oxford (Mr. Halliday), I want first to pay tribute to the Hon. Member for the outstanding record he has in this area. I have had the privilege of working with the Member as a member of the Justice Committee for the last five years. I know that before that time, my colleague, the former Member for New Westminster-Coquitlam, the former justice critic for my Party, Stuart Leggatt, worked very closely with the Hon. Member for Oxford and always spoke very highly of him.

In his capacity as justice critic, Mr. Leggatt had an opportunity to serve on the subcommittee on penitentiaries, which has already been referred to by the Hon. Member for Oxford. I think it is important in addressing the substance of the motion today that we examine the content of that subcommittee report and also look at what has happened to the report since it was tabled in 1977.

That report arose from the work of the unanimous and non-partisan work of a group of Members of Parliament who were appointed to look into conditions in the Canadian penitentiary system because of some very serious incidents of violence in the system. These incidents occurred in a variety of areas whether Kingston, Laval or other areas. The subcommittee found that the penitentiary system was in a state of crisis at the time they reported. The sub-committee said that unless its recommendations were acted upon and acted upon urgently, that state of crisis would continue.

I think the Member for Oxford has clearly documented the fact that unfortunately a succession of Solicitors General did not act upon those fundamental recommendations. I will mention Attorneys General as well. I refer to Attorneys General because surely one of the most fundamental recommendations made by that subcommittee was a recommendation that first and foremost in the Canadian criminal justice system we must look at alternatives to imprisonment. That recommendation has been shown to be so very true. The recommendation which that committee made six or seven years ago has been clearly brought out by the experience we have seen since that time. I deeply regret that governments, and I must say governments both Liberal and Conservative, have failed to respond to that very fundamental recommendation.

If we are going to be serious about reform of the criminal justice system and reform of the penal system, we must recognize that our prisons are far too crowded. There are literally thousands of people in the Canadian prison system. Instead of serving time behind walls, they should be repaying their debt to society in other non-custodial ways. There are many reasons for that. One can look solely at it from an economic perspective and note that last year the statistics show that in the most recent year for which there were comprehensive statistics, that is 1980 to 1981, governments collectively spent some $845 million on the delivery of adult correctional services.

What is the comparative cost of imprisonment as opposed to non-custodial forms of supervision, community supervision, for example? The per capita cost to Canadians was nine times as high for imprisonment as it was for non-custodial forms of supervision. These alternatives to imprisonment could include fine options, fines geared to income, and community work service. Instead of the community being required to pay some $40,000 to $50,000 per year to incarcerate an individual, he is repaying his debt to society. It can include restitution to the victim of the crime.

• (1730)

There are a variety of other options to imprisonment. We have seen in the country partly as a result of the mandatory 25-year provisions, the compromise made at the time of the debate on capital punishment, prisons which are rapidly becoming overcrowded institutions; indeed, they already are far too crowded. We will have to come to grips with the reality that 25-year minimum sentences will have to be re-examined. If they are not, I predict that we will see serious problems in the very near future.

Overcrowding has a devastating impact on the prison system. We have already looked at the implications of double-bunking within the prison system. We have seen a dramatic rise in violence within the prison system over the last couple of years, whether it be suicides, violence by prisoner against prisoner or indeed violence by prisoner against guard. We have seen the tragedy of Archambault where a number of guards were killed. The level of that violence will surely increase unless we in this Parliament come to grips with the fact that the prison system in Canada has failed.

In the future, in 10 or 20 or 30 years, Canadians will look back on the prison system as one of the most dramatic failures in the criminal justice system. We will ask ourselves as citizens how it was that we could possibly tolerate a system which so demonstrably failed to meet its objectives. We know all too well that there is no serious attempt to rehabilitate in many institutions.

Another critical recommendation of the subcommittee was that there should be meaningful opportunities for work in institutions. I believe a national prison industries program was suggested. That recommendation has not been implemented by a succession of governments. Instead of incarcerating people for lengthy terms without any possibility of rehabilitation, we should be looking at the opportunity for meaningful and effective work for people who are in fact imprisoned.

The motion before the House arises as a result of the recommendations of the subcommittee on penitentiaries in 1977. Indeed it is similar to—although it is not in the same terms—recommendation 63 of the subcommittee. I have listened with great interest to the comments of the Hon. Member for Oxford and of the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) on this motion. I think a number of very important concerns were raised. In proposing the adoption of this motion, I believe the Hon. Member for Oxford said that there were two primary motives. One was the protection of society, and the second was the need to improve the criminal justice ssytem. I do not think any Member of the House would disagree with those being fundamental objectives of the criminal justice system and the penal system in the country.

We have to ask ourselves carefully whether the implementation of this motion would achieve those objectives and, if so, what would be the other implications of the motion. One of the concerns I would raise with respect to the motion and the way in which it is framed—and I know the Hon. Member is aware of this—is that in many instances prisoners sentenced to terms of life imprisonment are in fact the least disruptive or the best prisoners, in a sense, within institutions. I have consistently heard from guards, wardens and indeed other prisoners that lifers recognize that they have a term of life imprisonment. Life means life. There are many misconceptions about that. It means that after a certain term of years one is eligible for parole. That is all it means—eligible for parole. In most cases these people simply want to do their time quietly and without causing disruption in the institution. It is some of the other elements in prison—at Kent Institution, for example, the elements they call the bikers, the punks and people serving terms of shorter duration for break and enter and crimes of that nature—who have tended to be more involved in violent and disruptive acts within institutions.

To suggest that those people who are sentenced to life imprisonment might pose a greater threat to society—I do not accept that the evidence bears that out. If we are talking about the protection of society, I believe those people are serving their terms within maximum security institutions. I do not think that moving lifers to another part of the country, whether it is the Northwest Territories—and I am sure we will hear a word or two on that suggestion from the Hon. Member for Western Arctic (Mr. Nickerson)—or another area, will result in enhanced security to the community. By and large they are not the people who would pose a threat to the community in the institutions in which they are presently located.

What about the second objective, the need to improve the criminal justice system? Will this in fact achieve that objective? I have some serious concerns about that. In effect, we are banishing these individuals to a term of imprisonment in a remote area. Having said that, I recognize the intent of the Hon. Member's motion. I think the intent is worthwhile. I believe it is that in that kind of environment the opportunity would be greater for the individual not to have such a restrictive environment.

The Hon. Member asked how many Members of the House have actually been inside a cell in a special handling unit. I have certainly visited special handling units. They are inhumane and degrading institutions which I do not think play any part in a civilized criminal justice system. The motive of the Hon. Member in seeking to replace those institutions, those wings or those special handling units, with another type of institution is good. I share the concern which he has expressed with respect to those institutions. However, I wonder whether we are in fact adopting the correct approach by substituting banishment to a remote area for those admittedly defective institutions.

As well, I wonder about the implications in terms of support networks for prisoners. Even though they may be serving terms of life imprisonment, there is an opportunity for some of them—and we do not know how many—to be released on parole at some point. If they are to be released, surely the kind of support networks which are essential for release must be present. They must have a network which is not literally thousands of miles away but which is closer, whether it be family, friends or an opportunity for half-way houses. I suppose the Hon. Member might argue that individuals in that category could presumably be transferred closer to their families and closer to the communities in which they would ultimately live. I would certainly want to see that element studied carefully before such a proposal were to be adopted.

Ultimately, I believe that what the Hon. Member is seeking is not unreasonable. He is seeking an assurance that in dealing with the small number of prisoners within the federal system who are presumably designated by institutions—and in some cases presumably voluntarily—as people who will likely be serving lengthy sentences, those sentences should be served in the most humane manner possible. I remind Hon. Members of the House that the sentence is to deprivation of liberty. So often we forget that that is the sentence, that we should not be going beyond that and depriving prisoners of their other human rights as well.

Let me say in closing that the motion calls upon the Government to study this question. That is very much in keeping with the suggestion of the subcommittee on penitentiaries in 1977. As long as it is clearly understood that what we are seeking is a study and that many of the questions which have been raised with respect to this proposal will be addressed, I certainly think that such a study would be appropriate. I do not belive that it should in any way be construed as the first and most important priority in the criminal justice system, but in so far as it attempts to deal with the problem, which is a serious problem, it is worthy of support.

• (1740)

[*Translation*]

Mrs. Lise Bourgault (Argenteuil-Papineau): Mr. Speaker, I am very pleased with this opportunity to speak to the motion, but first of all, I wish to thank the Hon. Member for Oxford (Mr. Halliday) for drawing the attention of the House to the problem of prison inmates with long-term sentences, including

those sentenced to life imprisonment. My government is aware that this particular group of inmates, whose numbers are growing, is becoming a difficult issue for Canada's Correctional Service and for the penal system in general. Although the problems are complex, they are not always clearly defined, and as a result, they will not be as easy to solve as the motion may lead us to believe.

Of course, long-term offenders and those sentenced to life imprisonment have always been a part of prison populations, in Canada and the rest of the world. However, since they were incarcerated, they have never been deemed to be a specific risk or particularly dangerous. On the contrary, Correctional Service authorities have found that in their experience, "lifers", as they are commonly referred to, are among the most settled and stable elements of the prison population. In fact, it is often said they have a stabilizing effect on younger and less mature inmates.

Mr. Speaker, exhaustive studies conducted both in Canada and abroad have regularly demonstrated that the conditional release of inmates sentenced to life imprisonment involves very little risk. Recently, the National Parole Board published the results of a study which followed the progress of 308 paroled lifers for twelve years, from 1970 to 1981.

Mr. Robinson: Mr. Speaker, on a point of order.

The Acting Speaker (Mr. Paproski): The Hon. Member for Burnaby, on a point of order.

Mr. Robinson: Mr. Speaker, I apologize for interrupting the Hon. Member but I would like some clarification. I realize the Hon. Member is new to the House, but nevertheless I believe there are rules about reading speeches. I know we are allowed to use notes, but I think this should be pointed out, Mr. Speaker. I do realize the Hon. Member is new—

[*English*]

The Acting Speaker (Mr. Paproski): I appreciate the fact that the Hon. Member is a new Member. She is looking at some notes to get her speech in order.

[*Translation*]

Mrs. Bourgault: Mr. Speaker, as I was saying, the study showed that out of 308 lifers given full parole for the first time, only 20 per cent were incarcerated again for committing new offences, none of which involved any loss of life. The failure rate was only 6.5 per cent, less than half the average rate of 15 per cent.

These conclusions do not diminish the seriousness of the crimes of which these individuals were convicted, nor do they question the appropriateness of the severe sentences they were given. However, they do indicate it may not be advisable to earmark what would probably be very considerable sums of money for the construction of maximum security penitentiaries in remote areas, specifically for this group of inmates.

With respect to the small minority in that group of exceptionally dangerous inmates, the Correctional Service has very appropriate means to control their behaviour. Canada's maximum security institutions are second to none in the world. Using modern technology, the Correctional Service has improved or will soon improve security around the main institutions. In addition, the establishment of special detention units is one more way to isolate and control the more violent inmates in an institution.

Even though it is not urgent at this time to take special security measures concerning lifers and other inmates serving long sentences, the Solicitor General's department remains concerned about their particular needs and the problems they cause.

The question of long jail sentences was the focus of attention in 1976 after the adoption of Criminal code amendments and the introduction of the concept of first- and second-degree murder.

As Hon. Members surely know, first degree murder now results in a mandatory life sentence, with the possibility of parole after 25 years.

As to second-degree murder, it also calls for a life sentence, but in that case the inmate may be paroled after a minimum of ten years, although the courts can raise that minimum to 25 years.

Mr. Speaker, such lengthy jail sentences have given a new dimension to the correctional system. Before that, an inmate would seldom serve that much time behind bars. It seems that those sentences might have a new impact on both the inmate population and the correctional system.

Some people have been wondering whether long sentences might not make inmates desperate and more dangerous since they would conclude that since they have nothing to lose, they can resort to violence in the institution or even attempt to escape. Fortunately, I can say with confidence that, so far, nothing has given currency to that belief.

On the other hand, some people fear that such harsh sentences, whether they are served by lifers or by inmates with long sentences of limited duration, might have demoralizing consequences on prisoners on the psychological, social and even physical levels. That issue has been under consideration and research is continuing, although the findings so far are equivocal: although they do not dismiss the possibility of demoralizing consequences, they do not confirm that they are inevitable, nor do they predict their exact nature.

We are therefore faced with many important questions which still remain answered about the nature of the problems these inmates will have to face in the prison system. These questions will become increasingly relevant as the number of prisoners, especially lifers, increases as it certainly will. Since it is inevitable that the number of lifers will increase, our

prisons should house at least 2,000 murderers in the first degree by the year 2000.

The Government, and especially the Solicitor General, is considering these issues actively as well as some initiatives which would solve problems before they occur. Special establishments with limited access and high security or simply specialized correctional facilities, are among the options available. We shall continue to examine schemes such as those mentioned in the motion, but for the moment, we are far from being in agreement about the merit of such an approach.

The Department of the Solicitor General has created a departmental committee on lengthy incarceration made up of representatives of the Correctional Service Canada, the National Parole Board, as well as the Research and Corrections Policy Divisions of the Ministry Secretariat. This committee must consider every operational alternative. In addition, it coordinates the extremely varied activities of the Department with a view to studying the problems facing this group of inmates and to take the necessary action to prevent and solve these problems. The committee will publish, in the very near future in fact, its first working paper which for the first time will give out information on this group of inmates and which will be used to develop the necessary guidelines and programs. I also wish to draw the attention of Hon. Members to the October 1984 issue of the Canadian Criminology Review. That special issue deals exclusively with present research on long-term imprisonment. It reflects the interest generated by the review the Solicitor General initiated. The articles and studies in that periodical provide useful information on that very important matter and remind us that we have still much to learn.

In the Department of the Solicitor General, research is made on various important points, namely the adjustment of prisoners to long sentences, their behaviour in jail, the problems they face, the difficulties met by institutions which must make proper programs available to lifers and possible housing alternatives within institutions and special facilities.

Mr. Speaker, as a result of those efforts, steps will be taken to continue to protect the public, and the staff and prisoners in Canadian penitentiaries. If special facilities such as those mentioned in the motion or any other kind of institution are felt to be necessary, action will be taken in due time, but that time has not come yet.

I suggest that this interesting proposal put forward by the Hon. Member be considered as an alternative by the government. Considering the research and the high costs involved by such a proposal, it should not be considered offhand as the only alternative available.

• (1750)

[*English*]

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, my comments will be brief because I understand that a gentleman from the other side of the House also wishes to speak on this issue. I would like to thank the Hon. Member for Oxford (Mr. Halliday) for bringing this very interesting idea forward once again. As he said in his introduction, it is not something new.

I think the difficulty that we have in putting something like this into operation is that it entails a radical change in thinking. The traditional Canadian point of view was expressed very well by the Hon. Member for Burnaby (Mr. Robinson). Had we in Canada the same type of penal traditions as exist for instance in the U.S.S.R., our attitude might be different and we would not have these half-studies that recommend that the thing be put on the back burner for a while.

Apart from that mind-set, there are some other difficulties with this idea. One of those difficulties is the issue of costs. There is a very small local jail in Frobisher Bay. I believe it costs something like $150 a day to keep someone in that minimum security facility. There are many transportation costs involved in taking prisoners and staff back and forth. There is the cost of heating to be borne if we are to keep prisoners in the manner to which they have become accustomed in southern Canada. Another difficulty that is encountered is the matter of staff. If there were to be a facility in a very remote location, presumably we would have to take staff in for a week and then back out for a week.

Whenever a penitentiary is proposed for a certain location, whether it be in southern or northern Canada, the natural reaction of the local population is to say: 'No, we do not want all these guys in our community'. The initial reaction to this idea in the Territories is not in any way any different from the reactions in southern Canada. When some thought is given to the matter in a little more detail, as has happened in a couple of communities, the attitude changes somewhat. What I would really like to do is to put on the record the requests made by a couple of communities in my constituency that are actively looking at the idea of soliciting a federal penitentiary for their areas.

The first such town is Fort Smith in which there already is a territorial jail for females and a facility for young offenders. The people of Fort Smith have the support base in that there is a college there and the area is semi-remote. They do have a daily jet service and there is a road that goes to Fort Smith, so we are not faced with the difficulties of a very remote location. If the population could be assured that such a facility would be a secure facility, they would likely welcome the idea. As I said before, they are accustomed to penal institutions and there is a very small economic base in the community. They would like to encourage that type of thing.

The second location that has expressed an interest in having a federal penitentiary is the Town of Pine Point. The Chamber of Commerce, under the presidency of a gentleman by the name of Mr. Ward Lynds, to whom I was speaking only a few days ago, is actively pursuing the idea and would like it to be discussed by the municipal authorities so that it will eventually have the support of the entire community. That is another location which is what might be called semi-remote. The local

Chamber of Commerce presents a very good argument as to why a federal penitentiary should be built in that location.

In order to allow my friend on the opposite side to make a few concluding remarks, Mr. Speaker, I will thank you for the opportunity to make my views known and will resume my seat.

Mr. John V. Nunziata (York South-Weston): Mr. Speaker, if I may, I will begin by applauding the Hon. Member who moved the motion for his position on capital punishment. I appreciate that the intent behind his motion is to find an alternative to capital punishment. I would like to state for the record that I am unequivocally opposed to capital punishment and I share my friend's concerns with respect to the inevitability of the return of capital punishment if the matter is brought before this House again. In fact, I fear that if the matter were voted upon in this House, the motion would carry. Accordingly, I think we ought to do everything possible to find some alternative to capital punishment.

There is no question in my mind that it will be a very sad day indeed for this nation if capital punishment is returned to the law books of the country. It will set our country back and will indicate to the world that we are returning to the law of the jungle and that this country is uncivilized, indecent and inhumane. I certainly urge Hon. Members to give it some very lengthy thought before they speak quickly and advocate the return of capital punishment.

The Hon. Member is suggesting that a penal institution be established in a remote area of the country. I have some serious difficulties with respect to the Hon. Member's logic, although I do not for one moment question his sincerity. On the one hand, he speaks of the protection of society and the rehabilitation of inmates. I cannot imagine how a penal colony in some remote portion of the country will assist in the rehabilitation of an inmate who is serving a lengthy sentence of life imprisonment. I agree whole heartedly with my colleague, the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), who says that life is sacred. Human life is sacred, and to banish semone to a penal colony would eliminate any hope that that person might have of some day resuming his or her law-abiding life.

I do not quarrel with the spirit of the Hon. Member's motion but, once again, I have very serious difficulties with respect to its logic. The Government ought first to determine what is the purpose of incarceration. It seems to me that the paramount purpose of incarceration is the protection of society. The second purpose of incarceration is the rehabilitation of the inmate.

I see, Mr. Speaker, that the time has expired. I would urge Hon. Members not to support the motion.

The Acting Speaker (Mr. Paproski): Order. The hour provided for the consideration of Private Members' Business has now expired.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

RESEARCH—PROPOSED TOXICOLOGY CENTRE PROJECT. (B) CONSULTATION QUERY

Mr. Maurice Foster (Algoma): Mr. Speaker, on November 26 I put a question to the Minister of the Environment (Mrs. Blais-Grenier) concerning the decision of the Minister of Finance (Mr. Wilson), announced in his Economic Statement, to cancel the construction of the Toxicology Centre at the University of Guelph and the University of Toronto. I asked the Minister why the centre, which is so important to the development of new information, research in toxicology and to the training of people in Canada would be cancelled by the Government.

This centre has been in the making for some ten years. A sub-committee of the National Research Council and an associated committee on toxicology have been working for ten years to put together an independent centre which was to be jointly sponsored by the federal Government, the provincial Government and industry.

In responding to my question, the Minister indicated that the cost of the centre had gone from $32 million to $50 million. She suggested that it was a capital cost, and that it was the federal Government's cost. In fact, those figures are not correct. The cost to the federal Government was to be $16 million, $10 million for capital and $6 million for operational costs, and the same cost would apply to the Province. Private industry was to provide $3 million for capital cost and $5 million over a five-year period. The actual capital costs are estimated to be between $20 million and $23 million. Those figures have remained fairly constant. It was to be a centre of excellence for toxicology research and training. It was associated with two universities in order that post-graduate degrees in toxicology could be provided.

There is massive concern in the population with respect to toxicology and toxins associated with cancer. Dr. Emmanual Farber, Chairman of the Board at the University of Toronto Toxicology Centre, is a pathologist in cancer research. When we turn on our television sets we are informed about concern with insecticides and with toxic chemicals in the Niagara River. The Government had a chance to spend $10 million in capital and $6 million in operating costs over a five-year period and, together with industry, the province and two universities, would have made a world-class facility. It is simply criminal that the Government took this decision.

The most disturbing part is that the Minister obviously had not read her briefing notes and had no idea about the whole project. The figures she used were erroneous. If the figures are

not right, then we can question whether the Minister really tried to fight for the institution. It was not only a federal decision, it involved the Province, universities and the private sector. The Government talks blithely about involving the private sector. The private sector was willing to provide substantial funds for this project. We must wonder whether the Minister knew about the project.

We note daily on our television sets concerns regarding toxins in health, consumer products, industry and manufacturing. The Minister suggested that $700,000 was being spent on research into toxicology. The people I talked to at the University of Guelph said that they would be surprised if there was even 10 per cent of that amount. There may be $700,000 in research but certainly not $700,000 a year for research into toxicology.

• (1805)

This Government blithely talks about consultation. I defy the Minister to say there was consultation with the University of Guelph, the University of Toronto, the Province of Ontario or private industry before the Minister of Finance (Mr. Wilson) stood in his place and cancelled this institution. There simply was no consultation.

When we combine the cut-backs in the Canadian Wildlife Service and the cut-backs in monitoring of toxins in Lake Ontario and other places, Mr. Speaker, we see a government which is not dedicated to preserving the environment. Certainly it is not interested in the development of the University of Guelph or the University of Toronto in that regard. It is certainly not a friend of those universities or the City of Guelph in this whole matter because there were some 160 jobs involved in this project over the long haul. I just hope the Minister will reconsider this action and re-establish this institution.

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I welcome this opportunity of responding to the Hon. Member opposite. I stand by the figures I have indicated to this House these last few days, and here are additional data that certainly should be of interest to my hon. colleague.

In its 1982 study of federal programs on toxic chemicals, the Treasury Board made known the following facts: During the fiscal year 1981-82, more than 2,600 person-years and $143 million were committed, of which 450 person-years and $20 million were for research purposes.

Twenty four government departments have undertaken research work on toxic chemicals in compliance with 58 acts of Parliament.

One item that was criticized by the study was the lack of an overall, consistent program in that area. There was concern among other things about work duplication, and apparently no overall policy or priority had been developed in that respect.

Major recommendations were made in that study, namely the need for a consistent, coordinated and efficient harmonization of efforts, through the establishment of a Canadian inter-departmental committee on toxic chemicals.

Clearly, Mr. Speaker, this Government has absolutely no intention of withdrawing from or relinquishing its important role in the area of studies and research on toxic chemicals.

But again let me say that the $16 million the Canadian Government would have invested in the building of the Guelph Centre were indeed millions of dollars that would have been going into construction work rather than into actual research activities.

Therefore, it is false to suggest that Canadian research and expertise on toxic chemicals are reduced by such a cut. Quite the opposite, we are still increasing our funding for the building of such expert research facilities, and we are committed to increasing that research expertise on toxic chemicals, despite the difficulties resulting from the current economic situation.

In my view, Mr. Speaker, there should be an end to all that ideological nonsense with respect to that matter, and there should also be an end to the efforts to scare Canadians into believing this is being curtailed.

• (1810)

NATIONAL PARKS—EMPLOYMENT AT KOUCHIBOUGUAC NATIONAL PARK, N.B. (B) INQUIRY CONCERNING EMPLOYMENT FOR LAID-OFF WORKERS

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, my question on November 16 of this year was directed to the Hon. Minister of the Environment and concerned employment at Kouchibouguac National Park.

The Park's history goes back several years, when, in order to create the park, it was necessary to expropriate some 200 families, and subsequently force them to move. Mr. Speaker, this was not a very happy time in our history. Of course, compensation was received for loss of property and for moving expenses, but more important, promises were made and especially a commitment that things would improve. Commitment is the key word here. A commitment was made to create jobs for these people who had been forced to move out. Since then we have been able to employ about 200 people every year, and I am referring to seasonal workers, not to the government employees responsible for park administration. Seasonal employees are mostly engaged in various construction projects such as walkways to the beaches, nature paths, camping and picnic areas, ski huts, and so forth.

Much remains to be done. Work on park facilities is still going on. In fact, we could employ about 200 seasonal workers for several years more, and seasonal jobs are very much in demand. Kouchibouguac National Park is the main employer in this area and has been for some time.

Since work on the park was started, some 200 families have depended on this seasonal work. But now, all of a sudden, the Hon. Minister of Finance (Mr. Wilson) is announcing cutbacks that will affect the work on facilities in national parks.

When I asked the Hon. Minister of the Environment how these cutbacks would affect the people in my riding, I was told that not only will seasonal workers be affected but also that her Department intends to cut 305 person-years in the Department itself. I was also told that seven people in my riding will be losing their jobs, and I am referring to people working for the Canadian Wildlife Service in Sackville, but I will get back to that later. I must say the people in my riding are getting a pretty rough deal!

To get back to the jobs in the National Park, I am very disappointed with the Minister's reply. If the Government persists in cutting these jobs, it will be putting these families in a very difficult, not to say untenable situation, but it will also mean failure to meet commitments made to these people, commitments we have met since the Park's inception. No other sector in our economy can provide jobs for these people if they are not rehired. Even if the Hon. Minister claims that her Department's prime objective is not to create jobs, I would urge the Minister to review her position on cutbacks in national parks.

The commitment made by the Government to the people of Kouchibouguac, a commitment to maintain employment levels, must be met. Mr. Speaker, in doing so, the Hon. Minister would be keeping a promise made during the election campaign, which was to create thousands of jobs.

• (1815)

Hon. Suzanne Blais-Grenier (Minister of the Environment): In answer to my colleague, Mr. Speaker, I believe that the first election promise we must keep is to reduce the huge deficit we are carrying and which will weigh heavily on our children and all future generations. We are going to have to tighten our belts to balance the budget and everybody will feel the pinch. I am sure that some people in the riding of my colleague will also have to suffer.

As far as the Kouchibouguac Park is concerned, we have actually spent more than $25 million to develop, maintain and operate the park since it was first opened 15 years ago. At this point in time, most of the development projects have been completed. Sure enough, lots of jobs were available last year at Kouchibouguac, but they did not have anything to do with environment programs. For instance, they were created under Unemployment Insurance Act Section 38, the Environment 2000 program—a pilot project which has now ended—Canada Works and the summer employment program.

My department now expects to open up 73 jobs in the Kouchibouguac Park next summer, 56 fewer than last year. But other jobs will be available under job creation programs as they are announced. My colleague the Minister of Employment and Immigration (Miss MacDonald) has already announced that funds have been set aside for job creation, and I am sure that some of that money will be spent in the riding of the Hon. Member.

[*English*]

CHILDREN—SEXUAL ABUSE—BADGLEY COMMISSION RECOMMENDATIONS. (B) GOVERNMENT POSITION

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I am pleased to rise on this occasion to follow up on questions I raised with the Minister of Justice (Mr. Crosbie) and the Prime Minister (Mr. Mulroney) on November 8 with respect to the implementation of the recommendations of the Badgley Report on the sexual abuse of children.

The Badgley Commission was appointed in December of 1980. The report which was released in August of 1984, after over three years of study, documented what was unquestionably a national tragedy. Unfortunately, it is a national tragedy in which the victims are too often silent and traumatized.

The terms of reference of the Badgley Commission were to document the extend of child sexual abuse and recommend how young victims could be better protected; to consider how juvenile prostitution could be prevented and to determine the extent of the making of child pornography. After very extensive research, the committee came up with some very disturbing findings. I would like to take a couple of minutes to document the most serious of those findings.

For example, the committee found that at some time during their lives, about one in two females and one in three males have been victims of one or more unwanted sexual acts. These acts included being exposed to, being sexually threatened, being touched on a sexual part of the body and attempts to assault or being sexually assaulted. About four in five of these unwanted sexual acts have been first committed against these persons when they were children or youths. Four in 100 young females have been raped. Two in 100 young persons have experienced attempts or actual acts on unwanted anal penetration by a penis or by means of objects or fingers.

Acts of exposure constituted the largest single category of sexual offences committed against children. Cases were documented where such acts were followed by sexual assault.

The other major findings included the fact that three in five sexually abused children had also been threatened or physically coerced by their assailants. Young victims are as likely to be threatened or forced to engage in sexual acts by persons relatively close in age as by older persons.

A few young victims were physically injured but substantially more suffered emotional harm or trauma. About one in four of the assailants was a family member or a person in a position of trust. About half were friends or acquaintances and about one in six was a stranger. Virtually all of the assailants were males while one in 100 were female.

The final major report was that over two in five of all sexual assault homocides are committed against children 15 and younger. Children are the victims of three in four convicted

sexual offenders found to be dangerous on sentencing by the courts.

• (1820)

This is a shocking report in the extent to which it documents child and sexual abuse in Canada. It is a 1,300 page indictment of governments, both provincial and federal, for having failed to respond to what is clearly a national tragedy.

It is particularly appropriate as we approach the international year of youth that this government be called upon to make a commitment, a commitment to Canada's young people, that this problem, this crisis of child sexual abuse will be dealt with, and dealt with in a serious and responsible way. The extent and scope of the problem has been clearly and eloquently documented by the Badgley Commission. They have made a number of recommendations which touch on both provincial and federal jurisdictions, Mr. Speaker.

I was most disappointed to note that the Throne Speech made no reference whatsoever to the report of the Badgley Commission on Child Sexual Abuse. I can only hope that the rather more general commitment in the Throne Speech to assistance to victims of family violence will also include immediate attention to the victims of child sexual abuse.

One of the most urgent recommendations of the Badgley Commission Report is the establishment of the office of a special commissioner who would report directly to the Prime Minister. Similar offices have been created in response to concerns in the areas of human rights and the status of women. The Government of Canada has established special bodies to respond to concerns in that area. The Badgley Commission Report recommended that the Government of Canada should establish an office of the commissioner reporting directly to the office of the Prime Minister which could be assigned the authority to review the many recommendations of the Badgley Commission Report, and basically serve as an agency which would initiate and co-ordinate the reforms which are called for at the federal level, and also ensure that both provincial governments and municipal governments respond as is appropriate.

In response to my question, the Minister of Justice indicating that he would be meeting with his colleagues at the provincial level in St. John's, I believe, on November 23, and meet they did. Arising from that meeting with his colleagues there was no reference whatever in the communique, certainly no public reference, to the very serious problems which were documented by the report of the Badgley Commission.

I hope the Parliamentary Secretary to the Minister of Justice and Attorney General of Canada (Mr. Speyer) will rise and give the House some indication of what the response will be of the Government both to these recommendations and the urgent recommendation with respect to the establishment of an office of the commissioner to co-ordinate the Government's response at the federal level.

This report cries out for action, and action now. There are no children in the House of Commons, but we have a special trust and a special obligation to speak on their behalf, Mr. Speaker.

Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, the Committee on Sexual Offences Against Children carried out a great deal of work in preparing its report which, as the Hon. Member indicated, was published on August 22, 1984. The committee was chaired by Dr. Badgley of Toronto. In fulfilling its mandate it met with concerned groups and received over 250 written submissions, as well as conducting a research program which included national surveys on sexual child abuse. I do not think the Hon. Member for Burnaby (Mr. Robinson) overstates the case when he says the report is highly disturbing to anybody with any sensitivity.

Given the multi-faced dimensions of its terms of reference, this inquiry required contributions and co-operation with the provinces, with the municipalities in the legal and social fields.

The Hon. Member for Burnaby asked what we are going to do; what this Government plans to do about the problem and the recommendations submitted to the Committee? The answer is relatively simple. The Government is going to take steps to deal with the problem and to make Canada a safer country for children. But effective changes involving many disciplines and requiring close co-operation of the three levels of government cannot take place overnight, as desirable as that may be.

For example, consider the total number of recommendations made by the committee. There are a total of 52 recommendations, of which at least 30 call for a potential federal legislative response. Changes to the Criminal Code and to the Canada Evidence Act are the responsibility of the Minister of Justice. Before these can be acted upon, it will be necessary to review each proposed change with the provinces, the Crown prosecutors' office, the defence bar and the police community. Action will be forthcoming. It will be forthcoming promptly.

• (1825)

Several recommendations call for the strengthening of services to children. While most of these require provincial leadership, in the case of victim compensation there is a clear overlap into federal jurisdiction. It is imperative to recognize that implementation of these recommendations is a complex undertaking. With this fact in mind, a number of steps have already been undertaken in relation to the committee's findings.

The Departments of Justice and National Health and Welfare, the Ministries of the Solicitor General and Secretary of State, and Status of Women of Canada have formed an interdepartmental committee to co-ordinate the federal work. Officials of my Department consulted with the Canadian Council on Children and Youth in August, and a national consultation day in association with the Fifth International Congress on Child Abuse was held in Montreal in September. The response of non-governmental child care organizations in

the provinces is being followed up by officials in the Department of Justice. Many other actions are being taken.

Essentially the Member's point is correct. Badgley and his recommendations deserve to be treated swiftly. It is an incredibly disturbing report, and I recommend that all Members do read it.

Adjournment Debate

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

At 6.26 the House adjourned.

HOUSE OF COMMONS

Friday, November 30, 1984

The House met at 11 a.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

THE ECONOMY

PRINCIPLE OF UNIVERSALITY—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, speaking on behalf of the people of Laval-des-Rapides, I wish to express before the House my indignation about some comments made by the Minister of Finance (Mr. Wilson) before members of the National Editors and Writers Society in Toronto last week. According to reports, the Minister of Finance asked the media to apply restraint in their articles on the Government's intentions to cut back social programs, so as to avoid creating a panic among recipients of family allowance and old age security payments.

Is the Minister now going to ask the media not to publish information on cutbacks in equalization payments so as not to create panic among provinces receiving such payments? If the information media and even parliamentarians no longer have a right to comment on the Government's policies, I wonder what kind of information the public will receive. Not the press but the Progressive Conservative Government decided to make cutbacks in social programs. It is clear that the Government wants to tamper, either directly or indirectly, with the universality of social programs, but it would prefer to keep it a secret.

• (1105)

If the Minister of Finance wants to reassure Canadians and allay the very real fears he raised among those benefiting from social programs, all he has to do is say publicly, and say it now, that universality will be fully maintained and that the Government does not intend to tax all benefits received, and then Canadians will breathe easier. Then there will be no question of creating panic among senior citizens and other beneficiaries of social programs, and the media will be able to do their work unhindered.

[*English*]

UNEMPLOYMENT INSURANCE

PLEA ON BEHALF OF LAID-OFF WORKERS IN BARRIE, ONT.

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I rise to draw to the attention of the House an unfortunate situation which must be reviewed if the unemployment insurance system is to be considered fair and just to all workers. I refer to reports that the Commission's office in Barrie, Ontario, intends to appeal decisions of the local board referees interpreting the vacation pay, lay-off notices and unemployment insurance provisions in favour of the workers at Black and Decker.

The Liberals put into place a system and a mind set which consistently denied fair interpretations without the realization of a basic fact, that when a plant closes down completely it is not a case of a worker trying to beat the system but a case where the system must start working for the worker.

That same nonsense occurred in Midland, Ontario, when the RCA plant closed in 1982.

I ask the Minister of Employment and Immigration (Miss MacDonald) who, the House knows, dislikes technicalities which persecute the unfortunate, to have her officials investigate this fully before the Government takes any further appeal procedures.

I also ask the Minister, who, I know, is concerned about the shambles in which the Liberals left the system, to consider a complete review of the vacation pay, lay-off notices and unemployment insurance provisions.

* * *

CANADA LABOUR CODE

DELAY IN PROCLAIMING HEALTH AND SAFETY REGULATIONS—IMPACT ON PUBLIC SERVANTS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I rise to express concern on behalf of 250,000 employees of the Government of Canada over the Government's decision to delay the proclamation of the health and safety provisions of the Canada Labour Code until March or June of 1986. This decision will have the effect of continuing to deprive these public employees of any legislative health and safety protection. I am particularly concerned because even 1986 is not given as a firm date.

These employees were to have been brought under the Code, according to the amendments. I believe that the delay is a breach of faith by a Government which promised consultation

and co-operation when it was campaigning to become the Government last summer.

The present situation is a grace and favour relationship in which less than 10 per cent of federal employees, I am told, have an effectively working health and safety committee, because of the refusal of the Government and the Treasury Board, as the employer, to implement a decent system of health and safety.

In regard to its own employees, I suggest the Government should be a model of progress and not a model of looking to the past. The current situation has proven that a voluntary system from the Government is not workable, and when all Parties agreed last June and endorsed Part IV of the Canada Labour Code that would give this protection to federal employees, it is wrong for the Government to delay its proclamation.

I call on the Minister of Labour (Mr. McKnight) and the Government either to proclaim the protection now—

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

* * *

STATUS OF WOMEN

ROLE OF WOMEN IN THIRD WORLD DEVELOPMENT

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, in 1975 the United Nations officially opened the International Decade for Women by highlighting the problems of women in the Third World. Unfortunately, as the decade draws to a close, many of the problems persist.

An area of particular importance is the role of women in development. If effective and lasting development is to take place in the Third World, women must be integrated into the process. For example, many African agricultural training projects fail, simply because they focus on men, ignoring the fact that women do 70 per cent of the agricultural work. In addition, while two-thirds of the world's 800 million illiterate are women, women are often left out of literacy training programs. This can no longer go on if proper and dynamic development is to take place.

Fortunately, some positive steps have been taken. The OECD has established guidelines that strongly remind member agencies to treat women in development as the major issue. In Canada, CIDA and Match International have also played a significant role in encouraging development initiatives by women.

Progress has been made, but the problems of women in development, and indeed the problems of development as a whole, if not dealt with more effectively, will be with us long after the decade of women is over.

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

AGRICULTURE

IMPORTATION OF BEEF FROM DENMARK AND IRELAND—EFFECT ON CANADIAN FARMERS

Mr. Maurice Foster (Algoma): Mr. Speaker, this fall, millions and millions of pounds of subsidized beef have been dumped on the Canadian market by countries in the European Economic Community, such as Denmark and Ireland. Over 45 million pounds of beef, subsidized up to 50 cents a pound, are driving down the price that our Canadian beef producers receive for their product.

• (1110)

The Government promised in the election campaign "an effective fast track tariff policy, so that responsive action could be taken to protect producers by imposing import restrictions when necessary". Yet today, Mr. Speaker, there is not a single piece of legislation to implement this election promise or any other Tory election promise for agriculture, on the Order Paper of this House.

A recent report of the Farm Credit Corporation showed that 39,000 farmers across Canada are under serious financial stress this winter due to low commodity prices, and 1,700 are actually facing total financial collapse. Mr. Speaker, the Government was elected three months ago but has still not taken action to stop this dumping of subsidized beef by the European Economic Community countries. The Government must move immediately to stop this unfair practice which is driving more and more of our Canadian beef producers into bankruptcy.

* * *

EXTERNAL AFFAIRS

NICARAGUA—SUGGESTED ESTABLISHMENT OF CANADIAN DIPLOMATIC PRESENCE

Mr. Dan Heap (Spadina): Mr. Speaker, I rise to commend the Secretary of State for External Affairs (Mr. Clark) on his apparent active inquiry into Canada's need for direct representation in Nicaragua.

As the only Member of this House to witness the November 4 election held in Nicaragua, I assure my honourable colleagues that that election was a genuine, democratic act of choice by the people of Nicaragua. It was not perfect, as elections in Canada are not perfect. However, it formally confirms what has already been plain to observers—the fact that the Government of Nicaragua is controlled by nobody but the people of Nicaragua.

As a sovereign state, engaged in desperate defence against the most powerful state in the world, Nicaragua has sent an ambassador to Canada, and deserves to receive an ambassador from Canada. Therefore I welcome the Minister's report inquiry into the pros and cons of establishing permanent representation there. *The Globe and Mail* today sums it up well:

The establishment of a permanent Canadian "presence" there is highly desirable—

The absence of an embassy in Nicaragua leaves Canada dependent on the U.S. for more than information. Canadians resident in Nicaragua are asked to register with the American embassy. If there were an invasion, Canadians would have to rely upon the invader's embassy to co-ordinate their evacuation. That should be an embarrassment—to Joe Clark and to Canada.

I urge the Minister to act soon to help head off the dangers of war in Central America.

* * *

EXTERNAL AID

PLIGHT OF JEWISH GROUP IN ETHIOPIA

Mr. John Oostrom (Willowdale): Mr. Speaker, a large number of my constituents would like to commend the Secretary of State for External Affairs (Mr. Clark) for his prompt and exemplary action in delivering aid to Ethiopia amounting to $50 million.

There are some sectors of the Ethiopian Community, however, which require prompt and immediate action, particularly the Falashas, one of the oldest Jewish groups, which faces the possibility of ceasing to exist as a cultural entity.

A group of my constituents who recently returned from Ethiopia, reported that Canadian aid was being hampered due to the civil war raging between the Ethiopian, Eritrean and Somalian factions. Consequently, I urge the Prime Minister (Mr. Mulroney) to direct the Secretary of State for External Affairs to instruct our Ambassador to the United Nations to seek an emergency session at the U.N. in order to propose an immediate 30-day truce during the upcoming holiday season, among the warring factions in Ethiopia so that Canada, in concert with other nations, could quickly organize an airlift and food drops to the inaccessible and war areas of Ethiopia to avoid an even greater disaster.

* * *

EMPLOYMENT

INCREASED ALLOCATION OF FUNDS FOR MIRAMICHI RIDING

Mr. W. R. Bud Jardine (Northumberland-Miramichi): Mr. Speaker, Northumberland-Miramichi is the largest geographical riding in New Brunswick.

Since the mid-1970s there has been a prolonged pause in the Miramichi region's economic development and growth. Poor market conditions throughout North America for pulp and lumber have been responsible, in part, for the closure or reduced operation of many of our pulp mills and paper mills.

The Miramichi must now be considered a problem area in economic terms; unemployment hovers around an astounding rate of 40 per cent; over 12 per cent of the population receives some sort of social assistance.

Against this dire picture enters the Minister of Employment and Immigration (Miss MacDonald). I assure you, Mr. Speaker, that very few people on the Miramichi enjoy being dependent on Canada Works grants. There is little permanency. There is never enough money to satisfy the demand.

But having said that, let me here and now acknowledge that the plight of our situation was recognized by the Hon. Minister and, of the projects which had been processed by the previous Government, not a single one had been terminated by her. Compassion, concern, and sensitivity to personal need were more important than partisan politics.

• (1115)

This year the amount of money allocated under Canada Works for Northumberland-Miramichi has more than doubled over the previous initial allocation, to $2 million.

In thanking the Hon. Minister, I assure her on behalf of the people of Miramichi that the money will be well spent—

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

ORAL QUESTION PERIOD

[*Translation*]

THE ECONOMY

BUDGETARY CUTBACKS—EFFECTS ON QUEBEC—GOVERNMENT POSITION

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, we are pleased to have the Minister of Finance with us again, and we are relieved he did not forget any briefs in Washington.

Mr. Speaker, on November 8 of this year, the Minister of Finance announced a series of budgetary and extra-budgetary cutbacks, as well as increases in user costs for certain Government services. The cumulative effect of these decisions means that Quebec will be losing about $770 million of its total requirements. Considering the fact that many regions in Quebec have an unemployment rate of over thirteen per cent, could the Minister inform the House what measures he intends to propose to compensate for this loss to Quebec's economy?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would ask the Hon. Member if he would outline what the $770 million is for and where he says that job loss will originate. I want to underline the fact, as I have said many times in the House, that if we are to achieve the benefits of a reduction in the deficit, which will be felt in the Province of Quebec as well as in other parts of Canada, there have to be individual spending reductions in parts of the country. That has been spread equitably across the country. The benefits from the increased confidence and the job creation by the private sector which will result from that, will also be felt right across the country.

[*Translation*]

INQUIRY WHETHER GOVERNMENT ANALYSED IMPACT ON QUEBEC NEEDS

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I do not know whether it is unparliamentary to send the Minister a study I made of these cutbacks. If not, I could send it to him separately.

However, considering the impact of these cutbacks on Quebec's economy, could the Minister inform the House if his Department has made a study of the impact of these budgetary cutbacks on Quebec's overall requirements and also on the number of jobs that may be lost?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, as I said to the Hon. Member in my first statement, we have tried in a very careful way to have an equitable sharing of the impact of the reductions across the country, by region as well as by individual groups of Canadians. There have not been individual impact studies done because of the fact that the impact will be shared right across the country. However, I underline the fact that it is very important for all of us to understand that there will be positive benefits in the increased business confidence. As the Leader of the Opposition has said many times in the past, confidence is a very important element of job creation. That will come, and that will be shared right across the country.

[*Translation*]

MONTREAL-QUEBEC GAS PIPELINE—CANCELLATION OF BRANCHES

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I agree with the Minister that this confidence must be achieved in the private sector. And speaking of the private sector, did the Minister consult with the Government of Quebec and the private sector before cancelling construction on branch lines of the Montreal-Quebec City gas pipeline, a cut that will have a direct impact on levels of confidence in the private sector, which had already started to plan a number of investments in connection with the availability of natural gas?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there have been discussions with the Government of the Province of Quebec as well as with Governments of a number of the other provinces. I have been quite encouraged by the degree of support which has been given to me and to the Government to continue the direction in which we have been going in reducing the level of the deficit.

I think the Hon. Member is well aware of the benefits which can be gained by reduction in the deficit. I would encourage him to speak out and to encourage Canadians to accept the broad benefits from the reduction in the deficit as they will affect all Canadians, and not get deflected by the individual spending cuts. Sure, they are going to hurt in individual cases, but I am convinced that they will be more than offset by the broad benefits.

* * *

• (1120)

NUCLEAR ARMAMENTS

REPORTED DEVELOPMENT OF CRUISE MISSILES FOR DEPLOYMENT ON SOVIET SUBMARINES

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I have a question for the Secretary of State for External Affairs. A report in the Soviet News Agency *Tass* indicates that that country has now completed development of a long range cruise missile and plans to deploy such missiles on its submarine and bomber fleets over the next year. The Minister will understand the staggering implications that has for the whole North American Air Defence system, and the prospect it holds out for major investments in restoring that system to a point where security can be maintained. Have we had discussions or consultations with the United States concerning this very major new development? What response is the Government planning to take in relation to the major disruption this will cause to the North American security system?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I think everyone in the House shares the concern expressed by the Hon. Member for Winnipeg-Fort Garry about the development of that capacity in the Soviet Union. We are having discussions with the United States about the modernization of our air defence systems. One factor we are taking into account in those discussions is to ensure that any defence that might be mounted to a cruise threat from the Soviet Union would not involve Canada in other aspects of defence systems of which we might not approve.

SUGGESTED BAN ON DEPLOYMENT OF CRUISE MISSILES BY U.S. AND U.S.S.R.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I think the Secretary of State for External Affairs recognizes that the best defence against that development would be a ban on the use of the cruise missile throughout.

Some Hon. Members: Oh, oh!

Mr. Axworthy: Members of this House do not take this question too seriously. I am surprised at the attitude of Members of this House on such an important issue. I would ask the Minister whether we have made representations both to the United States and the Soviet Union, to include on the agenda of the arms talks to begin this January discussion of a ban of the deployment of the cruise missile in an attempt to provide for the best security, which is not to have the missile around for use at all.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we have not made that sort of representation, but since it has been raised in the House of Commons we will consider putting that suggestion forward. I am very pleased to note that the Hon. Member for Winnipeg-Fort Garry shares our view that the only effective way to deal with these matters is through consultations with the superpowers, and that a unilateral action by Canada would have no effect.

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FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

ADVICE GIVEN TO MINISTER PRIOR TO TALKS WITH MANITOBA COUNTERPART

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Minister of Finance. I think he will understand when I say I welcome him back from his interesting trip, and I hope he did not lose his briefs on the way to Question Period today. My question pertains to that very important subject matter. On Tuesday I asked the Prime Minister, with reference to the documents that were inadvertently left in the hotel lobby in Winnipeg on Monday, whether he would tell the House what the harsh measures referred to in that document were and which are to be kept, for the moment, away from the Government of Manitoba. The Prime Minister said that he was not sure to which document I was alluding. I am sure the Minister does know. Will he now tell the House what are those harsh measures?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me first advise the Leader of the New Democratic Party that there was no reference to harsh measures in that particular memorandum. Either he is pulling something out of context, and I am sure he would not want to do that, or twisting something to his benefit. As he is quite aware, there is a certain degree of opposition to some of the measures that were taken in the economic statement as they affect the Province of Manitoba. The suggestion was made, as I am sure he will recognize: Don't hit any harder than is necessary in the discussion of the equalization statement. I would say to the Hon. Member that there was nothing in that memorandum which was not discussed. The tone of the discussion with Mr. Schroeder was perfectly consistent with the memorandum, and Mr. Schroeder appreciated that.

● (1125)

GOVERNMENT'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Minister picked up on the words that I used being "harsh message". According to the news story, the wording that is attributed to the document is "harsh message", as opposed to "harsh measures". If the Minister is saying that neither phrase was used, then we will accept his word for that.

I would like the Minister to clarify for the House of Commons and for the people of Manitoba whether or not the Government has reached a decision on the important matter of equalization as it affects the Government of Manitoba, as was promised by a number of Conservative Party candidates who were seeking office in the Province of Manitoba during the recent election.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, there has been no decision reached on the question of equalization, as I told Mr. Schroeder, and as I said publicly on at least two occasions. When I was in the Province of Manitoba I proposed to discuss this matter with all provincial Finance Ministers before reaching a tentative decision on my own. Because any change in the equalization measures would require an Act of Parliament, I said that I would then have to discuss it with my colleagues in Cabinet and the matter would then have to be brought before the House of Commons. No decision has been taken, and I indicated to Mr. Schroeder that no decision would be taken until early in the new year at the earliest.

ECONOMIC STATEMENT—EFFECTS ON MANITOBA

Hon. Edward Broadbent (Oshawa): Mr. Speaker, dealing with another aspect of "harsh messages", quite apart from the equalization formula as it affects Manitoba and, indeed as it affects a number of other provinces, I would like to ask the Minister if he brought to the attention of the Government of Manitoba the exact impact of the cut-backs in Manitoba that he announced in the House not too many days ago. Did he say concretely to the officials of Manitoba what those cut-backs would be for that province? Will he tell us what their effects will be on the other provinces?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, one of the matters which I did discuss in some detail with Mr. Schroeder, as well as with the Deputy Premier of Manitoba, was the very serious state of the financial position of the Government of Canada as we found it when we took office after the election. That is understood by Mr. Schroeder as well as by the Deputy Premier, and it is in that context that we must review equalization and the other particular elements of the spending reductions in the November 8 statement. We did not get into a full discussion of the individual items. We did talk at some length about the Institute of Technology. However, Mr. Schroeder did not ask me to participate in a broad discussion of every item that was contained in the statement of November 8.

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TRADE

SHOE IMPORT QUOTAS

Hon. Herb Gray (Windsor West): Mr. Speaker, I have a question for the Minister of State for International Trade. Yesterday the Minister announced that the period of extension of the shoe quotas has been reduced by four months. Has the Minister done this because the Government has already made up its mind to reduce the existing extent of protection and

assistance for the Canadian shoe industry and its 20,000 workers from what it is at present?

Hon. Jim Kelleher (Minister for International Trade): Mr. Speaker, I would advise the Hon. Member that the Government has not as yet made any policy decision with respect to increasing, reducing, or in any way amending the quotas presently in effect. We have extended the period of existing quotas for one year, and have referred the question to the Anti-Dumping Tribunal for a thorough review of the industry. It will hear from all parts of the industry, from the retail market and from the consumers. Upon receiving that report, hopefully in early June, it will be referred to Cabinet. At that time a decision will be made on what the future policy will be.

• (1130)

LENGTH OF QUOTA PERIOD

Hon. Herb Gray (Windsor West): Mr. Speaker, I understand that the announcement which was made yesterday indicated that the Government had decided to shorten the extension so that it would run from December 1 to November 30, 1985. I would like to ask the Minister why he has created uncertainty by making the announcement before a new policy was in place, and before there had been full consultation with the 20,000 workers and the communities which are affected.

Hon. Jim Kelleher (Minister for International Trade): Mr. Speaker, as I said in response to the first question from the Hon. Member, there has not been any change made. The only reason that the period was reduced from 16 months to 12 months was to fit in more completely with the business year of the industry so that it would cause less disruption. Second, it would allow for a shorter period within which to implement any new recommendations which may arise as a result of the Tribunal's findings.

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UNEMPLOYMENT INSURANCE

REGULATIONS APPLICABLE TO BURNABY, B.C., WORKERS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. On February 1, 1985, some 400 employees at the Sears catalogue warehouse in Burnaby will lose their jobs and become eligible for severance pay and early retirement packages. I would ask the Minister how she could possibly justify the Government's proposal, which was contained in the recently tabled economic statement, which would cut significantly the monthly benefits that are available to these workers and their families in the months after they lose their jobs.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I want to inform the Hon. Member that there have been no changes made to the regulations at the present time. We have said, and we continue to say, that the objective of these measures is to treat all income for unemployed persons in a fair and equitable manner. Because that is the principal key to the situation, we will take whatever time is necessary to ensure that that objective is implemented.

Mr. Robinson: Mr. Speaker, there is no fairness or equity in these proposals for working people.

IMPLEMENTATION OF GOVERNMENT PROPOSALS

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, in view of the very serious effects of these proposed cuts, not only on my constituents but on thousands of workers throughout Canada—cuts which total some $90 million—will the Minister assure the House that, in the spirit of equity and fairness, she will delay the implementation date of these harsh measures, at least until there has been a more careful and comprehensive study of the serious impact they will have on working people and their families?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I have already assured one of the Hon. Member's colleagues that I will take into consideration proposals which are made by various Members of Parliament. I assure him that I will give consideration to the proposals which he puts forward.

* * *

[*Translation*]

HOUSE OF COMMONS

PRESENCE IN GALLERY OF MRS. CATHERINE LALUMIÈRE, SECRETARY OF STATE ATTACHED TO MINISTRY OF ECONOMY, FINANCES AND BUDGET, RESPONSIBLE FOR CONSUMER AFFAIRS, OF FRANCE

Mr. Speaker: I would like to draw the attention of the House to the presence in our gallery of Mrs. Catherine Lalumière, Secretary of State with the Minister of Economy, Finance and the Budget, with responsibility for Consumer Affairs, and the presence of a French delegation.

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SHIPBUILDING

REQUEST FOR TRUMP PROGRAM DETAILS

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, my question is directed to the Minister of Supply and Services.

His Department is responsible for a major refit of Canadian warships known as the Trump Program.

Could the Minister inform the House of the status of this program and, especially, whether the contract will be awarded to a company that has already qualified for this contract, namely, the Chantiers maritimes de Lévis?

[*English*]

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, I would like to inform the Hon. Member that that is certainly the recommendation which I and my colleague, the Minister of Regional Industrial Expansion, intend to make. There are negotiations currently taking place, and I hope that within a very few days there will be news which will be favourable to the Hon. Member and his constituents.

Some Hon. Members: Hear, hear!

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GOVERNMENT EXPENDITURES

WORK OF REVIEW COMMITTEE

Miss Aideen Nicholson (Trinity): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. The Government has announced its intentions to make extensive cuts in all sorts of programs that are delivered to the people of Canada. I would ask the Prime Minister why the review committee which is responsible for deciding where those cuts will be made, is concentrating solely on programs delivered to outside users—to the taxpayers—while leaving untouched the vast administrative components, for example, Treasury Board and the Office of the Comptroller General, which serve purely bureaucratic ends.

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, since that is a specific responsibility which the Prime Minister has devolved upon me, I can assure the Hon. Member that the premise of her question is quite wrong. It is a broad government review, not for the purpose of cutting but for the purpose of identifying programs that overlap and programs that are duplicated. It is intended to eliminate the overlaps and duplications, and to determine the efficiency of the delivery of the programs, both externally and internally.

COMPOSITION OF ADVISORY COMMITTEE

Miss Aideen Nicholson (Trinity): Mr. Speaker, I thank the Deputy Prime Minister for that answer. May I ask him then does he intend to restructure his advisory committee as to reflect the mandate he has just described, because his advisory committee now includes some people who are extremely well qualified as administrators, but does not include people who are qualified to judge the quality of services?

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am glad the hon. lady has given me the opportunity to report progress on this very important work. I stated before that the process is ongoing. There are well over 300 national organizations in this country, and before the work of the task force is through, it will probably have occupied at least 70 per cent of the resources of those organizations.

Most recently coming on board will be the Conseil du patronat. I will be speaking this afternoon with representatives from Groupement Québécois d'entreprises. Next week I will be speaking with Mr. Laberge of the QFL. There will be others as the work progresses and as the study teams go into the various Departments.

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UNEMPLOYMENT INSURANCE

ALLEN INDUSTRIES—REGULATIONS APPLICABLE TO LAID-OFF EMPLOYEES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Can the Minister ensure the 126 long-time workers of Allen Industries, whose employer has decided to close the Canadian operation and move to Mexico, that they will not be detrimentally affected by the proposed changes to the unemployment insurance program which will require them to use their pension and severance pay before they can qualify for unemployment insurance?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, as I mentioned to the Hon. Member for Burnaby, the changes to this program have not been finalized. I would be glad to hear from Members of Parliament the way in which they think the regulations should be amended, and the timing that should be involved in carrying that out.

PLIGHT OF OLDER WORKERS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, will the Minister accept the representation that the timing should be never? She should recognize that the benefits which those individuals get are benefits for which they worked during their working lives, and that most of them are in an age bracket in which they cannot find alternative employment.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I would emphasize that what we want to do is to treat all income in the same way for the purposes of unemployment insurance payments. We want to do it in a fair and equitable manner. We think that is only fair to both employers and employees. We are studying the best way that this can be implemented. I can assure the Hon. Member that when those changes are made they will be fair and equitable.

● (1140)

PORNOGRAPHY

IMPORTATION OF MATERIAL DEPICTING CHILD PORNOGRAPHY

Mrs. Mary Collins (Capilano): Mr. Speaker, my question is directed to the Minister of National Revenue. I am sure that Canadians were shocked and appalled by the news in the media this morning of a report from a U.S. Customs Commissioner of increased traffic in child pornography into the United States. Can the Minister assure the House that there are adequate measures in place at this time for his officials both to identify and classify materials, whether written or video tapes, in order to ensure that this kind of material is not coming into Canada? Can the Minister, as well, advise us whether he has had reports of any increase in materials from Europe, particularly from the Netherlands, Denmark and Sweden, of material depicting child pornography?

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, I can tell the Hon. Member that there has been no identifiable increase in terms of the quantity of this material being shipped commercially into Canada. However, one of the problems of my Department, in terms of intercepting shipments, is that usually when this material is imported into Canada it is done so privately by individuals. Often the material weighs less than 500 grams. Consequently, it is considered a letter under the regulations of the Canada Post Corporation Act, and there is no authority to open the mail without the addressee being present.

As a result of this, we do not have a clear understanding of the volume of this sort of material coming in. Clearly, if commercial shipments were intercepted coming into Canada, this sort of material would be considered improper and would be banned from acceptance by Canada.

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[*Translation*]

SOCIAL SECURITY

BENEFITS FOR WIDOWS AND WIDOWERS AGED 60-64—EXCLUDING SINGLE, DIVORCED AND SEPARATED PERSONS

Mr. Speaker: —Malépart! I am sorry, this is the second time I made that mistake.

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, in the absence of the Minister of National Health and Welfare, my question is directed to the Right Hon. Prime Minister.

In the Throne Speech, the economic statement and the speech by the Minister of National Health and Welfare, legislation was announced to extend the spouse's allowance to widows and widowers aged 60 to 64. I would like to know why the Prime Minister's Government has chosen to discriminate against those who are single, divorced or separated and who have the same needs.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the previous Government flatly refused to help widows and widowers aged 60 to 64, or veterans, for that matter. This Government, despite the tremendous financial problems it has inherited, has committed itself to quickly bring in legislation to help these people.

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

The Prime Minister knows perfectly well that by proposing this measure he is saving money, because between twenty and thirty per cent of the people who will be eligible for the spouse's allowance are now receiving welfare payments. I think the Prime Minister ought to make sure that the money thus saved will be used to help people living alone, and who are in need, whether they are single, separated or divorced, in order to remove the discriminatory effects of this measure.

Mr. Mulroney: I can inform the Hon. Member that our objective is to help those people in our society who are most in need, and I think that is the basic purpose of any decent social program in this country.

Mr. Speaker, we believe there is a real need for such measures among people between 60 and 64, and also that our veterans who have done so much for this country deserve special recognition, despite the precarious state of the nation's finances.

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[*English*]

UNEMPLOYMENT

ALCAN—IMPENDING LAY-OFFS IN KINGSTON, ONT.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. It concerns the laying-off of 485 Alcan workers in the Minister's riding of Kingston over the next 18 months. Since the Minister made a commitment to this House last week to talk to the Canadian Federation of Independent Business about these 170,000 jobs it said were available, I wonder whether the Minister, since she has had a week or so, can report what progress she has made, and can tell us what hope she has that some of those workers in Kingston who are about to be laid off can find some of those jobs.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am glad to be able to report to the Hon. Member that I have discussed the situation with the Canadian Federation of Independent Business. I have also discussed the local situation in Kingston with the Alcan company, with the consultative committee set up by the union, by the company, and by the CEC office, to help redirect, retrain and replace those workers in other jobs. I have, indeed, had a number of consultations, and I will continue to do so.

MINISTER'S CONSULTATIONS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I wonder if the Minister can tell us the results of her discussions with the business organization? How many of those jobs actually exist? In the meantime, could the Minister guarantee us that the $300 million worth of cut-backs in the unemployment insurance plan will be delayed until the Minister finishes with her review and consultative process across the country? Or, indeed, are these consultations really just a sham?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, my consultations begin on Monday with officials and with Ministers of the Government of Ontario. The discussions will continue with members of the business community, members of labour organizations, members of women's groups, indeed, with members of a variety of groups, during the next two months. I do not consider these discussions a sham at all. I am not going to them and saying, "these are the answers and you have to take them", as did the previous Government. I really do want to see these consultations work.

When it comes to numbers of people who are either to be placed in jobs or are looking for jobs, for every single individual whom we can help place in a job, that is one person whose dignity we have helped to restore—

Mr. Speaker: Order. The Hon. Member for York South-Weston.

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ROYAL CANADIAN MOUNTED POLICE

EXPORTATION OF WEAPONS TECHNOLOGY—INVESTIGATION REVEALED

Mr. John V. Nunziata (York South-Weston): Mr. Speaker, on Monday I asked the Solicitor General whether it was the policy of his Government to reveal and comment on criminal investigations prior to charges being laid. This was asked specifically in relation to an RCMP investigation into allegations of the shipment of weapons technology to China. The Minister replied: "I believe it has been the tradition to confirm, when asked, that an investigation was under way. That is all the information that was given". Mr. Neil MacDonald, a reporter with the Ottawa *Citizen*, confirmed to me that the Solicitor General was not asked whether an investigation was under way. In fact the Solicitor General volunteered and revealed, without being asked, not only that an investigation was under way but he also volunteered, without being asked, the names of the companies under investigation, and the nature of the investigation. Will the Solicitor General clarify for the House this obvious inconsistency and misstatement of fact?

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, the Hon. Member opposite and his colleagues will have to make up their minds. On the one hand we are constantly harangued about being too secretive. On the other hand, we are now being castigated for being too open. I repeat my answer to my hon. friend opposite and assure him that the information which I provided, as far as I am concerned, was proper and in order.

Mr. Nunziata: Supplementary.

Mr. Speaker: The Hon. Member for Nickel Belt (Mr. Rodriguez).

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[*Translation*]

FINANCE

EMPLOYEES OF SIDBEC-NORMINES AT GAGNON, P.Q.—GOVERNMENT POSITION

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Right Hon. Prime Minister.

Considering the fact that over 600 Sidbec employees living in the Prime Minister's riding will soon be out of work, which will indirectly do away with 200 more jobs, I am sure the Prime Minister would like to cushion the impact this is expected to have on the entire community of Gagnon.

Is the Prime Minister prepared to take steps to ensure that Sidbec employees will not lose part of their unemployment benefits because of severance pay or other compensatory payments?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend knows perfectly well that the main shareholder in Sidbec-Normines is the Government of Quebec, that the company has been facing tremendous problems due to competition on international markets and that the city of Gagnon has been severely affected by all this. In fact, the Minister of Employment and Immigration has been of great assistance to the population. And I may add that the Minister of Finance has announced tax measures that will provide further relief for people in remote areas, especially in our Canadian North.

I think two important steps have been taken towards providing a measure of justice for those Canadians who live in our remote and distant regions.

Mr. Speaker: A very short question, please.

• (1150)

[*English*]

Mr. Rodriguez: Mr. Speaker, my supplementary question is for the Prime Minister. In view of the fact that much of the severance pay, as the Prime Minister knows from when he closed out the iron ore mine at Schefferville, comes from—

Mr. Speaker: The Hon. Member for Humber-Port au Port-St. Barbe.

Oral Questions

ST. LAWRENCE SEAWAY

VALLEYFIELD BRIDGE BLOCKAGE—REQUEST FOR INQUIRY INTO MAINTENANCE PRACTICES

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is for the Minister of Transport. It is with regard to the Valleyfield Bridge blockage in the St. Lawrence Seaway. Over 100 notices of legal actions have been served on the Authority. There were reports yesterday that some of the shippers, both domestic and international, are considering alternate routes for next year. Will the Minister of Transport, in the interest of reassuring both Canadian and international shipping industry interests, consider establishing a commission of inquiry into the maintenance and operating practices of the St. Lawrence Seaway Authority?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, at the present time the Government's main preoccupation is to restore services to the St. Lawrence Seaway system. I think the sort of things which the Member has suggested could be considered when we have restored services in the normal way. It is clear that every effort is being made to restore those services. I can advise Members of the House that the schedule for repairs is on target. Work is being carried out on a double 10-hour shift. All things being equal, the bridge should be operational by December 6.

RESTORATION OF SHIPPERS' CONFIDENCE

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I thank the Minister for his answer. Would he not agree that since transportation methods for next year are being decided this year, it is important to move immediately, not only to restore the service but to restore confidence that the Seaway system is efficient, will work well, and that people can count on the St. Lawrence Seaway? It is not the Panama or Suez Canal. Would he not agree that it is important to move now to restore confidence which is shaky at the moment?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the best way to restore confidence is to restore the operations of the bridge on the target that was suggested. As I indicated to the Member, we are on target.

With regard to the other point which is being made by the Member, we should consider that this is an unprecedented accident. It has never occurred before. Naturally, the Seaway Authority will be examining its maintenance practices. If it is necessary to consider a further investigation, that will be taken into account after services are restored in the normal fashion.

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CANADA LABOUR CODE

DELAY IN PROCLAMATION OF HEALTH AND SAFETY REGULATIONS

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is for the Minister of Labour. Canadian working people who come under federal jurisdiction waited for five years for the previous Liberal Government to pass legislation improving health and safety laws. Yesterday the Minister announced another two-year delay before he will bring in this new law. Could the Minister explain why he is not going to proclaim immediately the changes to the health and safety legislation, since most of those measures could be introduced and proclaimed tomorrow? Why wait two years when most of it could be done right away?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I would like to inform the Member, as I did in committee yesterday, that the rationale for the delay in the proclamation of Part IV of the Canada Labour Code is apparent. There are some 21 sets of regulations that must be drafted to reflect the intent of the legislation. The intent of that legislation must be apparent. Consultations in all areas with employers, employees, and those affected, will be reflected in those regulations. We have no intention of proclaiming regulations that are imperfect and have not been the subject of consultation with those who are very seriously affected by them.

EFFECT ON GOVERNMENT EMPLOYEES

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, is the Minister aware that this delay will leave some 300,000 federal government employees with no legislated health and safety protection? Since the Government is the employer, will it either proclaim the sections for health and safety to cover those employees, or take alternative action to give them health and safety protection effective now?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, with regard to my hon. friend's preamble, the employees of the Government of Canada are now covered by occupational and health safety measures. Those measures are not as acceptable as the new measures within Part IV of the Canada Labour Code. If there is any doubt in the minds of either of the hon. gentleman, or of anyone else in the House or outside it, as to the necessity to study and consult on these regulations, in the spirit of openness which the Government believes in, I would ask that they consult my officials. I will make them available so that these people can also understand the necessity for consultation in forming these regulations.

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DEPARTMENT OF THE SOLICITOR GENERAL

ANNOUNCEMENTS OF POLICE INVESTIGATIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Solicitor General. I would like to congratulate him warmly on his assumption of that very important post. My question arises out of his response to my colleague, the Member for York South-Weston.

Would he review the practice of his Department, and perhaps his own approach to investigations, by re-instating the

practice that used to apply in this House, and I believe still should, reflecting the principle of presumption of innocence until proven guilty? He must realize the reflection that announcements of investigations may have on private reputations, and should refuse to reveal whether an investigation is in progress by the police unless and until charges are preferred.

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, I welcome the question from the distinguished Leader of the Opposition, a former distinguished Minister of Justice. I certainly will take his representation very seriously.

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RAILWAYS

ATLANTIC LIMITED—REQUEST FOR RESTORATION OF SERVICE

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, my question is for the Minister of Transportation. One of the most significant pledges that the Government made to southern New Brunswickers was to restore the Atlantic Limited and put it back on the track. Would the Minister please advise what progress has been made and when this vital service will be restored?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the recently established Rail Action Force is, among other things, mandated to look into the restoration of rail passenger services that were unilaterally discontinued by the previous administration. I can assure the Hon. Member that the restoration of the Atlantic will be considered within that context.

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EMPLOYMENT

ABELLA REPORT—OUTREACH PROGRAM RECOMMENDATION

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my question is for the Minister of Employment and Immigration. By now the Minister will have had time to study the Abella Report which points out that the Outreach Program is the most likely way for native people to be employed by her Department which leaves them with no job security, lower pay, and no benefits. Is the Minister prepared to act on the recommendation of the report that Outreach workers should not be hired on short-term contracts but should be made part of the permanent government Public Service?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I would like to inform the Hon. Member that I will be presenting, along with my cabinet colleagues in the social policy committee, the Government's response to the Abella report as quickly as possible. I have been asked by the Prime Minister to play the lead role in that and to work with other Ministers to prepare a response to the over-all 117 recommendations. I cannot at this point single out one specific recommendation and give a precise answer. However, I can assure the Hon. Member that we will be dealing with it very expeditiously.

MÉTIS AND NON-STATUS INDIANS

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my supplementary question is for the same Minister. Will the Minister act to remove the double discrimination faced by Métis and non-status Indians who face discrimination in getting employment and yet do not receive federal government help for post-secondary education? Will she urge upon her Cabinet colleagues that Métis and non-status Indians should receive the same kind of help for post-secondary education that Inuit and status Indian people do?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am very sympathetic to the Hon. Member's proposal. I will certainly convey that to my colleagues and discuss it with them. I can tell the Hon. Member that, with regard to programs such as Canada Works, the Métis and non-status Indians will not be discriminated against.

* * *

• (1200)

CLERK OF PETITION'S REPORT

AID TO ETHIOPIA

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Timiskaming (Mr. MacDougall) on Thursday, November 29, 1984, meets the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, the following question will be answered today: No. 29.

[*Text*]

DEPARTMENT OF FINANCE LAWYERS

Question No. 29—**Mr. Howie:**

How many lawyers are employed by the Department of Finance?

Hon. Barbara McDougall (Minister of State (Finance)): There are 17 lawyers assigned to the Department from the Department of Justice; this includes two lawyers from the

private sector who are part of the Interchange Canada program.

[*English*]

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

Mr. Speaker: The question enumerated by the Hon. Parliamentary Secretary has been answered. Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1984-85 (No. 2)

MEASURE TO ENACT

The House resumed, from Thursday, November 29, consideration of the motion of Mrs. McDougall that Bill C-11, an Act to provide borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs; and the amendment thereto of Mr. Riis (p. 694).

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I believe I had approximately a minute and a half left from yesterday's sitting. Perhaps I can sum up, in outlining the two policy decisions of the Department of Fisheries and Oceans and the Department of Employment and Immigration, by asking the respective Ministers to consult with the fishermen. The Minister of Fisheries and Oceans (Mr. Fraser) did not even consult with the provincial governments, the unions, or the Fishermen's Loans Board. After making the policy decision to cancel the fishing vessel insurance plan, he should now go back and consult with the fishermen affected so that they will not lose their boats in this transition.

When announcing a policy to cut back $250 million in unemployment insurance benefits, I would also ask the Minister of Employment and Immigration (Miss MacDonald) not only to consult with the provincial governments, the business community or even the unions, but to consult with the unemployed people in this country who will be affected by that measure. If those two Ministers went back and consulted with the people who are affected, I believe they would cancel those policies which were announced by the Minister of finance (Mr. Wilson).

I am sorry that I do not have the time to go into the discrimination in hiring practices as I said I would at the beginning of my address.

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. This is a little out of the ordinary but I do not think the House has had the opportunity of congratulating the Hon. Member for Edmonton North (Mr. Paproski) in his capacity as Deputy Chairman of Committees of the Whole House. The thing that draws this to my attention is that he is today in the chair so resplendent in his new costume that I was drawn to recognize him and, on behalf of all Members of the House of Commons, to congratulate him for looking so good.

Mr. Turner (Vancouver Quadra): I do not know where you got your tailor, Mr. Speaker, but I want to congratulate you on your new streamlined look in the House and to say that the affection that we all hold for you is now reinforced by an awesome respect.

The Acting Speaker (Mr. Paproski): I want to thank the Hon. Members. Now that I have my uniform, I hope that I can direct traffic accordingly. I am glad that enough material was found to make this uniform. I recall that the last uniform I had was in 1954 when I played for the Edmonton Eskimos.

I will do my most humble best to look after you in the Chamber. Thank you.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): Are there questions or comments on the speech made by the Hon. Member for Gander-Twillingate (Mr. Baker)?

Mr. Guilbault (Saint-Jacques): Mr. Speaker, in his remarks the Hon. Member stated that the Government applied some discrimination against certain people in regard to hiring practices. However, he did not elaborate on that. Would he explain what he meant by this discrimination in hiring practices?

Mr. Baker: Mr. Speaker, I thank the Hon. Member for the question. I had indicated that I did not have time to go into that issue. The point is that when preferential hiring regulations are introduced into the system, they sometimes discriminate against the most needy.

I am pleased that the Minister of Employment and Immigration is in the House to hear what I have to say. Let us examine the two employment programs and their hiring regulations which the Minister announced to the House.

According to the Canada Works Program, first, one must run out of unemployment insurance in order to qualify for that first category to be hired. One has to be drawing unemployment insurance in order to qualify under the second category. Those regulations were brought about because of the NEED program which was established in consultation with the provincial governments. Second, according to Section 38, one must be drawing unemployment insurance in order to be hired on one of those projects.

Under the new direction that the Department is now taking in an attempt to save $250 million through increased interviews for placing people into jobs, as the Minister of Finance and the Minister of Employment and Immigration have said, there would obviously be preference given to those people who are drawing unemployment insurance in placing them in those jobs.

I recently had a case of a widow with one daughter and two sons. The widow works one week out of a month at a corner-store. She cannot get hired because she is not drawing unemployment insurance, but she has worked in the previous eight weeks, which is another condition for hiring. The daughter graduated from trade school after a secretarial and bookkeeping course but she has never drawn unemployment insurance before and, therefore, is in the last category for hiring under any works program.

This widow also has two sons at home who are aged 18 and 21. Since they have not worked before they do not qualify for those programs.

The Minister says that the business community has identified approximately 170,000 jobs so far. If the Minister wishes to take people off unemployment insurance and save $250 million, it will be necessary to have an unemployment insurance officer send notices to those people indicating where those jobs are. Again, there is that built-in discrimination against first time workers or people looking for a job.

This is a very serious situation because we must realize that when someone reaches 18 years of age the family allowance payment stops. Furthermore, in most provinces, those who are 18 or older and living at home cannot even get welfare. This means, in the case of the widow with the daughter who just graduated from trade school and the two sons at home, that she is stricted to the small amount of income that she gets one week out of a month, plus the widows' allowance in Newfoundland on which even one person cannot live, let alone support three children.

Restricted hiring practices have evolved over a period of time because of various inputs, primarily by provincial governments that were more interested in work programs and getting people off welfare than in anything else. This is built into the system. The new measures introduced by The Minister of Employment and Immigration and the Minister of Finance in saving the $200 million will now really drive in a wedge and create poverty and give no hope for that time fellow or girl looking for the first job. It is outright, plain discrimination. There are no other words for it.

• (1210)

The Government should change its mind. The people which the Government consults are not these very people. The people the Government consults are perhaps the stiff-shirted, carpeted-up-to-your-knees people who think they have the answers to everything. The Government has to turn around and change direction. It should not be saving money on the backs of the poor. It should not have promised the world to these people in every single Department. There were 388 financial promises made. Perhaps two or three of those promises have been kept, but then the cuts came which affected only the poor people. The people will not put up with it. They will not put up with the investigators which this Minister of Employment and Immigration is going to send out to Manpower offices across this country.

Borrowing Authority

The Acting Speaker (Mr. Paproski): The Hon. Member for Saint-Jacques (Mr. Guilbault) is rising to ask a question?

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I thought I heard the hon. gentleman refer during his remarks to the fact that the special program for fishermen was cancelled this year. That is not what I understood. Could the Hon. Member explain what he meant?

The Acting Speaker (Mr. Paproski): A brief answer, please.

Mr. Baker: The Parliamentary Secretary to the Minister stood up in the House the other day to answer a question I had asked. He said there was no such thing as a special program, that perhaps I was referring to the extension of unemployment insurance in the spring. That is not what I was talking about, Mr. Speaker. Whoever wrote the response for the Parliamentary Secretary in the Department of Employment and Immigration should have his head examined. He must have a short memory, whoever it was. It had to be a senior public servant. There was a special program, $15 million was allocated, $9 million was spent. It cost much less. In my riding alone of Gander-Twillingate some $3 million was spent on that program to bring fishermen and fish plant workers up to their ten weeks of unemployment insurance so they would not have to go to the welfare office to get money for the winter. The fishing season is worse this year, but the Minister of Employment and Immigration says there is not going to be any special program. We will increase Canada Works funding up to $3 million in each riding when the very ridings affected were already up to $3 million. That includes even Tory ridings, Mr. Speaker. The worst problem is in the Tory ridings. I am surprised that some of the PC members are not after this Minister of Employment and Immigration to get her to do what the Liberal government did last year and what the Prime Minister (Mr. Mulroney) says is "throwing money at problems". Yes, Mr. Speaker, throwing money at problems, but those are problems that affect the poorest people in this country.

The Acting Speaker (Mr. Paproski): The time for questions and comments has now terminated. The next speaker is the Hon. Member for Burnaby (Mr. Robinson).

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I, too, would like to congratulate you, Mr. Speaker, on your finery and wish you well in your new office. I am sure you will be an adornment on the throne.

Some Hon. Members: Oh, oh!

Mr. Robinson: I am rising to speak on the legislation which is currently before the House, namely the borrowing authority Bill C-11 whereby the Conservative Government is seeking authority to borrow some $7.3 billion in the present fiscal year 1984-85, and, going beyond that, to borrow some $16 billion for fiscal 1985-86.

My colleague, the Hon. Member for Kamloops-Shuswap (Mr. Riis), on Wednesday last moved a reasoned amendment,

which was accepted by the Chair. The substance was to call upon the House to recognize in effect that what the Government is seeking is the authority to borrow money far beyond what is reasonable in the circumstances. The amendment proposed by my colleague, the finance spokesman for the Party, reads:

> That this House holds the opinion that the granting of an authority for the borrowing of a sum greater than the amount which is required to meet the Government's needs to the end of the current fiscal year is objectionable in principle—

The amendment goes on to suggest that the House should not give second reading to Bill C-11.

It was not particularly surprising that that reasoned amendment was found to be in order by the Chair. That motion was identical to the motion which was proposed by the Conservative Party when it was in Opposition in 1982. On July 19, 1982, the Official Opposition moved the very motion now before the House.

We have seen in the course of the last seven or eight weeks some very dramatic reversals of policy by the Conservatives now that they are in government. Surely one cannot imagine a more dramatic reversal than what is now happening in this House when the Conservative Government comes before Parliament and says to us effectively, "Give us the money that we need. Let us borrow money, not only for the current fiscal year up to March 31, 1985, but give us an extra $16 billion on top of that for the next fiscal year. We are not going to tell you how it is going to be spent". We all know that the Main Estimates are not tabled until next spring. "We are not going to tell you how it is going to be spent" effectively says that the Conservatives want us to trust that they will spend that $16 billion wisely and with care.

In assessing the request of the Government to trust it, in assessing the Government's request for an additional $16 billion in borrowing authority in the fiscal year 1985-86, I suggest it is appropriate that we look effectively at the requirements for this fiscal year and look at the Government's policies with respect to expenditure, cuts in programs, in services, in increases in taxes for this fiscal year. Then, as Members of the House, we should ask ourselves whether that record warrants the kind of trust we are being asked to give to this Government and whether it gives rise to the confidence that the Government will spend that money wisely.

I suggest the opposite is the case, Mr. Speaker, that the fiscal record of this Government so far is quite the reverse. We should be extremely concerned, if this Government is to be granted that kind of authority, whether it will spend wisely, because we believe the Government will spend according to the priorities of its friends in the corporate sector in the business community. If we need any evidence whatsoever that the big business community is leading this Government around by the nose and effectively calling the economic tune for this Government, we do not have to look further than the announcement made by the Minister of Labour (Mr. McKnight) who said that the changes which this Parliament passed to the Canada Labour Code, which would ensure conditions of work are safer and healthier, are not going to be implemented for another two years. That is a shameful decision by this Government and a denial of the rights, not just of 300,000 public servants who have no protection whatosever but of many, many other thousands of workers within federal jurisdiction.

It is quite obvious that the reason for that decision was the fact that the corporate sector fought this Bill when it was presented to Parliament. The corporate sector fought it when the Bill went to committee, and now it has found some allies on the government side of the House. It does not take two years to draft regulations. It does not take two years to draft regulations that would require employers to ensure that working conditions are safe and not hazardous. That is the Government which is asking us now to trust it, to trust that it will spend the $16 billion it is asking for wisely.

The Secretary of State for External Affairs (Mr. Clark) is not in the House at the present time. At the time the Conservative Party proposed the amendment which is now before the House in identical form, the Secretary of State for External Affairs said:

> The first amendment we offered was to decline second reading of this Bill. There is a well established principle that Parliament only provides sufficient borrowing authority to a Government to allow it to finance its operations within the current fiscal year. It is clear from the figures in the bill and from the statement by the Minister of State for Finance (Mr. Bussières) in response to my question yesterday that the government has every intention of this borrowing authority spilling over into 1983-84.

● (1220)

> This is all the more reprehensible because the government has not given us any projections about what will happen in 1983-84.

What has changed? What has been the dramatic change from the time when the Conservatives were in Opposition, when what was being done was reprehensible and breached all the finest traditions of Parliament, to today when the Conservatives come before Parliament and propose exactly the same thing?

There are no projections whatsoever as to how this money will be spent. Indeed, we in this Party have asked repeatedly not only for projections with respect to how the moneys are to be spent in the next fiscal year, but for statements of the impact of the decisions which have already been announced by the Government. I suspect that this impact will be very severe on my constituents and on the constituents of all Members of the House, and so it will be with respect to jobs and cuts in services. The impact will be devastating.

The Government comes before us and says, "Forget about what we said in Opposition, forget about our principles and everything for which we stood when we were in opposition. We are in government now and those principes do not matter any more". That is the kind of action which brings the promises of politicians into disrepute. There have been a number of similar actions by the Government which I believe are most unworthy of a Party elected on a mandate of change, a mandate to provide jobs or a mandate which indicated that job creation would be the top priority.

What has happened to the top priority of job creation? It has been transformed into a very different priority, that is, this Government's slavish obsession with the deficit, with cutting the deficit.

During the federal election campaign, far from dwelling on the deficit, the Prime Minister (Mr. Mulroney) indicated that his top priority was job, jobs, jobs. Yet that priority appears to have vanished in the economic statements of this Government in recent weeks. According to the Minister of Finance (Mr. Wilson), it is now clear that we have a new priority, and that priority is cutting the deficit. This is somehow supposed to be the panacea. Cutting the deficit will be the great panacea which results in restoration of business confidence, which in turn results in more investment, which in turn theoretically will provide jobs. It just does not work that way. We do not have to look very far to see the evidence that that kind of economic theory, that discredited economic theory, is totally unworkable in practice.

That theory has been implemented in my own Province of British Columbia with a very dramatic and harsh impact. Thousands of people have been thrown out of work, both those in the Public Service and others. Services have been cut. In many cases essential services have been cut. There are line-ups at food banks in British Columbia; 2,000 to 3,000 people are lining up for food in that province. That is from a government that has the same basic economic thrust as the Conservative Government is presenting to Parliament and for which it is requesting support. The old trickle-down theory that somehow if we reduce the deficit in turn the additional moneys which are liberated will be spent by the corporate sector to create jobs, was discredited in the 1930s during the depression. In fact, it was the implementation of similar theories which led to the worst depression in modern economic history. A whole generation of Canadians were unable to find work. We know very well what happened to the government of R. B. Bennett for its ineptness in handling the crisis of unemployment in the 1930s.

It is interesting to note that in its obsession with the deficit, the Government is ignoring the fact that a number of jurisdictions have increased the deficit on a short-term basis with the objective of providing jobs for their people. That has been done in a successful manner. Instead of this obsession with the deficit, the Government should look far more closely at its fundamental priority, as stated during the election. Surely that priority must be the creation of jobs for some two million Canadians who are without work today, half of whom are young people. Rather than that priority, we hear the Canadian Federation of Independent Business suggesting that there are 170,000 jobs in Canada just waiting to be filled. I suggest that the Federation should get serious. If it really believes that there are 170,000 jobs out there, employers who claim that they cannot find people to fill those jobs should come forward and give the details of those jobs, because I suggest they would be flooded with applications from many desperate people who are trying to find work.

Members of Parliament should visit Canada employment centres in their communities to see the long line-ups of people, many of whom are desperate, are losing hope and would take virtually anything in order to survive. We are not just talking about the economic hardship of being out of work, but the loss of dignity involved as well, the lack of self-respect and the feeling which are part and parcel of losing a job in today's society.

During Questions Period today I raised a question with the Minister of Employment and Immigration (Miss MacDonald) about the fact that the Government, in its new-found obsession with the deficit, intends to reduce the payments made available to individuals who lose their jobs and have negotiated some form of severance pay package or early retirement scheme. In my constituency of Burnaby, almost 400 people will be thrown out of work at the end of January. Fortunately they were able to negotiate some form of early retirement benefits or severance benefits, which after all is just a form of deferred income. The Government is saying to those 400 men and women, many of whom are in their fifties and will find it very difficult to find alternate employment, that their monthly pay package as a result of its program will be cut dramatically. I do not believe that is a just and fair program. I do not think we should be attempting to cut the deficit on the backs of working people or people who have been thrown out of their jobs and are attempting to survive and to feed their families. We did not hear anything about that during the last election campaign. Instead, we heard talk of jobs, jobs, jobs. However, that has been abandoned by the Government.

We know as well that women are being disproportionately affected by the crisis in unemployment. With the advent of new technologies, women are being increasingly relegated to the role of part-time workers. There are serious cut-backs in access to child care, which has a devastating impact upon the ability of women to participate as equal partners in the work place. Increasingly we are hearing the cry that somehow women are secondary wage earners. Surely in society today women must be accepted as full partners economically, socially and in every other way. The effect of this Government's economic policies is particularly harsh on working women as well as on single parents who are struggling to survive on incomes which are often below the poverty level.

If the Government were serious about its commitment to job creation and its commitment to reducing the deficit in a manner which is sensitive to human needs and concerns, why does it not take a look as well, at the possibility of increasing revenues? There is a great opportunity to do so by ensuring that the taxation system is fairer and more equitable. There are far too many loopholes which allow Canadians with incomes in excess of $70,000, $80,000 and $100,000 per year to avoid the payment of any income taxes whatsoever.

We all remember the promises of the Prime Minister, in response to the prodding of my own Leader, that he would introduce a handsome minimum tax. While we must accept the principle of a minimum tax, we have to look beyond that and fundamentally restructure the taxation system in this

country. We have to look at an elimination of some of the glaring loopholes that favour the wealthy as opposed to the poor. We have to look at making sure that the corporate sector pays its fair share of taxes. Its share of the over-all tax burden has dropped dramatically since 1950. We must look as well at the whole question of tax exemptions and the regressive nature of many of these tax exemptions. A child tax exemption is of far greater benefit to someone earning $100,000 a year than it is to a single parent who, as I said before, is struggling to survive.

● (1230)

This Government is asking for a blank cheque. I do not believe that its policies as enunciated to date are such that we should trust it with the extra $16 billion that it is asking for in the next fiscal year without any projection whatsoever as to what it will be spent on. We do not know, for example, whether it intends to cut back on equalization payments to the provinces in the areas of health care, legal aid and post-secondary education.

We have seen the devastating effect in the Province of British Columbia of cut-backs in post-secondary education. Far from reducing equalization payments to the provinces, we should be ensuring that the money which the federal Government designates to the provinces for health care is in fact spent on health care, and money which it designates for post-secondary education is spent on post-secondary education.

In the whole question of cutting the deficit, we have to look as well at the sacred cow of military expenditures. Somehow or other when we ask people to make sacrifices, equity is lacking. We do not ask that sacred cow to make sacrifices, but we do ask the poor, those without work, and the powerless in society to make the sacrifices. Any notion of equity and fairness surely requires that those most able to bear the burden of sacrifice are called upon to bear that burden first.

I see that my time for my speech on this Bill is just about up. I appeal to government members to recognize that what is being asked for in the proposal before the House today was deemed by them to be unacceptable, reprehensible and wrong when they were in Opposition. I appeal to those Members to explain to this House how what was wrong, reprehensible and unparliamentary in 1982 when done by a Liberal government can suddenly become acceptable and justifiable today.

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

Mr. Boyer: Mr. Speaker, I listened with interest to the remarks of the Hon. Member for Burnaby (Mr. Robinson) as the House examines this borrowing Bill. I will only make a comment in joining this debate.

The Hon. Member raised in his speech the question of the reversal of principle and contends that there has been a change in the position of the Progressive Conservative Party from when it was in opposition to the position it has now taken in government and underscores this as somehow being inconsistent. I really find these remarks somewhat incredible in terms of the inconsistency that the Hon. Member and another spokesman for his Party, the Hon. Member for Regina East (Mr. de Jong), were talking about. There is profound inconsistency in their position.

No one in the Government is happy to see this Bill come before the House. We would love to be in the position of not having to borrow further funds. The reality that we encountered, however, was a massive and growing federal deficit. Direct steps have already been taken to cut that deficit so that the amount that has to be borrowed for this year and for the coming fiscal year is less than it otherwise would have to be.

Spokesmen for the New Democratic Party have been extremely outspoken in their criticism of efforts by this Government to make cuts in wasteful public spending and to reduce the deficit. Try as we might and hear the criticisms as we might, there is still a gap. We cannot turn things around overnight. We cannot eliminate the deficit by cutting everything immediately. That Party would protest most if that were tried.

We are approaching this with a measure of realism. There is no inconsistency in what we said before and what we say today, because we have several long-term goals, including a deficit reduction. We are doing it in a manner that is fair and equitable. As we proceed along that line, it is still necessary to borrow funds to fill that gap. That is why this Bill is before the House. The Hon. Member should recognize that there is consistency and a fair-minded approach here. The Canadian people certainly recognize it.

Mr. Robinson: Mr. Speaker, I know that the Hon. Member who just spoke was not present in the House when the Secretary of State for External Affairs (Mr. Clark) railed against this practice. Perhaps he was watching the proceedings on March 7, 1984 when his colleague, the Hon. Member for Mississauga South (Mr. Blenkarn), said the following with respect to precisely the same proposal which the Government now has before the House. He said:

> It is unconscionable. It is improper. It cannot be supported by any thinking Member of the House. This House should rise up, Sir, and demand an end to this, not only on behalf of us as Hon. Members and of our constituents, but on behalf of our children, our children's children and our children's children yet unborn or even thought of.

Either the Hon. Member has selective amnesia or he is making an incredible suggestion as regards consistency. It was precisely the practice of the previous government in coming before this Parliament and saying, "Let us borrow not just for this fiscal year, but let us borrow as well for the next fiscal year". When Members opposite were in Opposition, they said that that was wrong because the government was asking for a blank cheque. They said the government was asking them to trust it, and they did not trust it. Now they have the audacity to come before this House and say the same thing. That certainly is not consistency and certainly will not be accepted by the people of this country.

Mrs. Finestone: Mr. Speaker, I have a question for the Hon. Member for Burnaby (Mr. Robinson). With regard to the

concern he has expressed concerning the blank cheque for which the Government is asking, does he think that it might consider using some of that money to put the Canada Labour Code into practice or does he think the Labour Code will cost so much that it has just ignored it?

I wonder if the articulate Member is aware of the comments in this morning's *Globe and Mail* where the Minister of Labour (Mr. McKnight) is quoted as announcing yesterday the Canada Labour Code amendments approved unanimously by Parliament last June will not be brought fully into effect until June 1986. That is possibly at the earliest. I bring to his attention the fact that the Minister told the Labour Committee last night that the delay is caused by the drafting of very complex regulations associated with the legislation, and the objections by the business community are absolutely not the reason for this delay. I find that interesting and I would like to hear his comments in that regard.

It would be of great interest to the women of this country and people in general to know that the amendments outlaw sexual discrimination in the work place, extend and broaden maternity leave, and impose new health and safety regulations to which he alluded in his remarks.

It is obvious that those measures would be costly, but not as costly as the health of the people, particularly those working today in the new high technology fields where there is definite proof that there can be impairment of health of those who are pregnant and perhaps impairment of eyesight as well.

• (1240)

The Acting Speaker (Mr. Paproski): I recognize the Hon. Member for Burnaby (Mr. Robinson).

Mrs. Finestone: I have not completed my observations, Mr. Speaker.

The Acting Speaker (Mr. Paproski): If the Hon. Member does not complete them shortly, the Hon. Member for Burnaby will not be able to answer her.

Mr. Robinson: Mr. Speaker, I would like to thank the Hon. Member for asking her very important question. I must note that had the Liberal Party when it was in government moved much more quickly to implement these proposals, we would not be at the mercy of a Tory Government today.

Having said that, I think the Hon. Member has certainly made an important point. There is no evidence whatsoever that the Government is serious about the commitments that were made at the time this Bill was passed with respect to maternity leave, increased protection against sexual harassment and occupational health and safety. The Government is asking us to grant it some $16 billion in supplementary borrowing authority for fiscal year 1985-86 the day after it came before Parliament and said it intends to break a promise which it made to working people of the country, and particularly to working women, that they would be entitled to safe working conditions and that working women would be entitled to proper maternity leave and not to be harassed on the job. A government which breaks a promise to working Canadians in that way has no right to ask Parliament to trust it with the expenditure of $16 billion.

Mrs. Finestone: Mr. Speaker, I would like to remind the Hon. Member that this law was passed in June. I believe the goodwill and good intention of my Party was implicit in its having proposed the Act.

Mr. Robinson: It should have been done long ago.

Mrs. Finestone: Nonetheless, I would like to bring to the attention of the Hon. Member the fact that although this Code applies only to the 600,000 workers who fall under federal jurisdiction, it serves as a model for other jurisdictions and will influence collective bargaining between unions and employers. This then becomes all the more important.

The changes approved in June and proclaimed into law by the former Liberal government have not as yet been applied but they include mandatory payment of union dues. That should interest the Hon. Member a great deal, and I am surprised he did not comment on it. I would also like to bring to his attention the fact that the delays that are being considered can really harm the people of the country. When the Minister of Labour surprised the Labour Committee by announcing these lengthy delays in the implementation, arguing that these detailed regulations were necessary, he left the door open to delays beyond June 1986 by saying that the new timetable involved only target dates.

I wonder if it is not very important in the Hon. Member's view to note that the change to add 24 weeks of unpaid maternity leave to the current 17 weeks of paid leave spelled out in the Code and to allow either spouse to take advantage of the extension will be put off until the following year. I find it anathema that this Government, which supposedly finds great comfort and some direction in the Abella report, which offers some degree of commitment to equality in employment and which recognizes the contribution of women to our society, does not recognize that women also contribute to the growth and development of the future of society. By denying these very simple—

The Acting Speaker (Mr. Paproski): I am sorry. The time allotted for comments and questions is now over.

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, I rise in support of Bill C-11 which has been presented before the House. To begin with, I must say that the borrowing of this amount of money is of some concern to me personally and goes against the principles in which I believe. I believe we should be spending only that money which is already collected. I would like to refer to the people of the riding of Scarborough Centre who have common sense and do know the importance of spending money after they have it in their pockets.

We have a deficit that has escalated to such an extent that it has put us on a dramatic rollercoaster course. This escalation is of great concern to me. The people of Canada have been burdened with numerous taxes including property taxes, sales

taxes and tremendous income taxes. Although the people recognize that taxes are necessary for the government and society today, they do have the sense that this money is not being used as wisely as it should be.

I recognize that there are services to be provided. On the other hand, the importance that is put on wisdom and efficiency in the spending of that money must not be underestimated. Common sense and efficiency in spending is what we are looking for.

Canadian people voted for a change in what had been happening to the administration of Canada for the past 20 years. Canadians wanted a dramatic change. In fact, this change has been so dramatic that it has even changed the weather in Ottawa. Instead of having already suffered through one month of winter, we have beautiful sunny weather which we are enjoying immensely.

Some Hon. Members: Hear, hear!

Mrs. Browes: Canadians voted for a change on September 4 and positive, progressive change is well under way. For the first time in many years, Canada has a Government that is realistically facing our nation's serious financial problems. We are telling Canadians in an honest and responsible manner that this country can no longer run up massive deficits year after year.

The facts are quite simple. By the end of 1984-85, the net public debt which is the accumulation of past budgetary deficits, is likely to reach nearly $190 billion, an incomprehensible amount. The national debt is growing faster than the economy. In relation to the size of the economy, net public debt will have increased from 16.6 per cent of GNP in 1974-75 to 45.2 per cent in 1984-85. In simple terms, our budgetary deficit is more than 7 per cent of Gross Domestic Product and has grown tenfold since 1967. In addition, one-half of current government borrowing is earmarked for interest payments alone.

In its September issue of *Observer,* the OECD assessed Canada's deficit as being uncomfortably high. It went on to say that the priority of Canada's Government should now be to reduce the federal deficit.

Our Party realizes that we must bring down the deficit in order to bring down interest rates, which would bring down the unemployment rate. We all know that as the deficit rises, so do interest rates. For each one percentage point increase in interest rates, the public debt charges rise nearly $1 billion. Thus we have a vicious cycle. This ever-increasing debt load is shattering confidence in our economy and suffocating growth and job creation. By successfully combatting the deficit and opening up investment opportunities, we will be continually fighting unemployment.

• (1250)

We have a Government that wishes to consult with the people. I would like to report to the House that in Scarborough that consultative process has already begun. The four Members of Parliament from the City of Scarborough who are sitting on the government side have been consulting with local politicians, the mayor, the controllers and the aldermen to look at ways and means of getting people back to work. The Mayor of Scarborough called me on September 5 and asked when we could get together to have that consultation. We have met on several occasions.

The people of Canada and the people of Scarborough want to be heard and want to be heard in the House. My hon. friend said that only the people who are up to their knees in carpet are being heard. That is not true. The people of Canada are being heard through their representatives on this side of the House.

People want to work. Young people and those people who are mature workers have lost their jobs because of interest rates, businesses going out of business, bankruptcies, lay-offs and investment which is flowing out of this country. This Government has a determination to develop inner confidence and a sense of purpose. With that sense of purpose and that confidence, we will make Canadian people winners by maintaining security with meaningful employment.

We must demonstrate to entrepreneurs and to investors that Canada is ready for business once again. Above all, immediate measures must be taken to stimulate economic growth and job creation. How can we do this? By reducing the deficit in a fair and honest manner. I would like to read a recent editorial from the *International Herald Tribune* which contrasts our approach with the approach taken by U.S. President Ronald Reagan. The aricle is dated Saturday-Sunday, November 17-18, 1984 and reads as follows:

> Prime Minister Brian Mulroney has denounced the huge budget deficit in the most explicit terms. His finance minister, Michael Wilson, warned last week that Canada cannot expect just to grow out of it. "The simple fact is," he said, "that the mounting federal debt has become a powerful obstacle to growth and to private-sector job creation." That touches a couple of points upon which President Reagan and his secretary of the Treasury, Donald Regan, remain conspicuously ambivalent.
>
> Another difference: Mr. Mulroney has gone to some lengths to assure Canadians that he is not going to try to knock holes in their comprehensive, extensive system of social benefits. There will not be anything like Mr. Reagan's raids on the food stamp money. Mr. Mulroney thinks that the Canadian government has become too big, but he keeps repeating that fairness will be the criterion for the cuts.

The article continues:

> Mr. Reagan is trying to cut the American budget by imposing his administration's own values on everybody else. It does not seem to be working. Mr. Mulroney is going to try another method, a series of consultations throughout this country to work toward a common purpose.

Through the process of co-operation, planning, consensus and understanding, the Government is prepared to take on the serious economic challenges that face our country. By working together, Canadians can make this country work.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): Questions or comments? The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria).

Mr. Boudria: Mr. Speaker, my question relates to the remarks which were made by the Hon. Member with respect to the consultation which is allegedly taking place. I would like to ask her, before cancelling the 1986 census with whom did the Government consult? Did the Government consult with women's groups? Did it consult with big business, which has called for the reinstatement of the 1986 census? Did it consult with academics, who have also asked to have the census retained? Did it consult with the Province of Ontario? I believe there has been a severe tongue-lashing administered by the province to the Minister of Finance (Mr. Wilson) for cancelling the census because the data base which the census provides is used by the province in calculating the size of its equalization grant. Perhaps the Hon. Member could tell us about the consultation that went on before the cancellation of the census took effect.

Of course, using her words, the intent of this Government is to consult with everyone so as not to offend anyone. The Hon. Member has stated that the Government was very sensitive and wanted to act in such a way that any moves it made would not be arbitrary but would be made in the spirit of consultation. Perhaps she could explain to the House how this consultation process took place. She will undoubtedly want to enumerate all the groups which were consulted with respect to this particular cut.

Mrs. Browes: Mr. Speaker, the census is an item which I particularly like to speak about because it reminds me of 1961, when I was one of the persons in the City of Scarborough who visited the homes as a census taker. I know the importance of that being done every ten years. It is something which we have done and will do every ten years. The census is a very important aspect of this Government. However, Canada had a government in place over the past 20 years which put us in the position—

Mr. Boudria: We never cancelled the census.

Mrs. Browes: The Hon. Member may not have been here, but he is part of it. The point is that it has left the people of this country in the position where our children and grandchildren will be burdened with a tremendous deficit and the interest on that deficit. There has to be a beginning to bring this deficit under control.

I want to tell the Hon. Member that the Government is consulting. If he polled each person on this side of the House, he would realize, as we have in our ridings, what the feelings are and comments which we are hearing about the direction this Government is taking. It is a new direction. It is a new era. Confidence is being instilled in Canadians once again. They are confident that they will have a job and that they will be able to bring up their children. They have the confidence that they will be able to buy a house once again. It is an excellent direction and it is an excellent era that has begun in Canada today.

The Acting Speaker (Mr. Paproski): Questions and comments will continue at two o'clock. It being one o'clock, I do now leave the chair until two o'clock this day.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Paproski): The Hon. Member for Scarborough Centre (Mrs. Browes) had completed her remarks before the luncheon adjournment. We were five minutes into the question and comment period. I will recognize the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) for a question.

Mr. Boudria: Mr. Speaker, just before the luncheon adjournment I had asked the Hon. Member what consultation process had taken place before the cancellation of the census. I am sure you vividly recall that discussion, Mr. Speaker. The Hon. Member replied that the consultations which had taken place were in respect of the deficit. I do not quite understand what the answer had to do with the question. Perhaps when the Hon. Member replies to my next question, she can also tell this House about the consultations concerning the census.

I would like to know from the Hon. Member with which agency the Government consulted before cancelling the $9.6 million which was provided through the Canada Mortgage and Housing Corporation in subsidies for public housing projects in conjunction with the provinces, municipalities and non-profit and co-operative agencies. I would like to know specifically, did the Government consult with the co-operative housing groups before cancelling the social housing program? Did it consult with the non-profit housing groups? And did it consult with the Canadian Federation of Municipalities? If that consultation took place, I wonder if the Hon. Member can indicate the view of those agencies which are going to get their funding cut off; how did they like it?

Mrs. Browes: Mr. Speaker, I am very pleased to respond to the Hon. Member's questions. The fact of the matter is that the people who were elected to form this Government have been consulting with the Canadian people for some time. The period of July and August of 1984 was a very intensive time of consultation with the Canadian people. What we were hearing was a very loud and strong message. The Canadian people wanted a change, Mr. Speaker. They wanted a change from what had been going on for the past 20 years. Let me tell you, Mr. Speaker, what the Hon. Member's own Party said about the deficit.

On August 13, 1969, the Right Hon. Pierre Trudeau said, "We would be on the road to financial disaster if nothing was done to bring spending under control". That was the beginning of his term in office, and we saw where the deficit went from there. On May 6, 1972, the Right Hon. Leader of the Opposition (Mr. Turner) said, "The bare fact of the matter is that we

cannot do everything at once. We simply do not have the resources. There are limits to the scope of fiscal policy. There are limits to stimulus and readjustment". That fact was recognized some years ago, Mr. Speaker, and the Government of the day did nothing to try to contain the spending which had been going on for a good number of years.

With respect to the census, as I stated, we are maintaining our constitutional responsibilities in terms of the census every ten years. In 1955, the mid-decade census was taken. We are at this point in time, Mr. Speaker, maintaining those constitutional responsibilities of a census being taken every ten years. However, the Hon. Member must keep in mind that after consulting with the Canadian people in a very intensive way for some 60 days or 65 days during the election campaign, we received a very strong message that we had to make a start to resolve our financial problems. And that was one of the initiatives we took.

The Hon. Member spoke about the housing situation. I am very interested in addressing the problem of the women in this country being on the lower level financially, and we are addressing that problem. But we must tie this in with the deficit. We have had a very intense, comprehensive, consultative process in order to resolve these problems.

The Acting Speaker (Mr. Paproski): The period for questions and comments is now terminated. I will recognize the Hon. Member for Ottawa-Carleton (Mr. Turner).

● (1410)

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, you have always been a man of distinction in my mind, with or without your new uniform.

I am pleased to speak on this Bill today. The substance of it will provide for $7.3 billion of additional borrowing authority for fiscal 1984-85, of which $2 billion may—and I stress the word "may"—be carried over for fiscal 1985-86. The $2 billion reserve is designed to provide flexibility in the event of large, unpredictable changes in financial requirements. For example, foreign exchange operations to stabilize the dollar can alter the financial requirements of the Government. I see nothing wrong with this, Mr. Speaker.

As the Minister of State for Finance (Mrs. McDougall) said in her address to the House on this Bill, it could be money for a rainy day. The fiscal weather has been pretty lousy in Canada during the last decade. I remind the House that the Minister also stated that previously issued debt is coming due and must be refinanced. These are debts for which we are not responsible. I would like to take the House on a trip down memory lane for a few moments.

On October 22, 1968, the Hon. Edgar Benson, in his Budget address said:

> We intend to continue severe restraint upon those direct expenditure programs under the Government's control, eliminating what is obsolete, and permitting only the degree of growth that is essential.

Severe restraint, Mr. Speaker, in a year with a $404 million surplus.

On June 23, 1975 in his Budget address to the House, the Right Hon. John Turner said:

> The Government proposes to set an example of restraint in this regard by imposing strict control over its activities and programs.

Some example, Mr. Speaker.

On November 16, 1978, the Hon. Mr. Chrétien in his Budget address to the House said—

The Acting Speaker (Mr. Paproski): Order. I would hope that Hon. Members would not mention names of individuals but rather use their proper title.

Mr. Turner (Ottawa-Carleton): Thank you, Mr. Speaker. I quote the former Finance Minister on November 16, 1978. He said:

> There can be no weakening in our determination to keep expenditures under tight control.

Tight control Mr. Speaker, some control. The deficit that year was $12 billion. In his October 20, 1980 Budget address to the House, the then Minister of Finance said:

> In order to achieve the essential reduction in the deficit, great restraint over expenditures has therefore been required.

Great restraint over expenditures, Mr. Speaker, some restraint. It gets better. On November 12, 1981, the former Finance Minister, in his Budget address to this House, which we all remember very well, said:

> This budget has three themes: restraint, equity, and economic renewal . . . For our part, I believe we must reduce our deficit and our borrowing requirements substantially.

Some restraint, some reduction, Mr. Speaker. The deficit that year was $15 billion. In 1981, we slowly slipped into the worst recession in our country's history.

On April 19, 1983, in the Budget address to the House of Commons by the then Minister of Finance, he said:

> This is a fiscally responsible budget.

Some budget, Mr. Speaker, some responsibility. The deficit that year was $31.8. That is the end of our little walk down memory lane.

This summer during the election, Barbara Frum said on *The Journal*, "There seems to be a fundamental flaw in our economy". Mr. Speaker, she was dead right. Our nation's affairs have been seriously mismanaged and this has put us in the bind we are in today. We are living with the tremendous government waste of past administrations. Need I remind the House of Consolidated Computer at $125 million, or Maislin Industries at $34 million, or Canadair and many others?

I have received representations from business leaders, interest groups and individuals in my riding. I sense that a new air of optimism has blown across the country. Our chariot of fire has been lit by people from all regions, from all towns and cities in every Canadian province. This is what we as a Government can now build on. We cannot do it without some fiscal manoeuvrability. The federal deficit and the accumulated national debt has reached unmanageable proportions. Never in Canadian history has so much been owed by so many

to so few. We have inherited this and we will have to make some difficult decisions to manage it effectively. As the House knows, we have already made some decisions and we will have to make some more.

On May 7, 1984, Professor Lipsey, senior economic adviser of the C.D. Howe Institute, gave a speech at the Conference Board of Canada financial conference in Toronto. He said:

> The best contribution that public policy can make to removing unemployment is, first, to get the deficit quickly under control so that a better balance of less expansionary fiscal policy and a more expansionary monetary policy can be adopted.

Professor Lipsey went on to say:

> Once we realize that cutting public sector deficits allows easier monetary policy we will have taken a fundamentally important step towards creating a more receptive climate for investment and risk taking.

The House knows that our priority is to reduce the federal deficit, and we will. We will target our talent and dollars at winners or potential winners to help our lost generation of young people find jobs. To do this we will need the co-operation and support of the private sector. In my opinion, there is nothing wrong with that.

The Premier of Ontario, when speaking of the deficit recently, said, "You cannot take more out of something than you put into it". We are now trying to right the wrongs of Liberal pasts.

Since 1980, the investment, tax and energy policies of the former Liberal government have caused a flight of job-creating capital from this country that is without precedent in our history. Seventeen billion dollars of direct investment capital has left Canada which could have been used to strengthen our capital base and create jobs. Liberal programs such as the national energy policy and the Foreign Investment Review Agency were catalysts which set off a chain reaction of destruction throughout our economy, helping to turn a global recession into a made-in-Canada catastrophe.

In 1980, the Liberals told Canadians they would buy back Canada, that foreign investors were no longer welcome. They did not really buy back Canada, Mr. Speaker; they borrowed it back, replacing foreign equity with foreign debt. That huge outflow of equity, much of it Canadian, has been a major reason why our dollar has fallen from 88 cents to 75 cents American since the 1980 election. That outflow of equity is also one reason for our high interest rates. If Canada had not offset that outflow of cheap equity with an inflow of expensive debt, our dollar would have sunk like a stone.

• (1420)

We now have a wonderful opportunity to show domestic and international investors that Canada is still an excellent place in which to invest. In short, encouraging investment in this country is a top priority for our Government.

However, I ask the House to be patient. I believe the borrowing authority Bill we are discussing today is essential. If we do not borrow these funds, the Government will be forced to break its undertaking to Canadians and to Canadian institutions. We have financial, legal and moral obligations. If we do not borrow these funds, then I ask Hon. Members opposite to tell the provinces, the welfare recipients, the old age security recipients that they will not get their cheques or to tell those on unemployment insurance that the well is dry.

There is no question but that we must borrow this extra money. The kinds of programs that we are embarking upon now will ensure that three, four or five years from now we will not have to do this again.

Mr. Nunziata: Mr. Speaker, the Hon. Member indicated that the Government has a financial, legal and moral obligation to pass this bill. Does he not believe that there is any obligation to the House to indicate the nature of the spending rather than simply asking us to sign a blank cheque without knowing full well the particulars of what we are approving?

Mr. Turner (Ottawa-Carleton): Mr. Speaker I do not have to remind Hon. Members of the condition the fiscal affairs of this country were in when we took office. I recall asking the Minister of Finance (Mr. Wilson) about the condition of the books, and he said that I would not like to see them. We are coming to grips with these concerns which are the result of a Government that has been living beyond its means for a very long time. It had to stop.

We are doing everything in our power to make intelligent, honest and rational decisions that will benefit the people of this country from coast to coast. Therefore, we must ask for financial support from the House so that we can make the kind of decisions that will allow us to implement programs that will get us all back to work soon.

Mr. Robinson: Mr. Speaker, the financial statement of the Government would indicate that cuts are being made in a number of areas which affect the Hon. Member's constituents. In this Bill, the Government is asking us to approve $16 billion in expenditures for the fiscal year 1985-86. One area of concern for us is the effect this will have on public servants. The Hon. Member represents a constituency in which there is a large number of public servants. Would he indicate whether he agrees with the decision of the Government to postpone, to use its words, the implementation of those sections of the Canada Labour Code which would provide protection to employees of the Government under federal jurisdiction, including public servants and others, with respect to maternity leave, occupational health and safety and a number of other important areas? Does he support the decision of his Government in this respect?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I thank the Hon. Member for his excellent question. I am not entirely familiar with the Canada Labour Code. The Hon. Member for Burnaby (Mr. Robinson) is correct in saying that many of these cuts will affect my riding, but I think that the cuts that are being made will affect all ridings across the country without exception.

I have had representations from public servants in my riding who are concerned that they will be directly affected by some of these cuts. I can assure the Hon. Member and the House

that the Government is doing everything it can to make sure that those who are directly affected by the cuts will be given first priority to relocate either in other Departments or in the private sector.

Mr. Clifford: Mr. Speaker, I support my colleague's endorsement of Bill C-11. I share his interest in receiving so many calls from the private sector and small business supporting the direction in which the Government is heading.

I am surprised at the responses we have heard from Members opposite with respect to this Bill and the consultative process. They appear to be shocked by our consultative approach.

I would suggest that the speeches that have been made by our Ministers have clearly indicated that people have responded positively to this process upon which we have embarked. For example, there are representatives from the municipality of London in my riding who are here to consult with the Government about the future of our municipality and, indeed, the future of the country.

As a new Member of Parliament, it is a new experience for me to be part of a Government that indeed wants to ask people what went wrong in the past and to ask for their input to help make a better future for all Canadians.

The Acting Speaker (Mr. Paproski): Does the Hon. Member for Ottawa-Carleton (Mr. Turner) wish to reply to that comment?

Mr. Turner (Ottawa-Carleton): I have no comment, Mr. Speaker.

Mr. Nunziata: Mr. Speaker, I wish to direct another question to the Hon. Member for Ottawa-Carleton (Mr. Turner). The Government is asking for permission to borrow $16 billion for the next fiscal year, beginning April 1. Can the Hon. Member cite a precedent or give any authority the Government can use for asking for borrowing authority prior to bringing down a budget?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I personally cannot cite a precedent.

Mr. Nickerson: The Government did it last year.

Mr. Turner (Ottawa-Carleton): However, I believe that members of the Official Opposition have been setting such precedents in the House for many years.

Mr. Robinson: Mr. Speaker, I have a supplementary to my previous question. Perhaps the Hon. Member did not understand the nature of the question.

Of course, I assume that as a representative of Ottawa-Carleton he would have some interest and awareness of the Government's decision with respect to the proposed changes to the Canada Labour Code that will affect 300,000 public servants, a good number of whom live in his constituency. I find it incredible that the Hon. Member can rise in his place and say he does not know what those changes are. I assume that he did not understand the question. Is the Hon. Member aware of the Government's decision, through the Minister of Labour (Mr. McKnight), to put on the backburner changes to the Canadian Labour Code affecting federal employees in the area of occupational health and safety, maternity leave and sexual harassment? If he is not aware of it, why on earth not? If he is aware of it, does he support that decision?

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I am very proud to represent the people of Ottawa-Carleton. I always thought that a Friday afternoon in the House was a day of relaxation, but I am quickly learning that that is not the case.

I am not entirely conversant with the issues which my friend, the Member for Burnaby, has raised. However, I take note of his excellent suggestion and I will meet very soon with the Minister to seek more clarification on those concerns.

Mr. Crofton: Mr. Speaker, my remarks pertain essentially to the comments made a few moments ago by the member from the Official Opposition—

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member. Questions should be put to the Hon. Member for Ottawa-Carleton (Mr. Turner). If the Member would like to address the Chair and address the question to the Hon. Member for Ottawa-Carleton (Mr. Turner), I will accept it. Otherwise, I will have to recognize someone else.

Mrs. Finestone: Mr. Speaker, perhaps it would be advisable for the Hon. Member to read this morning's *Globe and Mail*. He would be able to inform himself about the consequences, dire consequences, with respect to maternity leave, paternity leave and adoption. Canadians who are rebuilding the Hon. Member's future and the future of his constituents might be interested in knowing that the maternity provisions were forged in a very hard and difficult battle. They are vital to the well-being of the future of our country, although the business community—and I know the Hon. Member has a particular interest in the business community as I do, but not to the detriment of youth and children in our future—tried to block all this advanced legislation, these new social roles and the important equal opportunities for women.

• (1430)

I would like to suggest that since all the Parties in the great big pre-election atmosphere accepted these rules and new laws, the Hon. Member might see to it in his own caucus that they are put into application. How does the Hon. Member feel about that?

The Acting Speaker (Mr. Paproski): The period for questions and comments is now terminated. I would like to recognize the Hon. Member for Dollard (Mr. Weiner).

Mr. Benjamin: Let the Hon. Member answer. There is unanimous consent.

The Acting Speaker (Mr. Paproski): Is there unanimous consent for the Hon. Member for Ottawa-Carleton (Mr. Turner) to answer the last question?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): I am sorry, there is not unanimous consent. The Hon. Member for Dollard (Mr. Weiner).

Mr. Gerry Weiner (Dollard): Mr. Speaker, I rise in support of Bill C-11. I have been hearing since early this morning about the devastation that we have caused and the way we have wreaked havoc on the entire community. All we have asked for is a time for reflection to consider what has taken place. Since 1968, the good old days when we used to run surpluses at the end of each budgetary year, we have somehow been able to change the whole pattern of development. We are now running massive deficits approaching some $35 billion. We changed this pattern with the assistance of many Finance Ministers all of whom talked about restraint.

Deficits and jobs are of grave concern. I come from a riding that is 50 per cent ethnic in its nature. These are people who have come to Canada, many first generation newcomers from different lands. We have representatives of 39 ethnic communities. We have many visible minorities. They cannot quite seem to grasp what is going on. They came here filled with high hopes and aspirations, expecting a land of milk and honey. But now we have massive deficits and there are no jobs. We cannot keep spending as if there were no tomorrow. At some point we have to cause an interruption in that rapid growth that has been taking place, one that would run us right off the map.

A recent study in Ville St. Laurent, one of the two important cities that comprise my riding, showed that in some 100 ethnic families with an average of 5.2 members per family there was an unemployment rate of 72 per cent. This is appalling. They live in abominable conditions, conditions that are sub-human, and they have an income of $1,100 a month either through welfare or whatever other source. They want answers and they want answers quickly. Certainly they want job creation, the young people, the older people, and the rest.

I think it was a good beginning. We came to grips with the deficit. We are saying that before we allow any further growth in the deficit, let us control it, let us stop it. Let us take a look at what we are doing. Let us look at the high unemployment and inadequate investment. We must take a look at the erosion of confidence that has taken place and all of the personal hardship. How are we going to restore some confidence into this community? What are we going to do?

We have to begin with a proper program of restraint. I heard about the devastation we are causing. I can only assure the Hon. Member who has brought this matter to our attention that everything I have heard so far in the first few months is that everyone will be treated with fairness. We cut $1 million from the budget of the National Film Board, which caused some hysteria. We asked the CBC to take a cut of $75 million, and the CBC instantly wanted to cut out some vital program.

I think those of us who ran hard this past year ran hard so that we can get here to create some accountability and responsibility in government. What we are really saying is: don't affect the services. Let us look at the way these services are being administered. Let us come to grips with the large bureaucracies, those 300 or 400 agencies that have never had any accountability and whose books have never been opened to public scrutiny.

Mr. Benjamin: Like the Prime Minister's Office.

Mr. Weiner: It is about time that those things were made a matter of public record. There are people in my community who have trouble finding work and paying taxes. In general, one out of six heads of households is out of work. They do not understand how we can continue to spend as if there were no tomorrow. Therefore, let us control our spending, put it on hold, while we consider ways of putting more people back to work. I can tell you, Mr. Speaker, that the business community has already shown tremendous interest and confidence in what we have begun to do. This will be shown by a renewed investment in our community by the creation of jobs.

As some Hon. Members will recall, Parliament has already granted borrowing authority amounting to $24.6 billion for the present year, an amount based on the previous government's requirements of $25.5 billion. However, we inherited financial requirements of $29.9 billion. This sorry plight, the mess left us, requires us to have supplementary borrowing authority for the current fiscal year. In addition, the new expenditures and the tax initiatives which the Minister of Finance (Mr. Wilson) announced bring our projected requirements to $29.2 billion, $6 billion higher than estimated last summer.

What we are trying to do is to become a little more cost efficient. We want to make sure that there is an importance to what we are doing. We want to minimize the changes taking place in the community. There is a need to put our house in order. We have to limit the debt in order to do that. We have to reverse our direction and what effect it has had on our confidence and growth.

We have come through an era where government has played a very implicit role in the handling and management of business. It has been too involved. Many of us would like to see a little less government involvement. We would like to think that we can somehow get the government out of our bedrooms and put the initiative back into the private sector. Small businessmen are already burdened with far too much red tape and far too much bureaucracy. There are people who are innovative. Some of us are prepared to take risks. We have the competitive spirit. We feel the reins should be loosened somehow. This is the kind of view that is being taken in this reflective period.

What we promised through the summer campaign and "the time for change" on which we all ran, is that we would be in

constant communication with our communities. In other words, we would listen before we would act. We are doing what we promised, that is, getting involved in consultation, meeting with municipalities and the different constituents who elected us. I feel people are quite happy to participate in this type of change and they want to have input.

If we did nothing and caused no change then, of course, by the year 1990 we would be looking at scandalous deficits and at unemployment perhaps getting even worse. It is very, very difficult to have to continue to finance debt charges. My own feeling is that whatever we are asking here is very legitimate. It is necessary to continue the orderly progression which has already begun. I take pleasure in rising to support it.

• (1440)

Some Hon. Members: Hear, hear!

Mr. Robinson: The Hon. Member for Dollard (Mr. Weiner) spoke about the concerns of his constituents in terms of job creation and the fact that a very large number of them were out of work. I am sure a significant number of families in his constituency have children who are students in post-secondary educational institutions. How can the Hon. Member possibly justify the decision of his Government to eliminate the Summer Canada Program for student employment?

Mr. Weiner: Mr. Speaker, we have just come into a period now where we have implemented the Canada Works program. We know that the Minister of Employment and Immigration (Miss MacDonald) is looking at other aspects of what we would consider to be more long-term programming. Those of us who have worked in the municipal sector are especially fed up with the type of programming which previous governments have given us. They were piecemeal and offered only little bones for very short periods of time. There was no concern for whether there was a need for the program in the community. I am thinking of a particular drop-in centre which was allowed to be funded. They never came to the municipality to ask whether it was required. They allowed this particular project to be set up for a very short period of time. When the project wound down or when the funding wound down, they then came to the municipality expecting support. I think this is the time to reflect and to think seriously of job-creation programs which are not for six to twelve weeks. We need ways of putting people back to work for three to five years.

Mr. Robinson: What about Summer Canada?

Mr. Weiner: The student program is of particular interest. I have two children who fit into that category. I am very hopeful that the Minister in this particular period will find a program which can be of a long-term nature and would suit the needs to which the Hon. Member referred.

Mr. Rodriguez: The Hon. Member for Dollard (Mr. Weiner) mentioned high unemployment in his riding. How does he justify the initiatives of the Minister of Employment and Immigration (Miss MacDonald) which chopped $200 million from the unemployment insurance fund? The means by which she will do that is the hiring of 700 investigators to disentitle claimants. How can the Hon. Member justify his concern for his constituents with the direction the Government has taken?

Mr. Weiner: By hiring 700 people, I think we are already taking 700 people off the unemployment rolls. I have seen nothing to indicate that there is not a strong need to tighten up the entire bureaucratic structure by which the employment operation is being managed. There have been far too many abuses, far too many examples of individuals—

An Hon. Member: Oh, oh!

Mr. Weiner: —who have not been able to find jobs in particular sectors and have been unwilling to move into any other area of endeavour. I think it has to be part of a comprehensive program. I think the Hon. Member is taking something out of context. When a program is put into place, it has to be one where we can direct and retrain the individual. There is no point in having a person on the unemployment rolls and forcing him to go on welfare before being prepared to put him through a retraining process.

The knowledge we have acquired which is more than five to eight years old is antiquated. Some 10 years from now most of the workforce will have to be completely retrained. We have an excellent opportunity right now to put into effect programs for the unemployed which will put them back to work in a very honest way.

Mr. Prud'homme: Mr. Speaker, in answer to a question by the Hon. Member for Burnaby (Mr. Robinson) concerning the student program next summer—and I listened attentively to what he said—the Hon. Member said that he was sorry to a certain degree that this was announced but that he was sure the Minister would find a summer program. I may agree with him that perhaps some part-time jobs may not be the best. For those who have none, they may be the best. However, summer jobs are part-time. Why should we worry hundreds of thousands of young people who are already preparing themselves for summer employment? Usually good, young Canadians start preparing themselves now. I do not mean to be politically partisan, but it worries me because many young people used to start preparing themselves now for the coming summer. The Parliamentary Secretary to the Secretary of State for External Affairs (Mr. Weiner) indicated that he hoped the Minister would do something. Why cancel a program only to announce something which would be totally similar?

Since the Member and I share Ville Saint Laurent, I ask him on behalf of millions of people to stop referring to non-francophones and non-anglophones as ethnic. If my name was "Prud'hommeski", as I have been saying for 20 years, I would be fed up with hearing francophones and anglophones talking about ethnics. He referred to his district, which is similar to mine, as having close to 39 ethnic groups. I do not know where he fits in, by the way, but as far as I am concerned, I think there are only two kinds of Canadians—the Canadians who are Canadian citizens and the landed immi-

grants. The Hon. Member will discover in his own district how much the young Canadians of parents who are other than francophone and anglophone resent being referred to as ethnics. This is not a criticism. It is my 20 years of experience with them which makes me even now change my own vocabulary and not use the word "ethnic" in reference to others.

Mr. Weiner: I will begin by commenting upon my hon. friend's suggestion on the Summer Works Program. Those of us who came here on September 4 were almost astonished how we continued to put into effect the same type of programming to which the previous administration was a party by allowing Canada Works or *Programme Canada au Travail* to go through. We did not necessarily have time for it to be a product of our own development. One would expect this to be something that we had to accept and something we were happy to do, because we knew that the unemployment rate, which was in excess of 11 per cent, would have been much worse by January. At 11 per cent it was already intolerable. We took the bulk of the money, those of us in our own ridings who share my hon. friend's concerns, and put together citizen advisory boards, precisely for the reason that we did not want any political or other patronage factors to be involved. We wanted members of the community to be able to benefit most from them. We are actually allowing them to become the advisers on what can go through.

Mr. Prud'homme: How different could the program be?

Mr. Weiner: Because we only had two months, we accepted the program already put in place by a previous administration. However, to continue that type of piecemeal, part-time program would be illogical.

Mr. Prud'homme: Summer employment is part-time.

Mr. Weiner: I am sure the summer program will be addressed in proper order and a program will be devised which will be much more ongoing, will have permanence for the community and will conform to the needs and concerns of the community.

With your permission, Mr. Speaker, let me say this. I have been somewhat chastized for using the term 'ethnic' to qualify first or second generation members of visible or cultural groups who have come to Canada from other countries. They are very proud Canadians. I include myself among them. There was no harm. We are Canadians. We have integrated very well into society. We have come to accept, respect and love this country, but we all have ties to another country. The rich heritage, culture and tradition we brought with us are transmitted to our children for future generations. We are proud to be identified as members of an ethnic group.

[*Translation*]

We are all good Quebecers, but I have no reason not to think that a certain number in our riding . . . it is 50 per cent, we are ethnic groups. There is nothing unthinkable in that and I, for one, Mr. Speaker, am always prepared to be included in ethnic groups because we practically form a majority in our riding.

• (1450)

[*English*]

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am pleased to speak on Bill C-11. I am very concerned when I see a Bill to borrow $16 billion which fails to give any detail as to how the funds will be used. I am further concerned when I hear that part of the funds may be carried over to the next fiscal year. This disturbs me. As some Members may know, I was in another legislative Chamber, the Legislative Assembly of Ontario. Those kinds of actions concerned me there, and now they concern me here. I see that a Member opposite agrees that there is something here to be concerned about.

In the last few days we have seen the Government introduce such measures. Not long before, we saw a budget disguised as an economic statement. It should more appropriately have been called a cut-back statement. All it did was to cut back jobs and programs that the previous government had announced.

This Government said it would be more accountable. I am sure Hon. Members recall this vividly. During the election campaign I heard speech after speech from my Conservative opponent, as I am sure others did, on how the previous government had not been as accountable as they would like. They stated that if they had the opportunity to be in power, they would be far more respectful, accountable, and all the other adjectives. They patted themselves on the back for all the good things they would do if given the opportunity to be in power.

They were given that opportunity on September 4. What do we see from this Government that is supposed to be accountable? It introduced tax measures almost immediately, without the approval of Parliament. Parliament had not yet been recalled when those measures were introduced. This is from a Government that purported to be accountable.

We waited a few more days. A budget was introduced, but it was called something else. That is not a sign of a government that wants to be accountable. They said they would be open. We all remember that. The only thing that we have seen open in the last few days is the briefcase of the Minister of Finance (Mr. Wilson). That is all that has been open, save and except the tape recorder of the Right Hon. Secretary of State for External Affairs (Mr. Clark) with cassettes seemingly falling out all over the place, ending up in radio stations here and there.

An interesting cartoon appeared today in the Ottawa newspaper *Le Droit*. It depicts the open briefcase, things falling out, and it is entitled "Open Government". It is most appropriate. The only problem is that nothing else is open.

We have not had this open government, the spirit of co-operation, this government that is going to co-operate with everyone as referred to by the Hon. Member for Scarborough Centre (Mrs. Browes). Who did they consult with before

cancelling the 1986 census? Did they consult with the Status of Women group? Surely not. Did they consult with the handicapped? For the first time the 1986 census was going to include a question on the handicapped.

Did they consult with the Home Builders Association? We hear that this Government is a friend of business. Surely one would have thought it would consult with the Home Builders Association. Not so. The Home Builders met with members of our caucus only a few days ago to tell us they had not been consulted. They were against cancellation of the census. This is from the government of consultation, a government that was to be open and accessible and accountable. Did they forget that? Did this sudden realization of having power make them forget their election promises? I would hate to think that has actually happened.

Who promised that they would enable women to participate fully and equitably in the economic life of this nation? It was none other than the Conservative Party. What did it do? The data base to establish affirmative action programs is the census, and it has cut that out. It cut the head off the program.

The Government says it is open and accountable. Accountable to whom? To itself? It seems it is accountable to no one else. All those whom we have consulted on this measure stated that they were not consulted. The Government is not accountable to this House or to the people. It does not consult with anyone. Is this a Government of consultation?

This Government said it would be thrifty. It said the previous government was wasteful. What did it do? It started off with 11 additional Cabinet Ministers. That is a bit much for a thrifty group. To go with the 11 Cabinet Ministers, you buy, lease or otherwise obtain a bunch of limousines, at least one each for those very important people. In order to have someone in the limousines to accompany the Ministers, you hire political commissars at $80,000 or $100,000 each. You hire 40 of them. Who pays for all this? It is you, I and the rest of the citizens of this country. This is done so the Government can hand over a lot of jobs because it has a lot of elected Members.

Perhaps I am forgetful, but I do not recall my Tory opponent ever stating during the election campaign, "Vote for me and we will buy a bunch of limousines. Vote for me and we will hire a bunch of commissars". I never heard that. Perhaps my Tory opponent forgot. Perhaps other Conservative candidates said, "Vote for me and you will be fired". Many of my constituents are in the process of losing their jobs because of the actions of this Government. I do not recall my Conservative opponent raising that matter.

The Hon. Member for Ottawa-Carleton (Mr. Turner), a neighbouring Member, may have campaigned on that theme, although I would be surprised. Had he done that, I do not believe he would be here. Surely he did not neglect to tell the truth, the absolute truth to his constituents. I would never accuse anyone of doing that. I can only assume that the Hon. Member was forgetful.

Mr. Turner (Ottawa-Carleton): Mr. Speaker, I rise on a point of order. I would inform my neighbour that I campaigned on a theme of change, which this country got severely on September 4.

The Acting Speaker (Mr. Paproski): I regret that that is not a point of order.

Mr. Boudria: Thank you, Mr. Speaker, for stating that was not a point of order. We are discussing the Government's borrowing and what it intends to do with those funds. I was explaining that I do not think this Government is using those funds properly. I was saying that government members surely had not campaigned on this theme during the last election campaign. I do not believe anyone campaigned on the platform of "vote for me and you will lose your job". That, however, is the cold reality of the outcome of having voted for that Government.

• (1500)

Thousands of my constituents are losing their jobs because the Government has decided to snip away at the programs that the previous government had had established for years. The Government decided to cut away at programs like the home insulation program, a program that was beneficial to the low-income people of my constituency. It was beneficial to senior citizens who were trying to upgrade their homes with no other money to do so. The Government cut that out.

The Government cut youth programs and the Summer Canada Program. Did government members campaign on this platform? Were young canvassers who worked for Conservative members made to say at the doors of constituents: "Vote for our Party and we will cut off the grants to everyone including me"? I wonder if any young Conservative canvassers campaigned on that platform.

Later when it comes time for comments, perhaps some Hon. Members could rise and tell us that they campaigned on the platforms of firing their constituents, of cutting off pay cheques, and of buying more limousines. If any Hon. Members had campaigned on those platforms, I would doubt very much that they would have been elected in the last election. Instead, we heard things like the following: "We will assist Canadians who are unable to provide for their own needs". That was a Conservative promise.

Some Hon. Members: Hear, hear!

Mr. Boudria: I am glad to see that some Cabinet Ministers and some Hon. Members are applauding this Conservative promise that I have just read into the record. Now let us see what the Government did because it is very important to hear not only the rhetoric but the cold reality as well. The hard fact is the following: the Government cut $30 million from the employment pension income program. Where does this fit in with assisting Canadians who are unable to provide for their own needs? I would like to see where the promise coincides with the reality.

It seems to me that the document entitled *Expenditure and Program Review* written by the President of the Treasury Board (Mr. de Cotret) must have been written by someone

who was out of the country during the election campaign for it does not contain anything that we heard during the election campaign. It certainly does not contain anything regarding the social programs of the Government.

Let us take a look at another election promise. I am sure all Conservative members of the House will recognize the following promise: "We will recognize the multicultural diversity of Canadian society". It would be nice if Hon. Members applauded this one as well. This is also one of their campaign promises. We all know, of course, the importance of that program and that Conservative candidates campaigned on this platform. They received votes presumably giving them a mandate to implement those programs that they had advocated. Now what has happened?

There has been $9.8 million cut from the Department of the Secretary of State for grants and contributions to general cultural activities. How does this coincide with that promise? It does not. It is a striking contradiction. Surely there is an explanation for this. I would hope that the Conservative member who speaks next will explain to all of us why it is that Conservative members promised one thing and delivered the opposite.

Mr. Nunziata: They hoodwinked us.

Mr. Boudria: The Hon. Member says that they hoodwinked us. That is exactly what happened. However, we will not be hoodwinked any further. There is a by-election taking place in the constituency that I represented at the provincial level. The Conservative candidate in that riding had better be ready to answer not only for the Premier of the province and his shortcomings in the past but for the shortcomings of his federal Conservative friends as well, for they have disappointed the people of the great riding of Glengarry-Prescott-Russell.

[*Translation*]

As you undoubtedly know, Mr. Speaker, the local Conservative candidates promised that the National Capital Commission would extend the Eastern Parkway eastward to eliminate bottlenecks in the Ottawa region and east of the city. What do we hear? Again recently we heard . . . it is indicated in the same document I quoted earlier, "Expenditure and Review Program", that the Eastern Parkway project has just been cancelled.

Mr. Speaker, I wonder why the Hon. Member for Ottawa-Carleton (Mr. Turner) failed to mention that in his remarks, a parkway which runs along his riding, surely something very convenient for his constituents and mine who drive to the national capital. What do we hear instead? We hear the Hon. Member for Gatineau (Mrs. Mailly) say that she is in favour of building a bridge across the Ottawa River. We do not have roads to get into the city, yet the Hon. Member wants a bridge which will not even link up with a road! It is rather remarkable that her colleague, the Hon. Member for Argenteuil-Papineau (Mrs. Bourgault) does not want that bridge, for she can appreciate that a bridge without an access road is useless.

Mr. Speaker, the government has charged ahead without consulting, it is a bourgeois government, a government which lives in a world of its own, which looks after itself first, ever unmindful of Canadians and their aspirations, without any concern for the constituents of Glengarry-Prescott-Russell, without any concern as well for all other Canadians.

An Hon. Member: Just like the Liberals!

Mr. Boudria: Mr. Speaker, the government should spend the next few days thinking about doing something to spur the economy. I would suggest some small industries which might be opened up. For instance—

[*English*]

In the riding of Glengarry-Prescott-Russell, we could start up a new factory to build automatic file retrievers. There is a great deal of demand for that kind of equipment. The Minister of Finance (Mr. Wilson) could use it, as could other Cabinet Ministers. Automatic file retrievers would be very handy.

We could also start up a factory to produce tape erasers. That would be very, very handy for the Secretary of State for External Affairs (Mr. Clark). A tape eraser would be a very hot item. If given the proper grants from the Government, we could sell those. Finally, but not least important, we could start up a factory to make tape recorders that do not beep. They would also be very useful.

Mr. Nickerson: Mr. Speaker, I have a question for the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria). When he commenced his presentation this afternoon, he complained about Conservative tax measures. I would like to review some of the tax measures that have been put into effect since the September 4 election and get the Hon. Member's ideas on them.

First there was the sales tax increase. This was put in place to finance the Special Recovery Project, something that had been brought in by the previous Liberal government. The money had already been spent. The previous government was trying to buy itself back into office and it left us to pick up the bill. The legislation had been brought into the House previously and, in a despicable manner, allowed for the spending of that money first while the tax was to come into effect retroactively after the election. That is precisely what happened.

The petroleum compensation fund, that great Liberal deal to tax people from the West in order to subsidize oil consumption in the East, was $1 billion in the hole. That needed to be fixed up. Again that was a result of Liberal and not Conservative initiatives.

Look at the unemployment insurance premium increases. They had to be put into effect because again, the previous Government refused to do it when it was required by law to do so. That was another Liberal initiative. The only Conservative tax initiative that has been put in place since the election is the three cents per litre fuel tax rebate for farmers, loggers and

miners. That is the Conservative tax policy—the reduction of taxes. Let it be upon the head of the Hon. Member for Glengarry-Prescott-Russell if he is against that fuel tax rebate for the farmers in his constituency.

• (1510)

Mr. Boudria: Mr. Speaker, I am very glad the Hon. Member brought up the issue of the increase in the sales tax which was introduced. I would remind him that it was introduced without a Ways and Means motion from a government which said it was going to be accountable to this assembly. It is important for us to remember that. It is further important for us to remember that one Party in the last election campaigned on the basis of not increasing the sales tax. That was not the Liberal Party, it was the Conservative Party. What did it do immediately after the election? It broke the first promise that it had made. I am pleased that the Hon. Member brought that up, as I forgot to raise that matter myself.

With respect to his statement that no tax measures have been introduced since the election, I would remind him of the tax measures which were introduced by another name in the *Expenditure and Program Review*. Several examples are the $32.3 million which will be raised in the agricultural services area by fees; the extra $22 million in radio licences; the $39.7 million of new taxes in the area of consumer and corporate affairs; the $4.4 million in immigration and social insurance number documentation; the $10.5 million in increases in the weather services area; the $6.3 million in inspections, licences and service fees in the fisheries sector and in the oceans sector, and the $0.8 million for divorce registry. As if this Government is not trying to capitalize on the misfortune of others!

To continue with other indirect taxation, $13.5 million will be generated by increasing rates in the area of accommodation and marine services. That is an increase in levies which the taxpayers will give the Government. Proofs and certificates of new citizenship will provide $1.1 million to the Government. The taxpayers will also provide $4 million in security clearances. There are pages and pages of new taxation which has been introduced by the Government under another name. Again, I would thank the Hon. Member for bringing this subject to my attention.

[*Translation*]

Mr. Hamelin: Mr. Speaker, I have indeed a question for the Hon. Member. I wonder why he does not feel utterly embarrassed with having to speak on a bill designed essentially to wipe out debts incurred by the Liberals.

I wonder, Mr. Speaker, if he does not feel embarrassed with the disastrous situation in which this country led by his party, and his rhetoric on the matter smacks of intellectual acrobatics, if not merely of bad faith. I would feel embarrassed if I were in his shoes, and this is my question: does he not feel ill at ease when debating the issue, when we as a Government are simply striving to pay the bills, to pay your debts?

Mr. Boudria: Mr. Speaker, I am not at all embarrassed with having to express the views of the constituents of Glengarry-Prescott-Russell. I take pride in doing it! My constituents deserve having someone to speak on their behalf in this Parliament. I have done so since I have been here, and I will do so in the years to come. The hon. member will have to get used to that!

[*English*]

Mr. Benjamin: Mr. Speaker, I would like to return for a moment to Bill C-11 and the amendment thereto. There have been several speakers in the Liberal Party since my colleague from Kamloops-Shuswap (Mr. Riis) moved his amendment yesterday. I would like to ask the Hon. Member if he could tell the House what are the intentions of he and his colleagues in the Liberal caucus regarding that amendment. Do they intend to vote for it or against it? Whatever their intentions, could he explain to the House the reasons behind those intentions?

Mr. Boudria: Mr. Speaker, I am pleased the Hon. Member asked that question. Our Party is concerned with the fact that this Government has decided that part of the borrowing which it wants is for the next fiscal year. As a Party we intend to vote in such a manner as to ensure that the borrowing of this Government is only for the current year. Of course, we recognize that the Government must continue to operate; however, we must express our reluctance at giving the Government money when we realize some of the things it is doing with this money. It is important for each and every one of us to put those things on the record.

The Government has no right to money. The money is given through the House of Commons. The Government has no money of its own. Therefore, we have the duty to ensure that the funds provided are properly accounted for and used in the best possible manner.

Mr. Wilson (Etobicoke Centre): Mr. Speaker, the Hon. Member stated that he wants to ensure that the Government does the best thing with the money which is available and that the Opposition does not want to give the Government more money. Does he realize that of the total spending of the federal Government, all but approximately $1 billion or $1.5 billion of spending relates to programs which were put in place by the previous government, or programs which have continued over the past number of years? If he does realize that and if he wishes us to cut back, would he tell us where he is proposing we should cut back?

Mr. Boudria: Mr. Speaker, perhaps it was because the Minister arrived only recently in the House, but I did not state that the Government should not be getting money to pay the invoices. I did say, however, that we must ensure that the funds which the Government is getting are used in the best possible manner and that the Government should not borrow for the next fiscal year.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. I recognize the Hon. Member for Western Arctic (Mr. Nickerson).

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I would like to make a few comments regarding Bill C-11 which is before the House today. First I would like to provide some explanation to the questions which were asked this morning by the Hon. Member for Kamloops-Shuswap (Mr. Riis). He was complaining about the fact that we were asking for borrowing authority for the 1985-86 fiscal year, despite the precedent which was set in the House earlier this year by the Liberal Party when it tried to do exactly the same sort of thing. So there is a well-established precedent.

The Hon. Member gave some moral arguments against it, but I want to tell the House the real reason the NDP brought in this amendment. The real reason is that they want to recycle speakers. There are very few Members on that side of the House, and rightly so. The electorate of Canada has seen to that. The reason they introduced the amendment was so that they could recycle speakers over and over again.

I would like to speak about the Bill in a non-partisan way and look at it as objectively as possible. I have to admit that I am not particularly proud of the Bill we have before us today. The reason we are saddled with it is because of the previous administration. It resulted from the activities and mismanagement of the previous administration. It is hard to turn things around financially within a limited period of time.

● (1520)

I sometimes look upon the House of Commons, Mr. Speaker, as being something of a sausage machine. Material is fed into it, the handle is turned, but it might be six months or a year before anything comes out the other end. In the meantime, what one is dealing with is material which had been introduced by a previous government. We have already heard an explanation of this phenomenon with respect to the tax measures which were dealt with early in the life of the new Government. The tax measures resulted from proposals which had been made and laws which had been passed when the previous government had been in office.

Under this Bill, the Government is asking for a considerable amount of borrowing authority. We would like it to be much less than it is. We would expect that as our policies are carried into effect, as confidence grows in the country, as investments are made, and as jobs are created—and they are being created now—the amount of money which will need to be borrowed will become progressively less.

I feel it is important, Sir, that Parliament be vigilant in these affairs. One of the most important tasks before us as parliamentarians is the guardianship of the public purse. I welcome a reasonably long debate on this issue. I do not believe that the Government of the day ought to try to rush through borrowing authority Bills, as the Liberals did in the past. We on this side are prepared to debate this issue for as long as necessary. We must deal with it in a timely manner, but we are prepared to devote the necessary time in order to listen to what other Members of Parliament have to say on the issue. It is important that they be heard.

In a debate of this nature there is an opportunity for the Opposition to do its proper job, to fulfil the role expected of it by the Canadian public. Unfortunately, however, in listening to the Hon. Members of the Opposition speak on this matter, it does not seem to me that they are doing their job that well. I listened very carefully to the speeches which have been presented and all we have heard is criticism, on the one hand, for requesting too much borrowing authority and, on the other hand, criticism for looking after the public purse and cutting down on areas where expenditures are not really necessary.

We are criticized for dealing with the nation's finances in a prudent fashion. The Opposition cannot have it both ways; it cannot chide us for spending too much and condemn us for spending too little. There is a duplicity in ideas which is very apparent when you listen to Hon. Members opposite. There is a lack of perspicacity in their argument. I would hope that as time progresses and these important financial subjects come up again, the quality of debate from the other side of the House will improve.

There has been some criticism with which I would have to agree in that it might have been advantageous for certain documents to be tabled at the same time as this Bill was brought before the House. But if one listened carefully to the presentation of the Hon. Minister of State for Finance (Mrs. McDougall), one would find that most of the figures which are needed in order to make a rational judgment of the merits of this Bill are included therein. However, it might have been better if these could have been consolidated on paper.

What Hon. Members of Parliament would undoubtedly like to know when they are discussing a matter such as this is the number of presently outstanding borrowing authorities and where they stand. They would like to see a computation of the financial requirements of the Government and to have available to them a synopsis of the existing debt of the Government of Canada. I am sure those Hon. Members would like to have some idea of the Government's borrowing plan for the months ahead. Therefore, my request of the Minister of State for Finance, when these types of occasions arise in the future, would be that this information—which is undoubtedly readily available in published form somewhere—be brought forward at the time of debate and presented to Members of Parliament so they will better be able to exercise their judgment when it comes to voting on the issue.

I would like now to examine the Bill and consider dispassionately what it requests in the way of borrowing authority and whether these requests are reasonable under the circumstances. In Part I of the Bill the Government is requesting the additional borrowing authority of some $7.3 billion to the end of this fiscal year. The best estimate — and it can only be an estimate — of the financial requirements to the end of March, 1985 is some $29.9 billion, within an existing borrowing authority of $24.6 billion. That would give the total of $31.9 billion. Therefore, the Government is requesting total borrowing authority of $31.9 billion. It has demonstrated financial requirements of some $29.9 billion. This gives the Government some $2 billion of leeway. I believe it is called "reserve" in the

official terminology. When I sat on the other side of the House, I used to call it the "slush fund". However, under the circumstances, Sir, I do not feel we can say that that request is in any way unreasonable. I feel it is necessary to have some amount of reserve and $2 billion is certainly not unreasonable.

Nor, Sir, is it unreasonable that the request be made that that borrowing authority carry over unexpired at the end of the fiscal year; that it not lapse at that time. I would object, and have objected in the past, if the Government of the day asked for excessive amounts of reserve or excessive amounts which could be taken over the financial year end and used in the new year. But $2 billion can in no way be considered an unreasonable amount. It is very obvious that if we are going to plan ahead the amounts of money we will need to borrow in April or May, we must have that leeway.

Part II of the Bill requests an amount of $16 billion borrowing authority for the following fiscal year. If one looks at the projections, as far as they can be put together, this should hold the Government over until some time in the fall of next year; that is, if the projections are reasonably accurate. Let us hope, Sir, that we will not require that amount to tide us over until October or November of next year. Let us hope that the Government will not fully have to utilize that borrowing authority up until that time.

The idea in the Bill is not to preclude Parliament looking at necessary borrowing authorities again for the 1985-1986 fiscal year, but to allow the Government to go ahead and conduct its borrowing in an orderly way in the market-place until the end of summer. Then when Parliament comes back in September, the aditional borrowing authority for the balance of that fiscal year—which will undoubtedly be required—can be dealt with at that time and the matter will again be brought before Parliament. Hon. Members opposite and on this side will then have a chance to zero in on the way the Government is conducting its affairs. They will be able to say whether, in their opinion, the requested amount is unreasonable.

• (1530)

I have no hesitation in supporting Bill C-11 which has been brought forward today. I would hope that when we are discussing this matter again this time next year, the requested amounts will not be as large as those which are before us today. I have every expectation that because of the policies being pursued by the new Government and the new Minister of Finance (Mr. Wilson), capably assisted by the new Minister of State for Finance, this will indeed be the case and the request at that time will be for a much lesser amount than that requested today.

If we get back to discussion on the main motion I will have the opportunity again to speak on this matter. There are two other areas which I would like to address. One is borrowing requirements with regard to capital amounts versus current account amounts. I would like to discuss when it makes sense to borrow money and when it does not make sense. I would like to look at the Government record with regard to borrowing for current account purposes.

The second matter which I would like to address in the future is that of foreign borrowing. In the speech of the Minister of State for Finance it was noted that some $1 billion had been borrowed in foreign currencies. There may be some danger in that type of borrowing activity. The amount at the present time is not really that great, but we do not want to follow the same route as some foreign countries have. They have borrowed very heavily in denominations of currencies not their own. That is just a matter of advance notice, Mr. Speaker. Thank you very much for the opportunity to speak on Bill C-11 this afternoon.

Mr. Rodriguez: Mr. Speaker, it seems to me that in the last Parliament the Hon. Member, faced with a similar Bill introduced by the Liberals, took an entirely different tack. That Bill called for authority to borrow spilling over into the next fiscal year. The Hon. Member and his Party castigated the government for that spillover into the next fiscal year. How can the Hon. Member get up and make a speech like that? How does he reconcile that? Is it not rather like sucking and blowing at the same time? Now that he is on the government side his tune has changed. How does he reconcile his speech with the reality of his performance in the last Parliament?

Mr. Nickerson: Mr. Speaker, the greatest difference between the situation then and the situation now is that then there was a government in which I had no confidence, nor did the vast majority of other Canadians. That government could not be trusted. Today the situation is entirely reversed. We have a Government which has the confidence of the great majority of Canadians. It holds 211 seats in the House of Commons. Who could not trust the Minister of State for Finance or the Minister of Finance?

Mr. Rodriguez: Mr. Speaker, it is not a question of which side of the House you sit on but a question of principle. I would like to quote the comments of the present Minister of Finance who at that time was the finance critic. At the time when they were debating the similar Bill he said:

> There is a well established principle that Parliament only provides sufficient borrowing authority to a government to allow it to finance its operations within the current fiscal year. It is quite clear from the figures in the bill and from the statement by the Minister of State for Finance (Mr. Bussières) in response to my question yesterday that the government has every intention of this borrowing authority spilling over into 1983-84.

It is not a question of power, Mr. Speaker, it is a question of principle. I should remind the Hon. Member that in this House might is not right. Perhaps they should think of might for right.

The Acting Speaker (Mr. Paproski): Does the Hon. Member for Western Arctic (Mr. Nickerson) wish to comment?

Mr. Nickerson: No.

Mr. Benjamin: What can he say?

The Acting Speaker (Mr. Paproski): The question and comment period is now terminated. Order, please. Would the

Hon. Member please be seated. I would like to say to the Hon. Member for Spadina (Mr. Heap) that I had not seen him rise to be recognized. I had recognized the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) as a speaker for the Opposition. I must go to two Conservative members. Therefore, I would like to recognize the Hon. Member for Capilano (Mrs. Collins).

Mrs. Mary Collins (Capilano): Mr. Speaker, it is an honour for me to speak today in support of Bill C-11, the borrowing authority Bill.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I rise on a point of order. I would like to have clarification of your statement that you must recognize two Hon. Members on the government side. I thought that according to procedure, especially Beauchesne's Citation 141 of the Fourth Edition, the Speaker normally tries to alternate between the pros and cons in a debate. I am surprised by your statement that you would make it a practice to recognize two Members on one side of the House and only one on the other. Could the Speaker clarify this point?

The Acting Speaker (Mr. Paproski): Yes, the Hon. Member for Saint-Jacques (Mr. Guilbault) brings up the point of recognizing Members from either side. I have been watching the debate very carefully today and over the last couple of days. I have noticed that there are not always Members rising from the Parties of the Opposition. Therefore, it is pretty hard for the Chair to try to recognize Members from that one Party or the other Party. Therefore, I must use discretion and am doing so. That is why I am recognizing the Hon. Member for Capilano (Mrs. Collins).

Mr. Guilbault (Saint-Jacques): I agree with the situation the Chair may find itself in when there are few Members in the House, especially when Members are not rising on either your left or right hand. However, I thought that at one time Your Honour was saying you would have to recognize two government members. I think you have clarified this.

The Acting Speaker (Mr. Paproski): Order. The Hon. Member will know that I have always been for the underdog. I will naturally be recognizing people from both sides of the House. I think if he will be patient with the Chair he will find things will even off. The Hon. Member for Capilano.

Mrs. Collins: Mr. Speaker, as I mentioned, I am pleased to speak today on Bill C-11, the borrowing authority Bill. Before I start my comments I would like to say that as a new Member I find that speaking in this great House is perhaps a little different than expected, particularly on a Friday afternoon. It is interesting to see that the benches of the Opposition are as bare as the fiscal cupboard which we inherited from them.

Mr. Robinson: How about yours?

The Acting Speaker (Mr. Paproski): Order. The Hon. Member must remember that she should not comment on the number of Members in the Chamber.

Mr. Robinson: Especially when you have none here, Mary.

Mr. Benjamin: Where are all the Tories?

Mrs. Collins: Mr. Speaker, the Hon. Member for Scarborough Centre (Mrs. Browes) spoke this morning on this Bill. I agree with many of the points she made. As the Hon. Member for Western Arctic (Mr. Nickerson) indicated, we do not really like the idea of borrowing. That is not the way we would like to see the Government operate ideally. No one likes to borrow but we recognize that it is necessary at times. In fact, at this particular time we realize that we are atoning for the fiscal irresponsibility of the previous government which ran up this deficit. It allowed it to increase as it allowed spending to increase with unbridled passion.

We are familiar with the figures. The deficit of $190 billion has been accumulated at $34.5 billion a year. Just as in our private lives or business lives, we would not go to the bank to borrow money unless we understood how we would repay it. We realize that in the long term that is the kind of government we need in this country. We need a government that is fiscally accountable and fiscally responsible. We have not had the opportunity to see such a government for many years.

● (1540)

Indeed, if we were to follow the practices of the previous government, the accumulated debt by 1990 would reach such an extent that each family in this country would owe $54,000. Consider what that would mean to every man, woman and child in this country.

Last weekend, I went to my constituency to discuss our plans for economic renewal and our agenda for the future. Many of my constituents told me that they know some changes will hurt but they supported the Government one hundred per cent. They said that in fact they would like to see us go even further. Some people came to me and asked if there was not a way that we might even be able to develop a concept whereby that debt could be repaid now so that, as individuals or families, we could repay that debt which is owed to this country as a result of the previous fiscal irresponsibility.

I believe that Canadians—certainly the people in my riding—are behind the changes we are making. We know that it will not be easy and that we will have to begin saying no to many things in the next four years. That is the responsibility of our Government and that is the direction in which we must go.

I believe Hon. Members would agree that within government spending there is overlap and duplication. I spent many years working for a provincial government and I know from my own personal experience that there is waste aplenty. I know from my years in the private sector dealing with government that there are many examples of waste and overlap with provincial jurisdictions.

The Right Hon. Leader of the Opposition (Mr. Turner) said on July 25 of this year that there are programs that are duplications and programs that are wasteful. He said that there are programs that are no longer useful, programs which

no longer serve a purpose and that there is administration that is wasteful. He said that he would cut them down. Fortunately, he has not had that opportunty. We inherited that responsibility and we recognize it.

This afternoon the Hon. Member for Burnaby (Mr. Robinson) spoke to this Bill. He might be surprised to learn that I share with him his concern for social justice. I am sure there will be many occasions when we will have similar point of view on matters coming before the House.

However, I do not agree with him on his approach to economic renewal. I suppose that is part of the fundamental difference between Members on different sides of the House. I believe that in order to be fiscally responsible we must have to stay "stop". We must say no to further increases in government spending and take control of the situation. In my opinion, that is not only the moral and ethical route to take, it is also the correct economic policy.

Mr. Benjamin: Let them eat cake.

Mrs. Collins: I would like to ensure that every man, woman and child in this country at least had the opportunity to eat cake, but my approach would be quite different, if I may respond to the Hon. Member.

Obviously, we are saying in our economic agenda for renewal that job creation is the number one priority. But we differ from our colleagues about the appropriate way to create jobs in this country.

Personally, I am a great advocate of small business. I believe Hon. Members would agree that small business is a major contributor to the benefits that we enjoy. Companies with less than $2 million of sales—which is one definition of small business—comprise 96 per cent of the total number of businesses in this country. They employ between 4.5 million and 5.4 million Canadians. They are the largest employer of Canadians. We know that women are one of the largest generators of new small businesses in this country. When we encourage the small business sector we are also assisting women in greater numbers.

The measures which we are proposing and implementing now are measures which will support small business. It is not government that creates jobs. That is the wrong approach. It is Canadians who create jobs.

Some Hon. Members: Hear, hear!

Mrs. Collins: I know from my own experience and from talking to my constituents that Canadians will not do that unless they feel there is an opportunity to enjoy the benefits if they take such a risk. They are tired of the constraints that were put on small business by the previous regime. They want a system which will provide more opportunity to make investments, take risks and employ people in this country and thereby add to a healthy economy that we all hope to enjoy.

These are the little people of this country. These are the people whom this Government wants to support. They are the people who run the restaurants, the dry cleaning shops and have new ideas for the development of new applications of software.

Whenever I visit my riding, men and women come to me with ideas for small businesses they would like to begin. As I said in my maiden speech a few weeks ago, they are not asking for handouts. They only want to know if the Government will create the kind of climate in which they can be free to operate and employ people. That is the approach that this Government is taking in the fiscal scheme of our economic agenda.

I believe that our concept of responsibility is also consistent with the approach of our Government. We want to encourage individual responsibility and corporate responsibility in this country. In order to do that we must enable people to be free to accept that responsibility.

For example, let us consider family life. How can we expect our children to accept responsibility if they are given a new car or brand-new clothes when they turn 16? I believe they must have a sense of realism just as others in this country want to have a sense of realism.

During the past number of years people have come to believe that the Government, through its industrial grants and so on, would provide things for them. I would like to see some of that changed. This can be accomplished when our major emphasis is on providing a sound economic climate in which people are free to make investments and create economic wealth.

I believe that the measures that have been put forward in our economic agenda and in Bill C-11 are based on a society which encourages strength, freedom, responsibility and challenge. We are giving a challenge to all Canadians in these next four years. We are saying that we are ready to accept our responsibility to be more fiscally prudent. We are asking Canadians to take this opportunity and we are counting on them to create the jobs and the economic wealth in this country.

While we recognize the need to borrow these funds at this time, I look forward to the time within the next four years when Canadians will have taken the initiatives, made the investments and created the jobs. In the future we will be in a position to say that our borrowing requirements will be dramatically diminished and that our economy is healthy once again.

Mr. Rodriguez: Mr. Speaker, if small business is to have the kind of confidence that the Hon. Member indicated small business looks for in the way government operates, does she think it is wise for the Government to ask for borrowing authority for the next fiscal year when it has not presented its budget or spending plans for the next fiscal year? Does she think that is a responsible way for an individual or business to conduct their affairs?

Mrs. Collins: Mr. Speaker, obviously we know in general terms what the budget will be for next year. We do not have all the details but these will be presented to the House in due course. But we have a pretty good understanding of what some

of the fiscal requirements will be. It is prudent to have in place now the mechanisms by which we are ensured that we can have the money which, unfortunately, we will need to provide those services. I believe under the present circumstances, circumstances which we inherited and which I hope over the next four years will change, that we must take this action at this time.

• (1550)

[*Translation*]

The Acting Speaker (Mr. Paproski): The Hon. Member for Burnaby (Mr. Robinson).

Mr. Robinson: Mr. Speaker, I have a question for the Hon. Member for Capilano (Mrs. Collins).

[*English*]

In prefacing my question, Mr. Speaker, I would like to congratulate the Hon. Member, a fellow British Columbian, on her election.

My question concerns the policies of the Government of British Columbia and their relationship to the policies of this Government. We have had much of the same rhetoric, if I may use that word, from the Social Credit Government of British Columbia at the time it brought forward its economic master plan which resulted in terrible hardship for British Columbians, as the Hon. Member is well aware, in terms of loss of jobs and cutbacks of essential services. There is a great deal of increased hardship and suffering. There are line-ups at food banks in British Columbia like we have never seen before. That was a policy which put the deficit first and said that we had to restore business confidence, we had to cut the deficit, and then we will look after the unemployed. They were the same priorities that appear to be the priorities of the federal Conservative Government.

Does the Hon. Member support those policies of the Province of British Columbia? If not, can she indicate any distinction between those policies and the policies which her Government is now pursuing?

Mrs. Collins: Mr. Speaker, I appreciate the question by my near neighbour and colleague from British Columbia. As the Hon. Member knows, I am not privy to any of the policy-making discussions in British Columbia. I do not know the basis on which that government made its decisions.

I do not agree with the Hon. Member for Burnaby (Mr. Robinson) on the reasons we are experiencing such economic difficulties in British Columbia. To my mind they are not coming about as a result of the government's policies, although the media might have people believe that. The difficulties we are experiencing in British Columbia are because of some fundamental difficulties in the resource industries which have traditionally been the basis of our economy, the forest industry particularly and the mining industry. As a result of lower international prices for our products, our inability in some cases to be competitive, we have not seen the kind of growth we should have. In fact we have seen the opposite. We have seen major cutbacks in those industries.

Perhaps my colleague recalls the report made by the B.C. Central Credit Union recently which indicates that the future for those industries still does not look too optimistic. We really cannot count on those industries to create the new jobs in British Columbia. Therefore, we must be looking at the development of alternatives, new kinds of industrial approaches, and new kinds of services.

The approaches that we are taking as a federal Government in cutting back and being fiscally responsible will send those signals to the private sector in British Columbia. This will assist private businessmen. They come to me every week when I am out there. They are the ones who will start to create those jobs and alternative industries in British Columbia which I hope and pray will bring back economic health to our province.

Mr. Robinson: Mr. Speaker, I have a supplementary question. I am not asking the Hon. Member for Capilano (Mrs. Collins) to comment on internal policy decisions by the provincial government. The Government of British Columbia has well known public positions with respect to its role in the economy and with respect to economic policy. I am asking the Hon. Member a straightforward, simple question. Is there any difference in theory or practice between the policy and philosophy of the Government of British Columbia and the policy and philosophy of the federal Conservative Government?

Mrs. Collins: Mr. Speaker, perhaps I can elaborate. I am not familiar with the philosophy and policy of the Government of British Columbia as I am not privy to the discussions that go on in that sense. I will say to the Hon. Member that there is a vast difference in the approach, certainly by our Government, and I think that reflects back on our commitment to consultation. We have said that in the next four to five months before announcing any major changes in our policies with respect to our budget for next year we will be consulting all of the sectors of the economy which have an interest in, and will be affected by, such changes, the outline of which was given by the agenda of the Minister of Finance (Mr. Wilson) for reform.

I have undertaken that in my constituency. I am consulting with the people involved in big business, small business, labour unions and women's groups to get their input and understanding of what direction we should be going as a government. That is the kind of approach we are taking as the federal Government which I think is vital to the success of our endeavours.

Mrs. Finestone: Mr. Speaker, I have a question for the Hon. Member for Capilano (Mrs. Collins). First I agree it is true there is often waste and there is always a time to perfect what we already have in place. I believe her observation in that regard is sound. Saying no and saying stop under any and all circumstances merely to reduce the impact of the deficit is, I think, a very worrisome approach.

I suggest that not all women are in a position to start businesses or to find risk capital. I suggest the majority of women are working women. Does the Hon. Member not believe that the social costs of ignoring the Abella Report and establishing a policy of equality and employment is much more important in order to get people working than it is to reduce our deficit? We will then have increases in revenue through taxes.

Mrs. Collins: I would like to thank my hon. colleague, Mr. Speaker. She shares my great concern for the economic equality of women. I do not find the two principles inconsistent. I am as committed to ensuring there is economic equality for women in this great country as I am to ensuring that we have a fiscally sound government. I think we can work in both directions at the same time. I am presently reviewing the Abella Report. There are many excellent ideas that have been put forward. I am not sure which of those should be implemented first. I think there will be a period of study and discussion with women's groups across the country as we proceed. I know we share the basic and same premise of working toward the advancement of women and the equality of women in all sectors of our economy.

Mrs. Finestone: Mr. Speaker, while the Hon. Member for Capilano is in the process of studying the implications and the application, I hope, of the Abella Report, would she not perhaps see to it that a better application of existing law might be put into effect, particularly with respect to the study that was done and with respect to the pilot projects undertaken by Treasury Board? These indicated that with mandatory affirmative action one can see better results in government.

Mrs. Collins: That is right, Mr. Speaker. I will be glad to discuss these issues with my colleagues in the Ministries and to assure myself of what is the most appropriate way of going forward. As I have mentioned before, I am not a great advocate of legislated or mandatory affirmative action. I would like to see us working toward a co-operative approach with agencies, but if that does not work and there is a true indication that nothing will happen, obviously we will have to look at alternatives.

The Acting Speaker (Mr. Paproski): The period for questions and comments has now terminated. I would like to recognize the Hon. Member for Spadina (Mr. Heap). However, it is now four o'clock, and it being four o'clock the House will now proceed to consideration of Private Member's Business as listed on today's Order Paper.

• (1600)

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

Mr. Dick: Mr. Speaker, I rise on a point of order. There has been consultation and I believe it will be by unanimous consent that we now see five o'clock.

Mr. Nowlan: Mr. Speaker, I beg to differ with my hon. colleague. There have been absolutely no consultations involving this Private Member who has a Private Member's Bill on the Order Paper. I would ask the Chair to call *seriatim* the items on the Order Paper. I am prepared to continue the adjourned debate on my Bill C-201.

The Acting Speaker (Mr. Paproski): Shall order No. 1 stand by unanimous consent?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): Shall order No. 2 stand by unanimous consent?

Some Hon. Members: Agreed.

The Acting Speaker (Mr. Paproski): Shall order No. 3 stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): Shall order No. 4 stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): Shall order No. 5 stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): Shall order No. 7 stand by unanimous consent? No. 8, stand by unanimous consent; No. 9, stand by unanimous consent.

Mr. Nowlan: Would the Speaker mind reading off the number of the Bills? In any event, I will not give unanimous consent to stand Bill C-201.

The Acting Speaker (Mr. Paproski): I must read off the orders as they are listed under Private Members' Business—Public Bills. When I come to the Hon. Member's Bill I will recognize him. Shall order No. 9 stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): No. 10, stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): No. 11, stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): No. 12, stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): No. 13, stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): No. 14, stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): No. 15, stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): No. 16, stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): No. 17, stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): No. 18, stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): No. 19, stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): No. 20, stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): No. 21, stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): No. 22, stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): No. 23, stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): No. 24, stand by unanimous consent.

Mr. Dick: Mr. Speaker, if the Hon. Member for Hull-Aylmer (Mr. Isabelle) were present, I think we would be prepared to go ahead with his Bill dealing with the National Capital Commission.

The Acting Speaker (Mr. Paproski): I regret the Hon. Member for Hull-Aylmer (Mr. Isabelle) is not here. Therefore we will just carry on. No. 25, stand by unanimous consent; No. 26, stand by unanimous consent; No. 27, stand by unanimous consent.

Mr. Dick: Mr. Speaker, if the Hon. Member for Cochrane-Superior (Mr. Penner) were present and wanted to go ahead with his Bill, I am sure that the House would be delighted to deal with it.

The Acting Speaker (Mr. Paproski): I regret that the Hon. Member for Cochrane-Superior (Mr. Penner) is not in the House. Therefore we will carry on.

Mr. Robinson: Mr. Speaker, I rise on a point of order. I would request the unanimous consent of the House, in order to facilitate matters, that we proceed at this time to Bill C-201.

The Acting Speaker (Mr. Paproski): Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Dick: No.

The Acting Speaker (Mr. Paproski): No. 28, stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): No. 29, stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): No. 30, stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): No. 31, stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): No. 32, stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): No. 33, stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): No. 34, stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): No. 35, stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): No. 36, stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): No. 37, stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): No. 38, stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): No. 39, stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): No. 40, stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): No. 41, stand by unanimous consent; No. 42, stand by unanimous consent; No. 43, stand by unanimous consent; No. 44, stand by unanimous consent; No. 45, stand by unanimous consent; No. 46, stand by unanimous consent; No. 47, stand by unanimous consent; No. 48, stand by unanimous consent; No. 49, stand by unanimous consent; No. 50, stand by unanimous consent.

Mr. Nowlan: Mr. Speaker, I rise on a point of order. This is private Members' hour and it is just a travesty to call off these items. It is my information that there is no other Private Member's Bill ahead of mine which is prepared to proceed. I certainly accede to the suggestion of the Hon. Member for Burnaby (Mr. Robinson) that, regardless of House Leaders and Parliamentary Secretaries, the time will not run out before I am able to have the floor and the question will be deferred under the provisional rules until Monday.

The Acting Speaker (Mr. Paproski): I agree with the Hon. Member but there is not unanimous consent. I will ask for unanimous consent again. Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Dick: Mr. Speaker, since the Hon. Member for Annapolis Valley-Hants (Mr. Nowlan), for his own gain on his own Bill, has decided to force us into a position on which there had been some agreement among House Leaders, I propose that we continue on in the orderly disposition of the business until we reach his Bill, Bill C-201. He is the one who has caused this, not I.

The Acting Speaker (Mr. Paproski): No. 51, stand by unanimous consent.

Mr. Benjamin: Dispense.

The Acting Speaker (Mr. Paproski): No. 52, stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): No. 53, stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): No. 54, stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): No. 55, stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): No. 56, stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): No. 57, stand by unanimous consent.

Mr. Rodriguez: Mr. Speaker, I think this is really an abuse of the time and the procedures of the House. The Government has said that it would consult. It is a great one to say that. It has not consulted with its Members. We are prepared to go to Bill C-201 instead of being so silly.

The Acting Speaker (Mr. Paproski): I have no choice but to carry on. No. 57, stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): No. 58, stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): No. 59, stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): No. 60, stand by unanimous consent?

Mr. Nickerson: Stand.

The Acting Speaker (Mr. Paproski): No. 61, by unanimous consent; No. 62, by unanimous consent; No. 63, by unanimous consent; No. 64, by unanimous consent; No. 65, by unanimous consent.

Mr. Benjamin: Mr. Speaker, I rise on a point of order. If it is in order, I move that we now proceed to Bill C-201.

Mr. Rodriguez: I second it.

Mr. Benjamin: It will be seconded by the Hon. Member for Nickel Belt (Mr. Rodriguez).

The Acting Speaker (Mr. Paproski): Would the Hon. Member please give the Chair the motion in writing?

Mr. Dick: That will be a debatable motion, of course.

Mr. Robinson: Mr. Speaker, I rise on a point of order. A government which is committed to parliamentary reform and to recognizing and enhancing the rights of Private Members is making a travesty of those rights this afternoon.

The Acting Speaker (Mr. Paproski): Order. There is a motion in front of the Chair. It is moved by Mr. Benjamin, seconded by Mr. Rodriguez, that the House proceed to debate Bill C-201. All those in favour, please say "aye".

Some Hon. Members: "Aye".

The Acting Speaker (Mr. Paproski): All those against, please say "nye"—nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): I declare the motion carried.

Motion (Mr. Benjamin) agreed to.

Mr. Nowlan: Mr. Speaker, I will be fairly brief.

Mr. Dick: No, no.

The Acting Speaker (Mr. Paproski): If the Hon. Member speaks, he closes off debate.

Mr. Dick: We have a speaker.

The Acting Speaker (Mr. Paproski): Order, please. We can tell that this is Friday. Just one moment, please.

* * *

THE OFFICIAL DESIGNATION OF NOVA SCOTIA ACT

MEASURE TO ENACT

The House resumed from Monday, November 26, consideration of the motion of Mr. Nowlan that Bill C-201, an Act respecting the official designation of "Nova Scotia", be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

The Acting Speaker (Mr. Paproski): The Hon. Member for Timiskaming (Mr. MacDougall) will be recognized.

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, it gives me a great honour this afternoon to take part in the debate on this very important Bill C-201 which was introduced by my colleague, the Hon. Member for Annapolis Valley-Hants (Mr. Nowlan). To deal with such an important matter as the official designation of "Nova Scotia", I should first like to congratulate the Hon. Member on introducing this very important motion. Mr. Speaker, I know that you have had a very long and hard week, but I should like to describe to you how important this motion is.

● (1610)

Mr. Nowlan: Mr. Speaker, I rise on a point of order. It does not surprise me, but I am a little bewildered. When I had the floor, I asked that you read the Orders of the Day seriatim and you then could recognize another Member to speak on the Bill on which I asked to have the debate continued. It is my adjourned debate. I fully understand that if I speak, not to tie up the House but to speak for another three, for four or five minutes, I will close the debate and, therefore, the motion will be put. Under the provisional rules, the vote will take this motion is referred to the Justice Committee. You, Mr. Speaker, recognized me when I stood. You did not recognize the Member for Timiskaming (Mr. MacDougall). Therefore I am very upset.

The Acting Speaker (Mr. Paproski): Order, please. I appreciate what the Hon. Member is saying but the Table had not read the motion. I regret that. If there are other Members who wish to speak on this Bill, I must recognize them. If I have caused the Hon. Member any problem, I regret that. Other Members should have an opportunity to say a few words on this Bill. Therefore, I have recognized the Hon. Member for Timiskaming. I was reading off the other Bills and noticed the Hon. Member. How can I not notice the Hon. Member? I hope the Hon. Member will allow other Members to participate in this very important debate.

Mr. MacDougall: Mr. Speaker, Nova Scotia is my homeland. It is the area where I was born. My roots are there. I now live in the great riding of Timiskaming. When we talk about Nova Scotia, we talk about an area of the country that has a heritage and roots that I would like to describe to Hon. Members.

Northern Ontario is very much like Nova Scotia. In Nova Scotia there is coal mining, agriculture and forestry. There is also the fishing industry. It is an important area.

In 1947 I came into this world in Cape Breton, Inverness County, Port Hood. At that time my father had started his livelihood as a coal miner in the great Province of Nova Scotia. It is heartening to see a Member who has such great thoughts of his great province, who wants to make sure that his Bill is brought before Parliament to ensure that Nova Scotia is designated officially.

It is hard to start out on such an emotional debate, to be able to be here and to go back to my roots. So many people from Cape Breton and other parts of Nova Scotia over the years have had to leave their homeland to go to other parts of the country such as Toronto, Timiskaming and other parts of Canada. They never forget where they came from, they never forget their homeland. That is why it is so important for me today to speak to such an important motion.

This country is vast. Each one of us has a duty to work and to help. It is a pleasure to be here to help my colleague on such an important issue.

The great, great land of Nova Scotia has heritage and history. A great parliamentarian came from Nova Scotia, I. D. MacDougall, a great relative of mine. Needless to say, the area of politics and the MacDougall clan have been there for many years.

Mr. Cook: Tell us about MacDougall, MacDougall.

Mr. MacDougall: He was a great parliamentarian, an individual who fought for the beliefs of Cape Bretoners, the people of Nova Scotia and eastern Canada.

An Hon. Member: Was he a fisherman?

Mr. MacDougall: He was not a fisherman. He worked the land. He tried to bring his beliefs to the problems of the great area of eastern Canada.

Many individuals have had to leave the eastern part of Canada because of economic times to move to such places as northern Ontario. I know of the major problems in the coal mining industry over the years. Many people who worked in the coal mines had no choice but to move to northern Ontario, whether to the great riding of Nickel Belt, represented by my colleague opposite, Timmins-Chapleau, represented by my colleague to my left, or the riding of Timiskaming where gold, silver and nickel mining play such an important part. I know of the hard work and dedication of those miners over the years. They come from a great part of eastern Canada where the hard work of coal mining was so important and so vital to the area.

There are other areas of concern such as the tourist industry. The Cabot Trail plays an important part in the economy of eastern Canada. There is the great island of Cape Breton which we all like to visit once a year. If we are fortunate, we experience the great weather of eastern Canada.

It is a pleasure for me to speak today to Bill C-201. It shows the concern which my colleague has for his great province. It also give me an opportunity to speak on what I feel is an important part of Canada. I still have the blue blood of Nova Scotia and Cape Breton.

A couple of weeks ago I received a letter from a young constituent in Cape Breton, Port Hood. She is a Grade 11 student. She is very interested in the goings on of the House of Commons, the day to day activities, the committee work and the constituency work of a Member. I had the opportunity to draft a nice letter explaining how Members have to work in order to get elected, the eight-week campaign leading up to September 4, the opportunity to come into the House where for the first time in history we have 211 Members in the government Party. I indicated that there are 40 liberal members and 30 members of the New Democratic Party. I explained to her the duties we have to perform to bring around the economy of this country. I explained the detailed job we have to do because of the disastrous job done by the Liberal government.

Mr. Nowlan: Mr. Speaker, I rise on a point of order. I am very glad that I have the assistance of my hon. friend, a transplant from Nova Scotia. However, I would like him to focus on my Bill, which is one paragraph. Is he in favour of the Latin name "Nova Scotia" or not?

The Acting Speaker (Mr. Paproski): That is a point of debate.

Mr. MacDougall: I say to you, Mr. Speaker, and to my colleague that I get emotionally caught up in this. It is not too often I have the opportunity to go back through history to the time when I started my life and developed my future the way I have. I would certainly be willing to support the Bill and emphasize my strong feelings in regard to it.

• (1620)

I would like to end by saying to you, Mr. Speaker, that it is very important for our young people to be able to communicate with each Member of Parliament. I say to each Member here today, on this last afternoon of the week, that if they have the opportunity to speak to a constituent from anywhere in Canada who is interested in the history and the day-to-day activities of the House of Commons and its committees or is interested in how Members have the opportunity of being elected, they should take the time to speak with them. We must remember that the young people of today are the Members of Parliament of tomorrow.

Mr. Nunziata: Liberal members.

Mr. MacDougall: I heard someone say "Liberal members". I am afraid to say that it will be many years before we see too many more of those on that side of the House.

In closing, I would like to say that it has given me great pleasure to be able to be present today, my duty day, to take part in debate on such a very important Private Member's Bill as the one presented by my colleague. I fully support Bill C-201 and hope it will pass.

The Acting Speaker (Mr. Paproski): I recognize the Hon. Member for Regina West (Mr. Benjamin), on a point of order or debate?

Mr. Les Benjamin (Regina West): On debate, Mr. Speaker. I too rise in support of Bill C-201 put before the House by the Hon. Member for Annapolis Valley-Hants (Mr. Nowlan). The Bill should be referred to an appropriate standing committee.

Therefore I move, seconded by the Hon. Member for Humboldt-Lake Centre (Mr. Althouse):

That the Hon. Member for Annapolis Valley-Hants (Mr. Nowlan) be now heard.

Mr. Dick: Mr. Speaker—

Mr. Benjamin: The motion is not debatable.

Mr. Dick: Mr. Speaker, I rise on a point of order. I do not believe that motion can be put until the completion of the speech of one speaker and prior to the recognition of a second speaker.

Mr. Benjamin: That was me. I was recognized.

The Acting Speaker (Mr. Paproski): I must recognize that the motion is in order. Is it the pleasure of the House to adopt the motion? All those in favour say "aye".

Some Hon. Members: "Aye."

The Acting Speaker (Mr. Paproski): All those against say "nye".

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): In my opinion, the nays have it.

In view of the fact that only two Members have risen, I find the motion defeated. Motion (Mr. Benjamin) defeated.

Mr. Althouse: Mr. Speaker, I rise on a point of order. Your "ayes" rhyme with your "nyes".

The Acting Speaker (Mr. Paproski): No one asked for a division. Five Members did not rise.

Mr. Althouse: I am sorry, Mr. Speaker. We thought you said the "ayes" had it.

The Acting Speaker (Mr. Paproski): I said the nays had it. It is therefore—

Some Hon. Members: Re-do it!

The Acting Speaker (Mr. Paproski): I have already done it. I would like to recognize the Hon. Member for Charlevoix (Mr. Hamelin).

Mr. Benjamin: Mr. Speaker, I rise on a point of order. It seems to me you must say to the House: "In my opinion, the nays have it".

The Acting Speaker (Mr. Paproski): I already said the yeas and the nays. I do not think we should be playing with semantics on a Friday afternoon. I would like to recognize the Hon. Member for Charlevoix.

Mr. Nowlan: Mr. Speaker, I rise on a point of order. The whole purpose of my Bill is semantics and the proper use of semantics, the proper use of language—

Designation of Nova Scotia

The Acting Speaker (Mr. Paproski): I regret to inform the Hon. Member that that is not a point of order.

Some Hon. Members: Oh, oh!

The Acting Speaker (Mr. Paproski): Order. I have made a decision.

Mr. Robinson: Mr. Speaker, I rise on a point of order. It would appear that there has been some difficulty with the transmission of sound in the Chamber. This is perhaps a question of privilege. The sound which I heard when the Speaker announced the motion was either that the "nyes" had it or that the "ayes" had it. I am not sure which it was but it was unclear.

The Acting Speaker (Mr. Paproski): I did not say that. You might have misunderstood me but that is too bad. The Hon. Member for Charlevoix.

Mr. Nunziata: Mr. Speaker, I rise on a point of order. I concur with the thoughts of the Hon. Member for Burnaby (Mr. Robinson). I too heard "nyes" and I was not clear as to—

The Acting Speaker (Mr. Paproski): That is not a point of order. I have already ruled. I would like to call upon the next speaker, the Hon. Member for Charlevoix.

[*Translation*]

Mr. Charles Hamelin (Charlevoix): Mr. Speaker, some Hon. Members may not be overjoyed at hearing a discussion on semantics, a subject so dear to the heart of the Hon. Pat Nowlan, and which has a number of dimensions that are relevant to this country's official languages. To me, the word "Nouvelle-Écosse" has been a very real part of my vocabulary since my very early years, and when we were at school, "Nouvelle-Écosse" was a reality we knew. Of course, the Hon. Member, Pat Nowland, has this very interesting plan to use the latin word "Nova Scotia" and he is—

Mr. Prud'homme: Mr. Speaker, on a point of order.

[*English*]

The Acting Speaker (Mr. Paproski): Order. The Hon. Member for Saint-Denis is rising on a point of order.

[*Translation*]

Mr. Prud'homme: Mr. Speaker, I simply would like to remind the Hon. Member very gently, after all it is my birthday today—I hope you do not mind my saying so—but in any case, when referring to another member of this House, one does not use the Hon. Member's name but one says: the Hon. Member for Annapolis Valley-Hants.

[*English*]

The Acting Speaker (Mr. Paproski): The point is well taken. I would like to wish the Hon. Member a very happy birthday.

Some Hon. Members: Hear, hear!

[*Translation*]

Mr. Hamelin: Thank you. I am sure that in time, I will have your experience, and as they say, a man's worth does not necessarily depend on his years, and I expect to have plenty of opportunities for learning the rules of the House, and learning by heart—

Mr. Prud'homme: They also say that silence is golden.

Mr. Hamelin: Well I hope to speak often in the House and be elected as many times as I can, a bit like you yourself, sir—

To get back to Bill C-201, Mr. Speaker, which is aimed at substituting for the word "Nouvelle-Écosse", whenever it appears in statutes, regulations, reports, contracts, leases, permits, licences or other documents, the word "Nova Scotia". I think the repercussions are far greater than my hon. colleague would have it seem. I think it would be a very significant change for Quebecers and for all Canadian Francophones. Some terms are easily interchangeable, but, as was pointed out several times in the House in the course of the debate on the Hon. Member's bill, the term "Nouvelle-Écosse" has become part of our vocabulary and our whole way of life, and frankly, I think it would sound very odd to say that we were going to spend a holiday in "Nova Scotia", a term which for us has become associated with English, a language we respect and for which I have a great deal of admiration as a Canadian. I think that is basically where the problem lies.

• (1630)

There are indeed a number of terms that in the course of time have become practically bilingual. Others, however, have become associated with one language rather than another. As far as French Canada in general and Quebec in particular are concerned, I can assure the Hon. Member that the term "Nouvelle-Ecosse" is as firmly rooted in our vocabulary as Nova Scotia probably is in yours, because as far as I know, Anglophones do not refer to "New Scotland". In fact, the Latin term, and Latin is in fact an off shoot of Sanskrit from which Greek is derived and so we finally get to Latin which has provided the basis for our two languages . . . I would remind the Hon. Member that in the English language, for which I have a great affection, about seventy or eighty per cent of the words are French, although pronounced differently. And so we have here a Latin name which as a result of history has to all intents and purposes become an English word.

I repeat to my colleague that as far as we are concerned, "Nouvelle-Écosse", in French is the official name. This is one of the things we learn in school. It is in our history books, and there is nowhere any reference in our community or in our language, to "Nova Scotia". But there is reference everywhere to the beautiful province of "Nouvelle-Écosse".

I would ask my colleague to consider that, in effect, this is more than a simple semantic issue in Canada. If, in the past, in some of the English-speaking provinces certain geographical names have been in French, in most cases this has come about through a consensus, whether it is in the United States or in any English-Speaking province of Canada that such French names have survived. This has been done out of habit. It is part of the heritage of those communities in areas with such specific names.

Therefore, in our view, which surely is shared by all my French-speaking colleagues from Quebec, and probably from elsewhere in Canada, the name "Nova Scotia" could definitely never be substituted to the French name "Nouvelle-Écosse" in our language.

Let me stress that I appreciate the reasons why my colleague from Annapolis Valley-Hants introduced Bill C-201. I appreciate that it is important to him, in his language, that the name "Nova Scotia" be enshrined. However, it is my feeling that actually, in practice, it would be impossible for us to use in French the name "Nova Scotia", at least within the short term.

This Bill aimed at preserving the Latin name "Nova Scotia" is a little amazing to me. I would have no objections, my dear colleague, to using for instance another name in your language, were this to be the will of your constituents, of the people, in other words, or their tradition in your area. But as far as French-speaking people are concerned—on that Bill that points to the linguistic duality of our Canadian context and this is important—I must tell you that although I appreciate your reasons, and notwithstanding the use of other designations, either in French or in English, that may have been discussed in the past in this House, I feel that there are no grounds for suggesting that the name "Nova Scotia" might very easily be used in French. This would fly in the face of the historic evolution of our language and the name "Nouvelle-Écosse" is to us a commonly used name that we find in our dictionaries, in our tradition and in our ways of speaking.

However, I can somewhat understand the rationale for your presenting such a Bill. I believe that your intentions are serious, that this might be a way for your community and your province to assert their identity. I am quite certain of this, but in view of the basic Canadian duality and the absolute need to respect this French and English duality in Canada, I would invite you to reconsider your proposal and to be very noble about it. I also invite you to apply the principles which inspire our new administration, this new Government elected last September 4, responsible for promoting a spirit of cooperation and reconciliation. I believe that this major reconciliation will occur among French and English-speaking Canadians—

[*English*]

All together. We will work together. We want to work together.

[*Translation*]

And I believe that the participation of my hon. colleague is important. I quite understand his firm desire to assert the cultural identity of his province. I understand this quite well, I accept it and I find it meaningful, encouraging, and—

An Hon. Member: You are being very nice!

Mr. Hamelin: I thank you for these words. In addition, Mr. Speaker, and of course I must always address you, but I am learning quickly, I see a Member who was not here a while earlier. In any case, I shall learn quickly, Mr. Speaker. But there, he has left. That is too bad; I could have shown him how quickly I am learning. Nevertheless, I can wish him a happy birthday. Today was his birthday. He has probably gone to celebrate.

To come back to my colleague, who wishes to assert this important cultural identity, we have an opportunity with 58 Members from Quebec and other French-speaking Members from other provinces to achieve this impossible dream—

[*English*]

The impossible dream.

[*Translation*]

—which is Canada. This is an impossible dream, an ideal to be attained and we have the good luck to be members of a truly national party where we shall all respect one another, and I am certain that you yourself will make the necessary effort to ensure that this linguistic duality will become something positive and important for our community. I believe that you shall make the necessary efforts, and we shall do the same in spite of our own will to assert ourselves.

I want to point out that my position is also positive. I want the term "Nouvelle-Ecosse" to be kept in my language. This is now part of my culture. You are from "Nova Scotia", from "Nouvelle-Ecosse", but for me, you are part of Canada and of my culture. Indeed, it seems to me that there are people in your region—

Forgive me, Mr. Speaker, my comments are addressed to you. However, my colleague for Annapolis Valley-Hants (Mr. Nowlan) is showing so much understanding on this issue that I cannot avoid thinking occasionally that he must appreciate my comments on his Bill. As I was saying, there are also francophones in Nova Scotia, and during the all too few trips that I have made to this province I have noticed that French-speaking people in the area also use the term "Nouvelle-Écosse". They do not say "Nova Scotia", except when they switch languages and speak English. They also do the same in English, or at least a few of them do because there are still many people who speak like that.

Mr. Speaker, it has been a great pleasure for me to speak to this motion, for I appreciate indeed the relevance of the nearly cultural remarks made on this subject by the Hon. Member for Annapolis Valley-Hants. Instead of voicing my opposition, I would again extend to him an open and cordial invitation so that we might all work together. I repeat, for once we have a unique opportunity.

History will record that outstanding reconciliation endeavour, perhaps through the expression "Nova Scotia", but the French words "Nouvelle-Écosse" will add a new dimension, and I should say to my colleague that his remarkable understanding of this issue will enable all of us—

Mr. Prud'homme: I do have that impression.

Mr. Hamelin: —will enable all of us—my Hon. colleague from Saint-Denis will have to admit that I am improving, Mr. Speaker—to live together through a unique experience in the next twenty years, all of us together in a better Canada, in Nouvelle-Écosse as in all the other provinces of Canada.

The Acting Speaker (Mr. Paproski): The Hon. Member for Richelieu.

• (1640)

Mr. Louis Plamondon (Richelieu): I would like to stress that taking the floor after my colleague who spoke with such eloquence is somewhat of a challenge for me, because he has summed up exactly how Quebecers feel about this bill. Since time immemorial, we in Quebec have used . . . I can still recall grade school when we used the name "Nouvelle-Écosse", because in the beginning, in the 17th century, many francophones lived there and still do now, and they are as attached to that name as they are to the region, their religion and their mother tongue, and many memories were passed from father to son. They were educated in French. They still are, and they still claim rights which will eventually be given to them. Those people of Nova Scotia, those residents of Nova Scotia who speak French see a very close link between their existence and the French name "Nouvelle-Écosse." Naturally, the Hon. Member who moved this motion wants to keep the Latin name. Unfortunately, if we were to use the latin name — for francophones, it happens to be the same as the English name — we might very well raise serious doubts about our lengthy struggles for bilingualism and the mutual respect of two peoples that are beginning to live in harmony, I think, as the previous speaker so aptly emphasized.

I have often visited that beautiful province as a tourist, on holidays, and even some anglophones I met would use the French name when referring to Nova Scotia, claiming that the French name was the one they had heard first. This, of course, serves to remind our students, at least in Quebec, that the majority of the people living in that province at one time spoke French . . . many Canadians who speak only French, in Quebec and some parts of Ontario for instance, always say "Nouvelle-

Écosse" and do not even know the expression "Nova Scotia". The use of this new name for them would therefore be felt as a sort of reconsideration of bilingualism, as my hon. friend said earlier; not only a reconsideration, but a step backward. They would understand that something is being taken away from them, a name which belongs to their heritage, which is part of their culture, which their families use in their daily lives, although the argument on the basis of the Latin expression could be justified. Many Canadians who do not use English at work and in their daily life would therefore be surprised to be deprived of the French name, and I am not sure they would understand that the idea is to return to the Latin name.

Your fine province might even suffer economically as a consequence of the elimination of the beautiful French name "Nouvelle-Écosse", because many tourists visit your area every summer to enjoy your magnificent beaches, just as I did myself on three of four occasions.

Many Quebecers travel to that province to visit members of the armed forces who are stationed there in large numbers. They might find the change of name disturbing. Tourism might be adversely affected, not to mention the economy.

I ask you to reconsider your objection as did my colleague earlier. Some people like the French name of your fine province. They are more familiar with that name in my own province. They have been used to it for years. They would not understand a return to the Latin name since the name "Nouvelle-Écosse" does not take away anything but gives to your area the additional characteristic of a bilingual name which makes people from both cultures feel at home. Not only would that bill be prejudicial to francophones in your own province, it could create an unfortunate impression with the French-speaking population abroad. In addition, it could have a negative effect on the people of Quebec who travel to your province each summer.

I think that there are sufficient grounds to review the bill and to withdraw it. It would be considered a significant move by French-speaking Canadians, and it would be harmful to that fine policy of bilingualism in effect for several years. When I am in Ottawa, thanks to simultaneous translation, I can hear distinguished speakers quote Shakespeare as well as former prime ministers such as Macdonald. I am pleased that you allow me to speak sometimes and quote Molière and Racine, the great French authors as well as some comments by Hon. Members from Quebec. This sacred advantage should not be weakened. Such action is not perceived by me as being directed against us but it could be in some quarters. I feel that it is too touchy an issue dealing with bilingualism when a new party has just come into power with a majority in the ten provinces. A majority for the same party in the ten provinces is an unprecedented record!

There is a national consensus whereby this party represents a change, a new direction in the way this country is governed. Should this bill pass, it might jeopardize this whole policy, which could be construed as a division, perhaps, within Parliament. I think we have worked together for too long, I would even say that we have fought together for too long in order to enjoy two cultures, so that our children may be educated in both official languages and appreciate Shakespeare as much as Molière, as I said earlier, which has not been the case for us.

I dare not speak in English in this House yet for fear of offending a few ears, but thanks to the English classes I take regularly, you can be sure that within a year, I will be pleased to address this House in your language, the same way almost all the English-speaking members take French classes in order to communicate better. There is a will, a reality, a desire to be friendly and to live together, and we should ensure that such a small incident, for instance, like trying to change the French name of such a beautiful province as Nova Scotia may be wrongly interpreted by the public or by some people in the province, even in Quebec. Indeed, changing that French name would probably be considered a regressive step as far as bilingualism is concerned or the respect for both our communities which get along together in this House as well as throughout Canada, willing to carry on in this way for many years to come.

Therefore I ask you, my dear colleague, to reconsider this proposal to change, to remove the name "Nouvelle-Écosse", and to continue to live in harmony with those beautiful designations we have for this province.

The experience we have been living for a few years with bilingualism, with the reform of the Constitution which was achieved, demonstrates a desire throughout Canada to see, as my colleague said, both cultures thrive as equal in the greatest respect. Again such a little incident could be misinterpreted.

Even if I understand very well the mover's motives, I would like him to reconsider this proposal.

I will not take any more of the time of the House, Mr. Speaker, to enable other Hon. Members to express their views. I know that many speakers want to do so on this Friday afternoon, and I will give them a chance, but I wanted to indicate that I disagree with that proposal to remove the designation of "Nouvelle-Écosse", precisely to avoid affecting the beautiful link which unites both cultures represented by the majority in this House.

• (1650)

[*English*]

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, I am very glad to have the opportunity to speak for the first time in Private Members' hour in the Thirty-third Parliament. I would like to thank my friend and colleague, the Member for Annapolis Valley-Hants (Mr. Nowlan), for giving me this opportunity.

Last year about this same time I was fortunate enough to be in the House when the Hon. Member brought forward a similar Bill. I was impressed then by his eloquence and the

deep feeling with which he spoke of his province and how he felt it was so important to bring this particular Bill forward. I was impressed by his logic. I was impressed then and I am now. I was not in the House this year but I did have the opportunity to listen to his speech on the television in my office. I listened carefully because he argues well and with passion.

It may well be that many Members of the House are not familiar with what the Bill is all about. Perhaps, with the Speaker's permission, I could read the contents of the Bill. First, it is in the first session of the Thirty-third Parliament. It is a very small Bill, only two paragraphs, but it is an important Bill. The Bill is entitled Bill C-201, an Act respecting the official designation of "Nova Scotia". It reads:

> Her Majesty, by and with the advice and consent of the Senate and House of Commons of Canada, enacts as follows:
>
> 1. This Act may be cited as The Official Designation of Nova Scotia Act.

Clause 2 is the meat of the Bill. This is what is intended by the Act. It reads:

> 2. In every place where the words "Nova Scotia" appear in any Act, regulation, statutory instrument, report, contract, lease, licence or other document the proper designation of such name in both official languages is and shall be "Nova Scotia".

This Bill may be short but it is very far-reaching and has great significance. I feel that I have an appreciation of the problems involved. I do not come from Nova Scotia like the Hon. Member for Timiskaming (Mr. MacDougall). I come from a place called the Okanagan Valley. We have heard from central Canada, Quebec and the Atlantic provinces on this issue, so I think it is time we heard from western Canada on this Bill.

The Okanagan Valley is in central British Columbia. The Hon. Member comes from the Annapolis Valley. These places have two things in common: they both grow very good apples. The Member for Annapolis Valley-Hants is nodding. At one time he had the courtesy to say that, although we both grow apples, perhaps we make better apple cider. I hope all Members have an opportunity to test that observation some day. Therefore, I feel I have some right to speak on this Bill this afternoon because we have that much in common.

Perhaps we have more than that in common. My children's maternal grandparents both came from Nova Scotia. Their maternal grandfather came from Antigonish. That is the home of the very famous university, St. Francis Xavier. I am proud to say that two of my children have gone to that university. I have some more interesting facts. My children's maternal grandfather began a newspaper called the *Casket*. It still exists and is the local newspaper in Antigonish.

The Member for Timiskaming spoke about Cape Breton earlier. My children's maternal grandmother came from an unlikely place called Myra's Gut. I see the Member is nodding. He recognizes that as a very fine small community. Therefore, with some justification and authority I can speak on this Bill because I too have a great love and affection for Nova Scotia, as I am sure all the Members of the House have. It has played a very important part in our history.

However, while I agree with the content of the Bill, it does not go far enough. The Hon. Member who spoke earlier mentioned the cost. This Bill proposes to change the name in every Act, regulation, statutory instrument, report, contract, licence, lease or other document. The cost of that would be prohibitive. We are now in a period of restraint. We are all being asked to cut back and put up with a little less than we would normally have. That is why we are doing the Member a service by postponing this Bill until another time when we are better able to bear the underlying cost which is inherent in the Bill.

I do not want to go into the constitutional problems, but I am sure that my friend from Annapolis Valley-Hants is aware of the difficulties in that regard. Mr. Speaker, I note the time and I would call it five o'clock.

The Acting Speaker (Mr. Paproski): The hour provided for the consideration of Private Members' business has now expired. May I add that November 30 is a memorable day. As the right hon. gentleman from Prince Albert used to say, Parliament lives.

It being five o'clock p.m., this House stands adjourned until Monday next at eleven o'clock a.m., pursuant to Standing Order 2(1).

At 5 p.m. the House adjourned.

HOUSE OF COMMONS

Monday, December 3, 1984

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—BUDGETARY CUT BACKS

Mr. Jacques Guilbault (Saint-Jacques) moved, seconded by Mr. Ouellet:

That this House regrets that, after less than three months in office, the Government is in growing disarray as demonstrated by its harmful, inadequately considered and irresponsible cuts in government services of importance to the economic and social development of the regions and of individual Canadians as well as by Ministers' apparent inability to manage their departments and their relations with the provinces and with the public.

He said: The Opposition motion you just read, Mr. Speaker, and you did so very well I may add, may seem unduly severe, condemning the Government for various measures taken since it came to power, during the three months it has been in office.

I, for one, do not think the motion is too severe, and I shall try to demonstrate that during the few minutes I am allowed.

This morning, I would like to show the House the dire results of the last three months, which have brought us a succession of cutbacks the magic word which, according to the Progressive Conservatives is supposed to be the cure for all our ills, but unfortunately, has brought no positive results and has managed to please no one.

In my comments, I also would like to mention the negative impact of several of these cutbacks on Canada's remote areas which, for the most part, are economically vulnerable and stand to suffer most from the budgetary cutbacks of this Government.

I shall also comment on the inability of some Ministers to manage their departments and finally, about the impression given that some Ministers are resorting to all kinds of tactics instead of dealing with the problems confronting Canadians.

I shall also comment briefly on this Government's less than satisfactory record in its relations with the provinces of our Canadian federation.

Finally, I intend to prove that to this day, Canadians have not been able to benefit from a single measure introduced by this Government. Canadians have been told to wait and that better days will come tomorrow. Meanwhile, cutbacks are the order of the day.

Suppose we consider the past three months. First of all, we have a Government that promised Canadians the earth, making about 338 promises during the election campaign, and that has now failed to come up with any concrete measures to keep those promises, a Government that, it must be said, was elected with a tremendous majority and now resembles an elephant that has been incapable of bringing forth so much as a mouse.

None of the promises the Government made are so much as starting to materialize, and the people who gave this Government a blank cheque are wondering how it is going to proceed to keep some of its promises.

Mr. Speaker, this is a Government that has resolutely turned its back on many of the ideas it was championing when its Members were crisscrossing the country during the election campaign, telling Canadians, for instance, that social programs would be protected, that it was a "sacred trust", as they said. Now nothing is certain. Cuts have been made in programs like housing which are certainly social in nature. We are not sure what this Government is going to do to the universality of social programs, and in the final instance, this so-called "sacred trust", which was one of the cornerstones of the Progressive Conservative program, may not be so sacred anymore.

This Government talked constantly about open government. They told Canadians: Get rid of the Liberals who put a veil of secrecy over everything. And where is this open government today? I will get back to that later. We have now reached a point where the Progressive Conservative Government, after promoting open government, is now keeping everything under wraps. Practically no announcements are made, and guidelines have been issued that have made public servants feel less free to communicate with the media and with Canadians in general.

Finally, we have here a political party that during the last election campaign made employment and job creation one of its main themes.

• (1110)

We now find ourselves in a situation where funding for job creation programs has been slashed. As far as the jobs are concerned, we will get them next year, they have been promised for fiscal year 1985-86. I should think that most Canadi-

ans, particularly the unemployed, realize by now that the new Conservative government is like a balloon that burst, it did not simply deflate, it burst. The government appears to have a secret agenda, and that ought to worry all Canadians. What we already know is bad enough, but we are more concerned about what we do not know and will never know, since public servants can no longer speak as freely as they did before. In a nutshell, so far the government has given every indication of being totally confused, disoriented and unorganized. Let us hope it will soon get back on the right track.

The one thing we know for sure, Mr. Speaker, is that the government has decided to make drastic cutbacks in public outlays. Unfortunately, such cutbacks are bound to hurt and, for now, the outlook is not very promising for unemployed Canadians, nearly bankrupt farmers and small and medium-size businesses which had expected the new government to help them be more productive and more competitive. Those cutbacks are particularly distressing for young people, for example, because the new Conservative government had raised their hopes by promising to find jobs for them.

What kind of scenario have we had since the Conservative government took office, in the three months since it has taken over?

First, the Summer Canada job creation program for youths will not be funded next summer. That was one of the most constructive measure to create temporary employment needed by students during summer. No, Sir, that program no longer exists, it has been cancelled, as were others which gave young Canadians a fighting chance to retrain and try to land a job. Similar existing programs have also been shelved. That is a rather sad comment on a government whose priority was to create jobs. The way I see it, they are doing the exact opposite of what they had promised. And young people are not alone in this predicament, for cutbacks strike elsewhere. Let us take environment, for example. The Canadian Wildlife Service budget has been reduced considerably and this issue has been raised several times in the House by the Hon. Member for Davenport (Mr. Caccia), who usually sits to my immediate left, in questions to the Minister of Environment (Mrs. Blais-Grenier), but unfortunately they have remained unanswered.

And then, the budget of cultural organizations which have been the prime target of the new Conservative government. As we know, the CBC will have to do with $75 million less. What needs to be emphasized, Mr. Speaker, is that the $75 million cutback is for 1985-86 alone. It is not a $75 million reduction spread over the three-year Conservative mandate. In answer to one of my questions a few days ago, the Minister of Communications (Mr. Masse) did say that the smaller CBC budget for next year will be the starting point for the following budgets. In other words, we are looking at a $75 million cutback in each of the three years of the Conservative mandate—which, hopefully, will not be extended—or $225 million less for the CBC over a three-year period.

Hon. Members are aware as well that other government organizations—The National Film Board, the Canada Council, the CRTC and the National Arts Centre, four organizations which have had their overall budgets reduced by $10 million. Here again, of course, those $10 million are for the coming year, but since the Minister of Communications has confirmed that those cutbacks are likely to be a permanent fixture, we are in fact talking about $30 million less for those four organizations during the mandate of the government.

A word now about programs designed to promote social housing. Is there something more necessary in our society, something more helpful? For instance, residential rehabilitation, low rent housing, the survival and development of cooperative housing projects . . . the Canadian Mortgage and Housing Corporation will have to manage with $47 million less. Needless to say, Hon. Members have been getting phone calls from people in every region of Canada who have a direct interest in social housing and who are deeply concerned about those cutbacks.

Cutbacks have also taken place in the field of health research. I have in my hand a list which comes from a well-known Canadian business newspaper but because it is in fine print and therefore it would take more time than I have available to me. Instead, I shall let my seatmate read it while I make my comments.

There were some very important programs designed to save money to individuals and to conserve Canadian oil supplies. For instance, as of next January 1 there will be a cutback in the Canadian Home Insulation Program as well as in the Oil Substitution Program which offered grants to assist homeowners in their conservation effort switching from an oil heating system to electricity, natural gas or other types of fuel. These were extremely useful programs in which the Minister of Finance (Mr. Wilson) decided in his wisdom that cuts and reductions should be made. In fact, these cuts will affect everyone especially middle income Canadians.

Moreover, the government will not stop there. It seems that more bad news are in store as a result of the announcement made by the Minister of Finance that further cuts should be expected in his budget, which is to be brought down either next spring or next June: the exact date has not been set yet. However, we already know that there will be more cuts. In other words, the worst is yet to come.

• (1115)

[*English*]

The worst is yet to come. What this Government has done, after promising jobs during the election, has been to start with several cuts in job creation programs and then promise a billion dollars in job creation. We do not know how that will be spent; we have no details so far. After having read the documents and listened to the Minister, we know that this billion dollars will be spent next year. In other words, job creation programs are now being cut. This will put more people out on

the street. People are being told to tighten their belts now and that they will get a job in a year from now. That is not being serious, especially for a Government elected on a job creation mandate.

[*Translation*]

The worst of it is the fact that the impact of these cuts will be felt in the regions, and this will occur in many fields, especially the field of culture which I mentioned earlier, the research activities of the Wildlife Service, and so on. Let us look at the CBC cuts, for instance. We already know that these will affect regional and local programming, which has always played second fiddle in any case. We are all aware that the bulk of CBC expenditures goes to major urban centres in Canada, such as Toronto and Montreal. Therefore, any cuts will greatly affect the regions.

The regions will also be affected by cuts being made in the area of transport. We already know that certain ferry services will be reduced or their schedules shortened for the winter months in the Maritimes, and we all know what is the situation in Prince Edward Island and Newfoundland, which are isolated islands in need of such services. I find this absolutely awful, especially since the government certainly did not brag about taking such action during the election campaign when its representatives, led by the Prime Minister, went to the Atlantic Provinces and made 338 promises to the residents of that region.

Let us now examine the case of Quebec. The critic for the Treasury Board has already stated that those cuts will cost about $700 million to Quebec. The Hon. Member for Laval-des-Rapides (Mr. Garneau) did refer to this during the oral question period and he is reviewing the issue. The people of Quebec will not be able to absorb the costs of these cutbacks. This is why one of the questions that we ask the government is this: Where can we find the money to replace these lost funds? And what I am asking myself is this: What will the 58 new Progressive Conservative Members from Quebec do to ensure that the economic position of Quebec is protected?

• (1120)

Will they let this Government slash to that extent the major grants and expenditures intended for Quebec that are now being cut? They are rather silent, except to applaud when their party's tenors rise in this House. I look forward to hearing what those Members, those new Members from Quebec, will do in defence of the people they represent.

One of the things that strike me most is the difficulty some ministers seem to experience in managing their departments and putting forward certain programs and proposals. It is not for lack of advice because each and every ministers' office has a "super executive assistant", a so-called political advisor who would be better named "political commissar", with a salary reaching up to $80,000 a year. Hence we would have thought that the ministers would be expertly advised, that their departments would be efficiently managed and that everything would run better than under the previous government, which the Conservatives are constantly criticizing. However, we cannot say this Government is any great shakes. With officials who can no longer communicate with the people, nor the media . . . We have seen the guidelines which require an official, when giving information, to be quoted by name. This is a pretty way of imposing the rule of silence. And they went to the trouble, Mr. Speaker, of having a press conference just for that in the Press Club across the street! Really it takes gall, under the guise of providing a new access to information, to put forward—in a clever way I must admit—guidelines designed to restrict the already restricted freedom of officials to give information to the media and the public.

Interestingly, maybe that was the reason why the Prime Minister last Friday went out of his way to have lunch in the Press Club. I saw him, I was there. It was probably in an attempt to bridge the chasm that the new Conservative Government has opened between itself and the media with those new guidelines. Therefore, Mr. Speaker, if the Government were more open with the people, the Prime Minister would not have to resort to flirting with the media at the Press Club. It is not by having lunch there and being all smiles that he will manage to be in the best of terms with the media people. All they are asking for is clear information on the Government's intentions. If they get that, there will be no need to go and wheedle them. They will be satisfied with the Government. However, that does not seem to be forthcoming.

When information comes to the surface and gets to the public ear, it is because of errors. When, for instance, the Minister of Finance (Mr. Wilson) forgets a file in Winnipeg. Then we learn something of the Government's intentions, but this is by no means with the Finance Minister's agreement. Under a government that is committed to openness, we now have to rely on accidents in order to be informed of the Government's intentions. By accident, such as when the Secretary of State for External Affairs (Mr. Clark) sends out a cassette on which he had dictated in his office that we learn what is going to happen in Central America.

It certainly is not through well-established Government policy that we get information, but by accident. At times we get it at the wrong moment. We have a Solicitor General who gives out details of an investigation that is under way, and then rises in this House to say he never did so. One of my colleagues has already asked questions on that matter, and he will surely do so again. Then they volunteer information at the wrong moment and when people require information, they cannot make up their minds to say what they intend to do. I think I know why, Mr. Speaker; it is because these people have no clear idea of what they are going to do. They wonder how to go about implementing what they promised during the last election. And this is why they hide everything under the veil of secrecy.

I wonder, for instance, what will happen in the area of federal-provincial relations. I wonder whether the episode with the Manitoba Minister of Finance is just a sample. Our minister met his counterpart, the Manitoba Minister of Finance, to review the transfer formula. As I said earlier, by accident we heard that the Province of Manitoba would probably lose its $72 million in transfer payments. And better still, when that meeting was held, it was taped by someone in the Minister's Office. Can you imagine that? I suggest this government's manipulation of information is unacceptable and a source of great concern. I shall leave to some of my colleagues to examine in depth a number of its actions.

For now, I pause and urge my fellow Canadians to think it over and ask themselves whether this government, from the moment it assumed power and started to operate, has been delivering to them what they should rightfully expect. To me, the answer is a clear and resounding no. I urge them also to watch this government closely to make sure that it keeps its election promises and that it is truly addressing the problems we are faced with. In the meantime, I cannot help but be dissatisfied with this government, and that is why I have moved today this motion which at first sight might seem harsh but which will receive the support of many Hon. Members of the House.

• (1125)

[*English*]

Mr. Deputy Speaker: Are there questions or comments on the speech of the Hon. Member?

[*Translation*]

Mr. Hudon: Mr. Speaker, the Hon. Member for Saint-Jacques (Mr. Guilbault) claimed at the beginning of his remarks that the government had made major and even drastic cuts in the social programs. He mentioned, among others, those in the area of social housing. Could he name the other social programs where cuts have been made?

Mr. Guilbault (Saint-Jacques): Mr. Speaker, in order to enumerate these programs, we must rely on the information provided by the Government. I must say that the information has been rather meagre. I indicated in my speech that one of our greatest difficulties with this Government is trying to find out what is going on. So far, in the long list of cuts which I have here, the only sure thing with regard to social programs is the $47 million cut in the area of housing. We are experiencing much difficulty trying to ascertain what is going to happen to the rest of them, although when we examine the total envelope which the Government has at its disposal, we realize that $4.2 billion must be cut and as the Government is already committed to cutting transfers both to individuals and the provinces in the area of established programs, it is operating in a sort of straight jacket, and if it wants to cut $4.2 billion, it will have start somewhere. We expect the Minister of Finance will provide us with full details . . . I already have tons of information in several areas, but I do not have quite as much in the social area. All I have so far concerns social housing. But I feel it is already significant.

Mr. Deputy Speaker: Are there other questions or comments relating to the remarks of the Hon. Member for Saint-Jacques?

Mr. Desjardins: Mr. Speaker, the Hon. Member for Saint-Jacques referred in his motion to uneasy relations between this Government and the provinces. How does he see our relations with the Quebec Government?

Mr. Guilbault (Saint-Jacques): When I said that the Government had rather peculiar relations with the provinces, it seemed clear enough to me. I imagine that the Hon. Member reads newspaper reports as much as I do and that he attends from time to time the oral question period. Can you imagine that Manitoba which is hardly one of the richest provinces in Canada since it receives substantial equalization payments, will probably—it is not a sure thing yet because negotiations are going on—have them reduced by $72 million.

As far as Quebec is concerned, how will the Prime Minister get along with Mr. Lévesque? It is hard to tell, but you may be sure, Mr. Speaker, that Mr. Lévesque will come with a rather long shopping list. He will not be asking for peanuts. We will then find out if the honeymoon of a sort which the PQ and the Progressive Conservative Party have enjoyed since the last election will endure. Do not ask me how those talks will develop. One thing I know is that there are some rather hefty cuts in the Quebec programs and Mr. Lévesque will not be arriving in Ottawa with a big smile on his face. How will things turn out? Everyone is anxious to know.

And if relations or rather talks with Quebec are handled as skilfully as with Manitoba, watch out for the fireworks.

• (1130)

[*English*]

Mr. Deputy Speaker: Are there any other comments or questions on the speech of the Hon. Member? If not, we shall resume debate.

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I appreciate the opportunity to enter into this debate. By way of reference, after reading the motion of the Hon. Member opposite I was prompted to reflect that this Government regrets that, after less than three months in office, the Opposition is in growing disarray. One would have thought that such a small group of people could get their act together quickly but all we have seen is a rerun of the last election campaign.

The previous Prime Minister has suggested that if he had run he could have won. The Hon. Member for Saint-Maurice (Mr. Chrétien), or for Main Street or Bay Street, or wherever he is now from, suggested he could have done better. The present Member for Vancouver Quadra (Mr. Turner) suggest-

ed that he had to run because there was no one else. So I believe it is fair to say, Mr. Speaker, that the disarray is basically over on the opposition side.

Mr. Blackburn (Brant): Do not include us!

Mr. Hnatyshyn: You make the Liberals look good!

Mr. Lewis: With respect to comments made by the Hon. Member regarding what is bizarre, I suggest that perhaps one of the most bizarre relationships existing in this country is the relationship the federal Liberal Party has with the provincial Liberal Party in the Province of Quebec. I believe that all of us are enjoying the way that one is breaking down for the Hon. Member.

[*Translation*]

I am astonished when I see the obvious contradictions contained in the motion introduced by the Opposition. For instance, on the one hand this motion states that the government has been in office, for a short time, namely less than three months, and on the other hand, it accuses the same government of lacking judgment or of being in disarray. There is a contradiction in terms. After such a short time, it is improper to make this kind of accusation. Up to a point, it even reflects some disarray on the side of the Opposition.

[*English*]

Mr. Ouellet: We should applaud the Hon. Member for his French.

Mr. Lewis: I think you ought to applaud the translator.

Second, the motion seems to imply that Ministers are having a tough time in coming to grips with their departmental responsibilities. I suggest, Mr. Speaker, that nothing could be farther from the truth. I can assure Hon. Members of this House that all Ministers of the Crown have a good grip on their responsibilities in their respective Departments. I believe it is fair to say that all Ministers and their staff have been taking a measured, intelligent, thorough and wide-ranging approach in becoming conversant with the issues and views of all those people concerned and in carrying out the mandate and programs of the various Departments.

[*Translation*]

The Ministers are not just satisfied to read their background material, they carry on consultations with experts in the private sector, businessmen and ordinary Canadians whose life and livelihood can be affected by Government programs.

[*English*]

It is evident, Mr. Speaker, from the seating arrangements in this Chamber that this Government was elected with a strong nation-wide mandate for improvement and change. I point out that it is a mandate which does not stop at one provincial border. It is interesting that both opposition parties have mandates which stop at certain provincial borders. I feel it is important to demonstrate to the House that our mandate sweeps across the country.

While the process of change and improvement has begun with the Speech from the Throne and the economic statement of the Minister of Finance (Mr. Wilson), the first evidence of change has been a carefully balanced and realistic approach to government. Our initial broadly-based expenditure review has a number of important objectives. First, it is aimed at promoting growth and employment. It attempts to treat all regions of the country as equitably as possible under the circumstances and at the same time ensure that those who are in need are not unduly affected. Government objectives honour existing commitments with provincial governments and others, and fulfil our pledges. A careful examination of the whole range of programs, subject to expenditure reduction and revenue recovery, clearly shows that these objectives have been met as fairly and humanely as possible in the time available.

I would like to point out, Mr. Speaker, that we are dealing with a global situation in trying to reduce government expenditures, yet it impacts differently on each riding of the Hon. Members of this House. For example, in my riding there has been a move by the Government to stop funding a scientific interpretation centre at the Wye Marsh. This is one of five interpretation centres across the country. I must admit, Sir, that I am receiving a great deal of mail from the people of my riding. However, I believe we must point out to the country—and I have pointed it out to my constituents—that there is a difference between the present Government and the former government in the way this is being done. There are five interpretation centres being shut down across Canada, and all of those centres are in Conservative ridings. The move was based upon the principle that the federal Government should get out of the interpretation business, that this should be handled by non-governmental organizations or by the provinces. The move taken by the Minister of the Environment (Mrs. Blais-Grenier) has basically been accepted on the broad scale. In my riding there are some difficulties but we are receiving complete co-operation from the Minister of the Environment in looking at ways in which it could be taken over by non-governmental organizations. I feel that is the key. Perhaps we could put a user-pay concept to it rather than making it free. That is the kind of examination which is being conducted.

We are coming to this House with clean hands in that the decision was based on principle. It was not done in the way of the last government where there would be cuts in Tory ridings and initiatives in Liberal ridings based on pure politics. Our reductions are based on principle which makes it much easier for all Hon. Members of this House to support them.

[*Translation*]

Of course, people will be affected by these changes in the near or distant future and in various ways. However, it should be emphasized that the Progressive Conservative Party has made a commitment to reduce the deficit without bringing about a major increase in taxes.

[*English*]

The platform of our Party, Mr. Speaker, as clearly stated during the election campaign, is that the fundamental priority of a federal Government led by the Progressive Conservative Party would be to improve the way government works.

[*Translation*]

If we consider the various types of reductions in expenditures, Mr. Speaker, we find that we shall be recovering $700 million by reducing general costs and implementing general restrictions. We have to put some order in our taxation system before asking our fellow citizens to take us on trust.

Our party also said that the primary purpose of a Progressive Conservative Government would be to give our Canadian unemployed their jobs back. We added, because there is no doubt in our mind about it, that job opportunities for our unemployed would improve only as a result of a lasting economic recovery.

Finally, Mr. Speaker, I want to remind you that the previous Government was going to cut the funds allocated to direct job creation in 1985-86.

We are now building the necessary framework which will equally attract new investments and create new jobs.

We believe that we are establishing a climate of confidence which will be favourable to business and good for investment. We believe, Mr. Speaker, and the private sector seems to agree with us, that the Government is moving in the right direction both in its policies and its intentions.

● (1140)

[*English*]

We do not believe that everything should be done by the Government. Surely a reliance on a healthier private sector and an enduring economic recovery is the most advantageous regime under which Canada can thrive. Canadians from all ten provinces have placed an onerous charge on this Government to do just that and I believe the pools would indicate that Canadians are not disappointed by our progress so far. However, they expect more and I can assure them that they will not be disappointed.

I have pointed out the expenditure reductions that we have made. I suggest that the significance of those reductions should not be underestimated. We have identified some $4.2 billion in expenditure savings and revenue increases. This includes some $2.8 billion in spending reductions. We have used $1.4 billion of the gross savings for special initiatives which will help the economy get going again and take care of disadvantaged groups which have been adversely affected in the past.

Moreover, the remaining $2.8 billion will be applied to reduce the cash requirements of the Government. Of this, $2.2 billion is a direct contribution to reducing the deficit. In fact, this $2.2 billion is a downpayment on the deficit's reduction. More important than the mathematics of that downpayment is the signal we are sending to the private sector, to our trading partners and to our investors, both foreign and domestic, that the Government is seriously committee to deficit reduction as a principal method of restoring sound economic health. The Government's Ministers have been travelling abroad to meet with foreign business people and investors to explain our Government's policies and direction. I would suggest that they have been favourably received.

It is not just Canada that understands the importance of coming to grips with the deficit and government spending. It is a realization that is world-wide. Canada, with its new Government and new mandate, is leading the way in coming to grips with that runaway deficit.

In combination with what we are trying to do to reduce the deficit, I would suggest to the House that we are committed to productivity improvement in the federal Public Service. That is not a new suggestion because the Prime Minister (Mr. Mulroney) spoke at some length and in some depth about the issue before the election last September. The Prime Minister released a major position paper which addressed productivity improvement in detail, laying out our Party's intentions quite comprehensively.

I might say that earlier this morning I was the keynote speaker at the Canadian Comprehensive Auditing Foundation's meetings which are being held in Ottawa. In a speech which I had prepared prior to assuming the position of Parliamentary Secretary to the President of the Treasury Board, I dealt with the question of comprehensive auditing and the importance it could mean to productivity in the Public Service and in the Government. This morning I suggested that we on this side view comprehensive auditing as a management tool to help government examine policies. Policies must be developed by politicians and administered by public servants. We must have a method by which we examine that policy and ensure that taxpayers, whether at the municipal, provincial or federal level, are getting the best value for their dollar.

That is the mandate that is given to politicians at all levels. I can assure the House that the Government intends to do everything it can to further disciplines such as comprehensive auditing and to give the people the accountability that they deserve.

We produced a position paper called "Towards Productive Management—The P.C. Approach". We stated in that paper that it will be a top priority to implement changes in federal Government management techniques and processes to ensure that Canadian taxpayers receive value for money. We added that it is our goal to create a management philosophy in government which starts at the political level—a philosophy based on accountability, the appropriate delegation of authority and the encouragement of creative and efficient management within the Public Service.

We have already begun to move in that direction. We inherited rules and regulations—perhaps it is the nature of the beast—which are too many, too detailed and too universally applied to do the job. This was acknowledged last spring by the former President of the Treasury Board, the Hon. Member

for Windsor West (Mr. Gray). We intend to make significant improvements in this area.

The policies that we inherited do not provide for adequate flexibility for Departments to achieve real value for money in specific circumstances. There is much work to be done and it is work that we will do. Our goal is to shift from a reliance on regulations and controls and detailed procedures toward a greater reliance on managers' competence and the achievement of results. Our goal is to simplify government and let the managers manage.

If the Opposition is unsatisfied with the achievements to date in this area of simplification and rationalization, I can assure them that we have further plans to have a more extensive and more encompassing grass roots review of programs. That is under way. A committee chaired by the Deputy Prime Minister (Mr. Nielsen) is continuing to review federal programs and regulations with a view to consolidation, simplification, ending duplication and improving the deliverance of important government services to the public.

The considerations are proceeding at the present time. The committee is undertaking to present its recommendations in the months ahead. The action to implement these recommendations will be preceded by an appropriate period of consultation with those who are substantially affected. Our Government believes in an applied approach to government expenditure reduction which allows sufficient time for those who are affected to adjust. As proof positive, I suggest to the House that there will be some reductions in the number of jobs in the Public Service but it will be done on a consultative basis. The consultations with the heads of the unions and the President of the Treasury Board (Mr. de Cotret) had already started before the economic statement was released. It began with a very frank and friendly meeting between the President of the Treasury Board and the heads of the Public Service unions.

I want to assure the House that that is a process of consultation which the President of the Treasury Board started and which I know he intends to continue. We are committed not to act prematurely or precipitously on these issues.

• (1150)

That is why the review made and the results which were published are something that can be read and understood by the ordinary public and the ordinary politician. We did not slash "x" per cent across the board. There are specific programs that were cut out and the rationale for those reductions are explained.

I suggest to you, Mr. Speaker, that that is evidence of this Government's intentions to act in a rationale way. I appreciate the opportunity to engage in this debate. I naturally think that the motion is perhaps not frivolous but very close to it. I am sure though that the Member who presented the motion did so in good faith. We have no hesitation in defending our policies and actions based on the mandate that was given to our Government on September 4. We look forward to a debate throughout the country and a consultation process that will prove that our moves on behalf of Canadians, especially on behalf of the taxpayers, can be supported by the briefs and the reviews we have taken.

Mr. Deputy Speaker: Are there any questions or comments?

Mr. Nunziata: Mr. Speaker, the Hon. Member indicated that when his Party came to this House of Commons to form the government that it came to the House with clean hands. Since the Tories came to the House their hands have quickly become soiled, if not soiled, bloodied by breaching the many promises made.

Will the Hon. Member define the mandate his Government received? He spoke of the massive mandate which the Tories received from people coast to coast. Will he define what he means by the mandate his Party received? Does the Hon. Member not agree that the mandate received to govern was based on the some 300 odd promises made by the Tories during the election campaign? Will the Hon. Member not agree that it is incumbent upon the Government to fulfil those promises?

Mr. Lewis: Mr. Speaker, there were several questions included in the Hon. Member's comments. The only way we got our hands soiled once it came to office was when we moved out the furniture of the previous government.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Lewis: And some Hon. Members did not want to move.

Second, Canadians wanted a change of style and attitude. Canadians want a government that is more open and more accountable. That is why the Members opposite are so few in number. That did not happen to my colleagues in the New Democratic Party. People wanted a change in style. People had had a belly full of the way the Liberals operated.

Mr. Blackburn (Brant): We in the NDP still have quality.

Mr. Lewis: It is said the Liberal Party has nowhere to go but up. I suggest to the Hon. Member who asked the question that he ought to look to his left because the Liberals could still go down one peg.

The Hon. Member for York South-Weston (Mr. Nunziata) made reference to the 300 promises. I am sure the Member watched our promises carefully. I have no difficulty with the objectives that we set before the Canadian people. We told them that we would work toward those goals. They do not expect us, given the mess we inherited from the Liberal Party, to solve the problems of the nation overnight. The Liberals had an awful lot of time to put those problems in place and it will take some time to solve them. I suggest, Mr. Speaker, that we are going about solving them and in due time we will be able to report to this House and to Canadians that progress has been made on every one.

Mr. Marchi: Mr. Speaker, I was not going to participate in the debate but the Hon. Member did such a good job encouraging people on this side of the House that I shall. The Hon. Member mentioned that the electorate voted his Party in power because people wanted a change in style. Canadians did get a change in style, but not for the better. We have witnessed, over the last three months, a government that has been more centralized than any government in recent history. Ministers could not even choose their own staff. We have noticed a Government that has surrounded itself with secrecy. This is a Government that has expanded its staff of ministers without worrying about job creation outside of the House of Commons.

I come back to the Hon. Member's suggestion about the mandate given to the Tories by the people. The mandate was not one on cutting the deficit. I think though that spending should be done in an efficient and effective manner, and there would be no trouble in getting an agreement from all sides of the House on that. The Conservative Party was given a mandate to create jobs. From coast to coast we heard the Leader and his caucus saying "if you give us a mandate and elect us we will deliver on the jobs". It was not a mandate to deliver on cuts in programs affecting young people, senior citizens, in the area of science and technology or in the area of the environment. Those cuts were never mentioned during the campaign.

We got a promise to deliver jobs, thousands of jobs overnight. We have seen the cuts. We have read about them and we have heard about them. Where are the jobs?

Mr. Lewis: Mr. Speaker, at the outset I should point out that I have no difficulty in encouraging Members on the other side of the House because so many of them are ours.

Having said that, I would say that the Member has no conception of what has to be done if we are ever to get the economy back in shape from the chaos left by his colleagues—many of his colleagues are not here now—there is in the Liberal Party. We all know that we have to reduce Government spending and that we must get the economic situation together if we are going to have the room to do what we want when it comes time to stimulate the economy. A lower deficit will strengthen the economy, give confidence to consumers, and confidence to investors both foreign and domestic. That will create the jobs about which the Hon. Member talks. It is self-evident. We campaigned on the theory that we would create jobs. Let me tell the Hon. Member not to worry. We will create lots of jobs, and possibly we will eliminate his.

Mr. Marchi: Just watch us. Is that what you are saying?

Mr. Gauthier: Mr. Speaker, let me congratulate the Hon. Member for his challenging and interesting job as the Parliamentary Secretary to the President of the Treasury Board (Mr. Lewis). It is perhaps one of the least interesting for those who have over the years been trying to find out exactly what Treasury Board does to public servants. The Hon. Member referred to the possible cuts in the Public Service. He said that many consultations have been going on.

Could the Hon. Member give us the dates of these consultations? Between whom did they take place? Did the Minister meet with the Alliance? Did someone meet with the Professional Institute of the Public Service? Did the Minister meet, for example, with people from the Public Service Commission, the Commission responsible for lay-offs? Did they meet? If so, when? Perhaps we could obtain information from the gentleman as to the lay-off schedule? Who will be affected and in what manner?

Mr. Lewis: Mr. Speaker, let me advise the Hon. Member that there is an axiom in law: never ask a question unless you know the answer. That axiom also applies in the House of Commons, something to which the Opposition has not yet quite caught on.

• (1200)

At eleven o'clock on the morning of November 8, the day the economic statement came down, I was present with the Minister at a meeting with at least 11 or 12 persons who were heads of Public Service unions, including Mr. Donegani. The Minister advised them as to the type of atmosphere we wanted to set, that consultation would be the name of the game, and that we wanted to monitor the process very closely with their co-operation.

I will undertake to give the names of those people to the Hon. Member.

Mr. Gauthier: I asked about the Public Service Commission.

Mr. Lewis: I am sorry, but I am not familiar enough with all the players at this time to give the Hon. Member the answer now as to who exactly was present. That was one of the meetings. I am certainly pleased to tell him that I will relay those names to him, because there cannot be any secret that we met with someone.

That is the way in which we are operating. As far as lay-off notices are concerned, the President of the Treasury Board (Mr. de Cotret) made it very clear that every effort would be made to re-employ people within the Public Service and that attrition would be the rationale used wherever possible so that people would be retained within the Public Service.

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, it is a pleasure to participate in the debate this morning. It is important to begin by conceding that the point of the previous government speaker is quite accurate. There was a major change in the country on September 4. There was an expression of disgust and lack of confidence in the previous regime and there was a strong statement for change. With that statement of change was an expression of hope and optimism for the future.

By their nature Canadians are an optimistic and hopeful people. The political earthquake which took place on September 4 was an effort to regain some sense of that optimism and hope for the future. It was an optimism and hope deliberately sparked by the Prime Minister (Mr. Mulroney) during his election campaign when he made the rather remarkable boast or promise that on the very day after the election of his

Government there would be such a burst of new confidence by business in the future of the country that it would start to create tens of thousands of jobs. To some degree this sense of hope and optimism has survived within Canada for the first few months of this Government's regime. It is, not surprisingly, a honeymoon period.

When this session of Parliament began, in a sense the Throne Speech picked up many of the themes of the hopeful election campaign. It was a Throne Speech which talked about co-operation, consultation and a sensitivity to the needs and concerns of ordinary Canadians. Then the hopeful package began to unravel. As the package was opened, the Christmas present or the hopes began to look much different. The Minister of Finance (Mr. Wilson) came in with an economic statement. It was something like the grim reaper arriving at a birthday party. He came in with very harsh messages, as his files on Manitoba indicated. First we saw major cuts, not so much cuts to social programs which the Government was to study before looking at reducing, but cuts to a series of important economic areas of activity within the Government including the unemployment insurance system and the Industrial and Regional Development Program. Also there were cuts in a series of agencies and departments and in research and development activities, matters which are important to our economy five, ten and fifteen years down the road. There was a shift from the emphasis in the election campaign on tens of thousand of jobs to stress, instead, cutting the deficit.

To be fair, the Minister of Finance believes very strongly that the strategy he is bringing forward is one which will, by some magic message to investors, create jobs in the future. I do not think he believes that it is a deliberate attempt to keep hundreds of thousands of Canadians out of work. However, as an economist I have to say that in my view and the view of many economists in the country that is precisely what will happen. It is a misguided strategy, a strategy which has been tried in British Columbia, in Britain and in other parts of the world. In each case where the strategy of cut-backs, tax increases and leaving the re-energizing of the economy by magic to the private sector has been tried, the result has been a persistence of unemployment and of the deficit which the Minister says he is committed to reducing.

The reality is that we do not eliminate deficits by trying to cut government activity.

Mr. Nickerson: You don't?

Mr. Langdon: No, you don't. We eliminate deficits by getting the economy moving again.

Mr. Brisco: How do you get the economy moving?

Mr. Langdon: The only way to get the economy going again is by putting more money in people's pockets, not in companies' pockets. As a result people are put back to work and taxes flow back to the Minister of National Revenue (Mr. Beatty). Then he will not need hundreds of new tax inspectors to go out and search for them. There would be a revival of the economy and through that a reduction in the deficit.

I predict, as sure as the flowers will come up next spring despite the change in weather about which the Conservatives talked last week, that we will see as a result of this strategy an increase in the Government's deficit. A year from now the Minister of Finance will be reporting back to the House that his estimates were wrong. Rather than a cut in the deficit next year, the deficit will be higher.

• (1210)

I ask the Conservative back-benchers and others who are here to think ahead and to remember this prediction. As an economist, I predict that just as it happened in British Columbia, Britain and country after country which adopted this effort to butcher the public sector, we will end up paying the price, not just in more unemployment but with a higher deficit as well.

A deeper issue is emerging. It is not only a question of how guided or misguided the economic strategy of the Government is because, in the last two weeks in particular, we have seen some deeper questions come on to the political agenda. These are questions about the very integrity and confidence of this Government.

I say that with sorrow. Nobody was happier than I to see the previous Government thrown out. Nobody was happier to see them reduced to 40 seats. I would have preferred a reduction to 28, but 40 will do for the moment.

We have to realize that the people of this country wanted a whole new style of government. The reason why that catastrophe hit the Liberal Party is because it had become a regime that had no sense of decency, integrity and being up front with the Canadian people. The Canadian people have lost their willingness to put confidence in these difficult times into a regime like that, so they made a change.

A regime has emerged in the last few weeks which in certain fundamental and crucial ways is picking up all of the worst habits of the previous government. It has picked up the enthusiasm for secrecy, for managing the news and trying to fool the Canadian society. This can be seen in cases like the Minister of Finance (Mr. Wilson) refusing to release the results of the work of his officials on the Government's economic model and what will happen as a result of the cut-backs that have taken place.

This is not some kind of back alley piece of magical machinery in which nobody has confidence. This is a model of our economy built by governments over the years in which the Minister of Finance has great confidence. He has so much confidence that if you take the long term agenda for change by the Government, he uses that model to lay out what he thinks will happen to the economy in the future. The Minister of Finance refuses to release the results of that model as to what will happen as the result of the cuts in this next year. In doing so, incredibly, he states that he believes the model's results are wrong.

The Minister brought in a 130-page book based on the predictions of that model. He could put the model's results out for the next year and say that he thinks it may be mistaken

here and there. However, he refuses to release those results and blames it on the lack of effectiveness of the model. He used it in other pieces that he put out at the same time. That demonstrates a degree of inconsistency, a refusal to be up front with the Canadian people. Frankly, I find that staggering.

That was not the only gesture. The same Minister took a hard message to Manitoba in his memo, but refused strategically to tell Manitoba about that hard message. The Minister of Regional Industrial Expansion (Mr. Stevens) announced that there would be $175 million in cuts to his Ministry's programs of regional industrial development funds. He then got up in the House of Commons and tried to pretend that those cuts were not real, that there was no real significant change in the job creation that was going to be provided by IRDP next year.

It is an attempt to obscure what is taking place that is unworthy of this Government. I remind the Government that it represents 211 constituencies. It can afford to have a little bit of grace and self confidence. It can level with the Canadian people. It does not have its hard messages. It should send them out. Let us talk about them and look at them in detail.

We have the incredible picture of a Party which just two years ago said on a point of principle that for the sake of Parliament and Parliament's rights for future, it must not allow the Government to borrow for the next financial year. They said it was not right to borrow for the future without stating what is was going to do in the future. What does this Government do? It asks to borrow billions for the future. It does not even blush in doing so. At least the Secretary of State for External Affairs (Mr. Clark) had the good grace to blush. He is prepared to admit that his job in Government is to demonstrate that the Government is not perfect. He could not have chosen a better job for himself.

Mr. Lewis: What is your job in the NDP?

Mr. Langdon: My job in the NDP is to indicate the way in which this Government has lost track of its integrity so early in its regime. That sense of drift and loss of direction is something that I express not with partisan happiness or glee, but with a sense of sadness. The people of this country wanted a change. They wanted a decent new Government that would level with Canadians, a government that would be up front.

There is a bit of irony in this motion of non-confidence being moved by the Party next to me. Talking about blushing, it might be good for them to blush for a little while. For the future of our country, we as the opposition in this House have to bring this home to the Government of Canada. The Party across the aisle is the Government. It should have the self confidence to recognize that. We must bring home to it the message that the Canadian people want an open, honest, sensitive government that will consult and co-operate. If they do not get that from this Government, I hope they will turn to us in this party to give them that kind of Government in the future.

• (1220)

Mr. Deputy Speaker: Any questions or comments on the Hon. Member's speech?

Mr. Lewis: Mr. Speaker, I have one comment to make. The Hon. Member referred to the phrase "butcher the public sector". Perhaps the Hon. Member might explain that phrase to the House. There are some 300,000 Civil Service jobs in existence and the economic statement contemplates the reduction of 3,600 such jobs, but attrition in the public sector accounts for 13,000 jobs a year. I know that the phrase "butcher the public sector" has a very oratorical ring to it. Perhaps the Hon. Member might be able to back that statement up.

Mr. Langdon: Mr. Speaker, unlike the Hon. Member, I feel that central to the public sector is what it does for people. I am referring to the services which are provided to Canadians across the country. The butchery I am speaking of is the kind of butchery that is taking away millions of dollars of grants which would otherwise support alternate energy research in the country, including the elimination through the National Research Council of its program of grants for energy research. It is the kind of butchery that is cutting back research and development in the environment sector in the same way that Ronald Reagan did in the United States. It is the kind of butchery which is taking $85 million from the CBC, an institution which in my constituency particularly is the only voice that we have to counter the overflow from the incredibly powerful communications industry in the United States.

I am referring to the kind of butchery that has told workers in the CDIC that the Government will sell their businesses without even consulting with them first. It is the kind of butchery that has taken a program like IRDP which was to have been given $150 million more next year for grants to small businesses across the country and cut that amount out. It is a butchery which deserves to be called a butchery because it has been done without thought and without consultation.

We can deal with case after case in which programs have been cut without allowing any opportunity for provinces, communities, workers or the people to have a say. We are talking about a Government that talks rhetorically. The Hon. Member has already mentioned rhetoric. The rhetoric of the Government regarding co-operation and consultation has been magnificent. However, the record of the Government as shown by these very cuts to which I have referred has been absolutely dismal.

I thank the Hon. Member for raising that question because I had not been able in my speech to deal with the specific cuts which have been so damaging. The butchery is there. It is serious and the Conservative Government will pay the political price for it.

Mr. Lewis: Mr. Speaker, that answer was so unusual and so far from the point that I would like to thank the Hon. Member for it.

Mr. Langdon: Mr. Speaker, that is an interesting comeback. Rather than leave that dangling in *Hansard* and somehow suggesting that a contrary reply was made to a different question, let me remind the Hon. Member that he asked about butchery in the public sector.

Mr. Lewis: Of the public sector.

Mr. Langdon: I had provided the Hon. Member with a detailed list of this. This Hon. Member himself spoke a few moments ago about how the public sector was no longer to carry responsibility for certain services in his own constituency. He cannot describe that as being the public sector at that time and now turn around and say that the public sector consists only of public employment. We too are concerned about public employment but the public sector provides leadership in the country because of the services and help it provides to grant programs and through direct work with the private sector. It is an element of our economy which consists of far more than just the jobs that are involved within that sector.

Mr. Deputy Speaker: If there are no more questions or comments, we shall now resume debate.

[*Translation*]

We shall continue the debate with the Hon. Member for Chambly.

Mr. Richard Grisé (Chambly): Mr. Speaker, I am very pleased with this first opportunity to speak to the House, especially since you are in the Chair and my father is celebrating his 76th birthday. I feel very privileged.

Mr. Speaker, I am also very pleased to be able to take part in this debate. However, I am surprised by the cynicism of the motion before the House today. This attitude can hardly be justified, considering the new Government has been less than three months in office. This Government is certainly capable of great achievements, but one can hardly expect it to remedy in three months a truly appalling legacy which has been nearly two decades in the making. This is just too much, Mr. Speaker. After all, we cannot work miracles. Canadians voted for change because they recognized threats to our economy. By voting for us in vast numbers, they demonstrated their dissatisfaction and discontent. They had had enough of the practices of the previous Government, something the Opposition seems to have trouble understanding today. Canadians want a new direction for this country, they want a change in policy and a new perspective on Government activities. That is the challenge we were given, and we intend to meet that challenge!

Canadians not only voted for change, they voted for decisive leadership. We shall not disappoint them. In fact, the Government has already started its economic renewal program. Canadians also want leadership that is attuned to their needs. We realize they do not want the kind of change that will disrupt their lives or that is lacking in compassion and understanding for those Canadians living in very difficult circumstances. Canadians across the country want to participate in the national decision-making process. They have had enough of decisions made without consideration for their needs. They want to co-operate and communicate more with their neighbours, both their next-door neighbours and those further away. They want relations between the federal Government and the Provinces to get off to a fresh start.

• (1230)

Mr. Speaker, I would like to stress an important aspect of this desire for change as expressed by Canadians on election day. Canadians want to be able to trust their Government again. That trust has been undermined in recent years by a Government that refused to consider the needs of Canadians and that gave us budgets like the one it brought down in November 1981. Governing this country is not a game, Mr. Speaker. To rebuild that trust, this Government intends to change the way the Government operates and the way it treats its citizens. I have elaborated on the significance of the outcome of the election because Opposition Members have failed to understand what Canadians need and are refusing to face up to the consequences we must live with today.

There was a massive vote for our party because our philosophy attracted voters and because it reflects the state of mind of Canadians today. The Government is not in disarray, Mr. Speaker. I has taken its bearings and changed a course that had been followed until September 1984. Unfortunately, some people refuse to accept this new direction and to look at new perspectives. They see only the old route, a route studded with rising government deficits, rising unemployment, uncertainty, a radical drop in foreign investment, briefly, a route that has brought this country to the brink of disaster.

We believe that today, our Government must set a priority on creating sufficient jobs for those people who are able and willing to work. To that end, we intend to focus our energies on getting the Canadian economy going again, so as to show Canada's true economic potential and reduce the federal debt, which by the end of the fiscal year is expected to be $190 billion. We also believe that the size and rapid growth of this debt is one of the vital issues we must deal with during the initial years of our mandate. A debt of 190 billion dollars! That is the legacy we received.

For years, the previous Government spent money it did not have. Successive budget deficits, from year to year, from decade to decade, have had grave consequences. The size of our public debt is putting pressure on interest rates, since it creates pessimism about inflationary trends. Servicing the national debt is responsible for 21.5 per cent of Government expenditures and constitutes a serious handicap for, and is probably the greatest obstacle to, economic growth. It means that our financial room for manoeuvring is seriously limited, since steadily increasing sums of money must be spent on interest payments, money which could otherwise have been put

to more productive use. Finally, the rate of growth of our public debt is a clear signal to Canadians and foreign investors alike that government accounts are mismanaged. It takes a minimum of logic to conclude that the problem is serious.

If I have enough time, I will have more to say about the steps taken by the government to come to grips with the problem of the rapid growth of the public debt. It is a fact that only sound tax management will renew confidence in Canada and lead businessmen to invest and open up new Canadian companies, something which is absolutely necessary if we are to solve the unemployment crisis.

Unfortunately, that is not the only problem facing us today.

We have to redefine the role of government if we expect it to provide a healthier climate for economic growth and job creation. These days, people rightfully look upon the state as an intruder, an obstacle which impedes change and innovation. That is why we must reconsider the basic role of government in society, wondering as we are whether certain activities can still be justified in 1984, including among others our participation in public enterprises, regulations, tax incentives, grants to bankrupt industries. We have to ask whether all those factors might not undermine the orderly operation of the market.

Although we do have reservations about the role of government in the nation's industrial affairs, Mr. Speaker, we are still very much in favour of social programs specially designed to help the needy. Still, even those programs will have to come under scrutiny in case they might be better and more efficiently oriented and implemented. We also want the business decision-making process left to the private sector, and we want to be able to meet the needs of Canadians with a minimum of government intervention, the dire consequences of which we are all too familiar with. We want to make Canada more attractive for Canadian and foreign investors alike.

That is our plan, Mr. Speaker. We will reduce the deficit's rate of growth, we will stop getting involved in areas where the private sector can perform favourably. We will stimulate Canadian and foreign investment in this country. We have already started implementing that plan, although we have only now been in office for three months. Who would dare say the Government is in total disarray? That disarray is nowhere but in the minds of people who are accusing us.

Last month, the Government addressed the problems of the nation by announcing in the Throne Speech the upcoming changes in orientation. It reviewed Canada's economic situation. It revealed the details of a plan of action and announced the first measures intended to reduce public expenditures.

Those measures were not taken rashly, Mr. Speaker, they stem from a concerted plan of action. We have examined one by one all the existing programs. While protecting the interests of taxpayers, our goal has been to look with a fresh mind at government expenditures and identify the areas where savings were possible. That review was done in a spirit of fairness, with a view to protecting as much as possible our needy fellow citizens. Also, we have divided those actions in such a way as not to burden any particular region or economic sector.

The program review, which was aimed at reducing the gap between expenditures and revenues, allowed us to eliminate those that were no longer essential, to lower the levels of expenditures, to tighten management and to postpone or cancel certain capital projects.

Further to that review, Mr. Speaker, the Government could announce a $4.2 billion reduction in financial requirements for 1985-86.

But the Government will not stop at that. Under the leadership of the Deputy Prime Minister, a task force has undertaken a more detailed review of the structure of the government programs, in order to merge and streamline them. This will result in a simpler, more understandable government that is more acceptable to Canadians, more efficient and more competent.

Once again, Mr. Speaker, the Government will not stop at that. It will keep on scrutinizing all federal expenditures. It will focus its efforts on current priorities and genuine requirements, to further reduce financial requirements. It will consult with the various groups in Canadian society on the whole gamut of issues it has raised in its economic renewal program.

As stated by the Minister of Finance (Mr. Wilson) in the detailed document submitted to the House, this consultation will be a flexible but in-depth process. It will not be an excuse to postpone decisions. The Government's commitment to consultation reflects the knowledge that only through the co-operation and determination of all Canadians to work together can the challenge of an economic renewal be met. That determination and that spirit do exist, I believe, Mr. Speaker. I have faith in a new departure, in the will to rebuild confidence and establish a new national consensus in order to fulfill Canada's economic potential.

Mr. Deputy Speaker: Questions, comments. I now recognize the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria).

Mr. Boudria: Mr. Speaker, I listened carefully to the last comments of the Hon. Member and I have to admit I am somewhat confused because his statements are not consistent with those of his colleagues. For example, the Minister of Finance (Mr. Wilson) told us that he is making cuts here and there but the Hon. Member said that he is holding consultations here and there.

Considering all this, the Hon. Member could perhaps tell us whose advice was sought before the recent budget cuts and who was consulted before the cancellation of the 1986 census? I am particularly curious about this particular matter because several groups have contacted me, and I have received many phone calls and letters from ministers and other people stating that they had not been consulted.

● (1240)

In view of the fact that he seems to know otherwise . . . the Hon. Member could perhaps tell the House about such consultations, Mr. Speaker, because we have not yet had the oppor-

tunity to learn whom the government consulted before cancelling the 1986 census.

Mr. Grisé: Mr. Speaker, I do not know whether the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria) often travels to his constituency which is far enough, maybe 4 or 5 miles from here, but I travel every week to my constituency, Mr. Speaker, and I consult businessmen and various concerned individuals. As recently as yesterday morning, I met some 150 businessmen who were enthusiastic about the economic statement. Those businessmen are quite pleased to discuss and consult with their Member and to make suggestions. They are quite satisfied with the economic statement which has already allowed my constituency to experience a revival and reach a loud confidence in the economy which translates into new jobs.

Mr. Boudria: Mr. Speaker, perhaps the Hon. Member was not paying quite enough attention. I will have therefore to repeat my question, because he does not seem to have understood it well.

What I should like to ask, even at the risk of repeating myself . . . the Hon. Member for Gatineau (Mrs. Mailly) can relax, I am not going to raise the Cumberland-Masson bridge issue again, I am going to ask him instead about the consultations he referred to in his speech. He said that the government had had and will continue to have consultations. Well, over the past few weeks, I have received a letter from the National Action Committee on the Status of Women and we have met their representatives, also some Indian groups and some federation of businessmen as well; we have had contacts with major corporations such as Sears. And I am sure the Hon. Member from the Progressive Conservative Party is very much interested in what major corporations think: each and everyone of them indicated that they had not been consulted.

Here again is my question, Mr. Speaker: Who has been consulted before the decision to cancel the 1986 census was made?

Mr. Grisé: The Hon. Member for Glengarry-Prescott-Russell's question may not have been clear, but I feel he certainly did not quite grasp the remark I made early to the effect that we are not miracle workers to put everything back in order in three months.

Mrs. Mailly: Mr. Speaker, I want to congratulate my colleague for Chambly (Mr. Grisé) on his statement. I also want to tell him that, over the weekend, I participated in a radio program aimed at collecting funds for the needy at Christmas. It was pointed out many times during this program that nearly 30 per cent more money than last year had been collected and many participants were asked why they thought people were more generous this year. Their answer was, that, since the election of the Progressive Conservative Government, the public feels that responsible people are in office and that the problems will be solved. This was my experience this last weekend.

In addition, I was congratulated about the fact that, in reducing expenditures for the programs which were not cancelled, we have tried to reduce administrative costs. I was asked to tell my colleagues that action taken to save money in some areas to be able to spend even more for job creation next winter was both responsible and commendable.

Therefore my colleague is right when he says that our Government is on the right track and that people are quite satisfied with the efforts made until now.

Mr. Ouellet: Mr. Speaker, I rise on a point of order to remind you that, according to our rules, Members are entitled to ask questions to the Member who has just spoken. I listened very carefully to the comments made by the new Member and I do not believe that she asked a question. I therefore think that it would be a good thing if her comments were relevant to the speech we just heard and more along the lines of the comments made by the Hon. Member for Chambly (Mr. Grisé) whose maiden speech in this House was, I must admit, quite interesting.

Mr. Deputy Speaker: I have just one comment to make about the point of order raised by the Hon. Member for Papineau (Mr. Ouellet). I believe that the Hon. Member for Gatineau (Mrs. Mailly) can make comments, which must however be relevant to the speech made by the Hon. Member for Chambly, without having to ask any questions. I did wonder about the relevancy of the first part of her comments, but I then realized that the second part could be considered relevant with the benefit of the doubt of course.

[*English*]

If there are no further questions or comments, we shall resume debate.

[*Translation*]

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): All summer long, Mr. Speaker, the Progressive Conservative Party was asking Canadians to vote for change. So, on September 4, Canadians voted for change.

"As soon as the Cabinet is sworn in, we are going to create tens of thousands of jobs". Who can ever forget this promise? And one month after the Government assumed power, it has eliminated thousands of jobs— and it is only the beginning. What a change, Mr. Speaker! They had promised a lean government—

An Hon. Member: A lean government?

Mr. Gagliano: —a less visible government. What have we got? The largest Cabinet in the history of our country, a government very visible indeed through the appointment of political commissars, a token reduction of salaries, a threefold increase in spending within the ministers' offices. What a change, Mr. Speaker!

All summer long, the Leader of the Progressive Conservative Party who is now the Right Hon. Prime Minister (Mr. Mulroney) was giving new hope to our young people with his promises. One month later, he is cutting student loans pro-

grams and the Summer Youth Employment Program. Indeed, what a change!

[*English*]

Universality is a sacred trust and a month later he wants to start it. What a trust!

[*Translation*]

An open government, so much so that it had to issue guidelines to force Civil Servants to keep their mouths shut. What a change!

[*English*]

A government that will run this country in a business-like manner. First, the Government asked for authority to borrow billions of dollars without a Budget and without telling this new Parliament how the loan would be serviced. A businessman would not go to the bank and ask for a major loan without giving a projection of revenues and expenses. The bank would definitely not grant credit without having sufficient explanation. What a change!

[*Translation*]

When the Progressive Conservative Party was in opposition it considered too harsh the methods used by Revenue Canada to collect taxes. Now that the Conservatives are in power, the new Minister of National Revenue (Mr. Beatty) says he will use all the means available to him to collect the $3.5 billion owed to the Canadian Treasury. Quite a change there also, Mr. Speaker.

During the election campaign, the Right Hon. Prime Minister (Mr. Mulroney) who was then opposition leader, stated that job creation would be a top priority for a Progressive Conservative government. Today he is eliminating thousands of jobs to reduce the deficit. The Conservatives keep telling us they were unaware of the financial situation of the government. Yet in his first electoral speech, the Leader of the Official Opposition (Mr. Turner) who was then the Right Hon. Prime Minister, had stated that he anticipated a higher deficit. But the Conservatives were not listening. They chose to ignore the deficit situation so they could promise the moon to Canadians, and the sun as well! What a deception it is for Canadians!

● (1250)

[*English*]

Canada wanted a change and got a two-faced Government.

[*Translation*]

What a change! "Confidence talk".

They speak about restoring confidence among Canadians; they say that confidence will solve all our economic problems but the first thing they do as a new Government is to increase the sales tax they had criticized so strongly when in opposition. Are those the changes that the Right Hon. Prime Minister proposes to the Canadian people after a few weeks of suspense, Mr. Speaker . . . the Hon. Minister of Finance (Mr. Wilson) has done his first hatchet job: Increase in the cost of gas, in unemployment insurance premiums, in transportation taxes and charges for services that the Government provides to its citizens. Many thousands of jobs will be lost as well.

If you will allow me, Mr. Speaker, I would like to quote a few statements from the December issue of the magazine *CGA-Canada*, where the President of CGA-Canada—

[*English*]

CGA-Canada President, Wilf Caplan said in commenting on the economic statement:

> With unemployment still running at over 11 per cent, I am really afraid that cutting programs which relates into cutting jobs, may worsen the situation.

[*Translation*]

On November 8, the Canadian Federation of Independent Business submitted a brief to the Hon. Minister of Employment and Immigration (Miss MacDonald). I quote from page 8 of this report:

> Consequences of the increase in unemployment insurance premiums.

According to a national survey made from January to March 1984, because of increases in unemployment insurance premiums:

> Hiring of part-time rather than full-time employees, 15.8. Delayed hiring, 15.1. Lay-offs, 7.4. Replacement of workers by machines, 3.5. Total of the negative impact on employment, 41.8.

At the bottom of the same page, the CFIB says, and I quote:

> According to our survey, small businesses must bear a heavier tax burden than large companies. Small businesses employing more manpower have to pay much larger social security contributions and indirect taxes comparatively to their profits.

In the same report, on page 13, Mr. Speaker, the CFIB says, and I quote:

> Small businesses pay too many taxes comparatively to their profits because they employ much more manpower and consequently have more social security contributions. There is ample evidence that those contributions limit the natural tendency of small businesses to hire mostly young people, and to train them. We find interesting one of the recommendations made in the document of the Progressive Conservative Party of Canada, published on April 7, 1984, which is entitled "Major Findings and Recommendations, A Task Force on Technological Change and Manpower Training".

The recommendation is as follows: The contributions to the unemployment insurance fund should not be considered as an expenditure but as a tax credit so that the present inequality will be removed.

Mr. Speaker, just last week I put that question to the Minister of State (Small Businesses) who seemed to be surprised that his party had made such a recommendation. I am still waiting for an answer.

Our new Minister of Finance (Mr. Wilson) has also introduced a new conservative vocabulary: consultation, co-operation and especially confidence. A few weeks later, we learned from a file he forgot in a meeting room that those words are meaningless.

He does not intend to seek any advice, because the decision is already made. He does not intend to co-operate because his decision is not advantageous for the provinces. He does not trust his provincial counterparts because he tapes their talks.

Mr. Speaker, we have never seen a government whose position has changed so dramatically and so soon after the election. Broken promises is all we have up to now for a policy of change.

Mr. Speaker, we cannot ignore the Conservative turn about. We have the right to insist in strong terms that the government should keep its promises, because it would be easy for any political party to make promises and then break them.

The Canadians have voted for change and the only change has been thousands of jobs cut off as soon as the tory government was sworn in.

Mr. Deputy Speaker: Questions and comments. The Hon. Member for Gatineau (Mrs. Mailly).

Mrs. Mailly: Mr. Speaker, I would like to ask the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano) whether he saw the following in *The Globe and Mail* of Saturday last, and I quote:

[*English*]

Yesterday's figures show that business investment did indeed pick up during the third quarter of the year, rising by 1.7 per cent from the April-June period. But Statscan said it is still 19 per cent below the level of business investment—

The article also stated however, that:

The Canadian economy has surged ahead with renewed vigor, handing the Progressive Conservative Government an unexpected Christmas bonus.

[*Translation*]

Mr. Gagliano: Mr. Speaker, I have not yet read the Quorum. Having been in the House since this morning I am not aware of this report. However, I can tell you that the small business sector is now asking a lot of questions about the increase in gas prices and in unemployment insurance contributions, which are direct production costs. In addition, I imagine that the report to which she refers is the result of the action of a Liberal Government since it is a statistical report.

Mr. Deputy Speaker: Order, please. I would recognize the Hon. Member for Chateauguay if he were in his seat. The Hon. Member for Châteauguay for a brief question or comment.

Mr. Lopez: Mr. Speaker, I have a question for the Hon. Member for Saint-Léonard-Anjou. He has just referred to the fact that because of the Conservative Government unemployment has been created or many jobs have been lost; he did not specify the number, but he said that there were many.

I would now like him to tell the House which jobs were lost because of the Conservative Government.

Mr. Gagliano: I said in my speech that as a result of the Government action thousand of jobs will be lost, and if the Hon. Member reads the economic statement of the Minister of Finance (Mr. Wilson), he will be able to realize this. I would therefore suggest that he should read the economic statement.

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

DISARMAMENT

STATEMENT BY ASPEN INSTITUTE INTERNATIONAL GROUP

Mr. William C. Winegard (Guelph): Mr. Speaker, I would like to bring to the attention of this House a new statement from the Aspen Institute International Group, which is composed of several former heads of state, foreign ministers, and distinguished citizens of many countries. The message is simple, realistic, and pragmatic.

There are specific recommendations for arms control talks, and a call for two new security channels. One would be a strategic panel composed of a small number of United States and Soviet representatives, who would hold high level confidential meetings to discuss and explore, but not negotiate, critical security issues. The second would be the establishment of a network of crisis control centres linking the capitals of states that possess nuclear weapons.

The Prime Minister (Mr. Mulroney) has repeatedly stated that the Government will work actively for peace and reduced tensions in the world. As a contribution to that discussion, as Chairman of the Standing Committee on External Affairs and National Defence I am taking the liberty of sending each Member a copy of this new and, I think, important document.

* * *

ENVIRONMENTAL AFFAIRS

GREAT LAKES CHEMICAL POLLUTION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, as you know, the Great Lakes are the largest freshwater body in the world. They supply water to millions of Canadians and Americans. The Canada-U.S. environmental study just released shows that 1.5 tonnes of potentially dangerous chemicals are

oozing into the Niagara River daily from 60 locations on the U.S. and Canadian sides. If the pollution continues unabated, or increases, "we can have environmental catastrophe, no question about that", as Ontario Environment Minister Brandt is quoted as saying.

The federal Minister of the Environment (Mrs. Blais-Grenier) has a crucial job ahead. On behalf of concerned Canadians I urge her to meet with her counterpart in Washington to raise this matter at the earliest possible time, because it is a most urgent matter.

As you know, Mr. Speaker, the waste water treatment plant in Niagara Falls, New York, has not functioned properly since it was opened in 1978. I urge the Minister to raise this matter with her counterpart in New York. The U.S. representatives on the joint Niagara river Toxics Committee refused to support a Canadian recommendation to make a clean-up of the Niagara River the first step in a concentrated effort to rid Lake Ontario of pollutants. Here again I urge the Minister to take swift action with her counterpart in Washington.

* * *

TRADE

SECTORAL FREE TRADE—DEMAND FOR INFORMATION AND DEBATE

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, the reason for my rising today is to impress upon the Government the need to put before the House of Commons whatever positions have already been taken, or will be taken, by the Government regarding negotiations between Canada and the United States on sectoral free trade. There is a large body of opinion which has expressed grave concern about the possible consequences of entering into sectoral free trade. The question of whether or not it will impinge upon or infringe upon Canada's trade relations with other nations is a question which has to be looked at not only by the Government but also by the Parliament of Canada.

With this in mind, I ask that the Government seriously consider putting before this House all of the information presently in the hands of the Government regarding the current state of negotiations and, in addition, that the Government set aside time, perhaps in the early part of next year, for a discussion here in the House of Commons on the potential benefits and dangers of entering into sectoral free trade arrangements with the U.S. administration.

* * *

CANADA POST CORPORATION

CALL FOR STREAMLINING OF OPERATIONS

Mr. Girve Fretz (Erie): Mr. Speaker, I rise to discuss a subject most dear to my heart, that of the Post Office. Recently I was privileged to receive correspondence from the President of the Canadian Union of Postal Workers, Mr. Jean-Claude Parrot, in which he took issue with my remarks of last June about post office involvement with a commercial enterprise, especially the ill-fated fling with Consumers Distributing. Mr. Parrot claims that increased diversification within the post office, if you can imagine this, will increase productivity and create jobs. I say nonsense! I still feel that the mandate of the Post Office is clear—to deliver letters. Instead of trying to diversify, I would suggest that they try to streamline the existing operations. With the co-operation of union leaders, perhaps this process could be expedited.

At no time in our history, Mr. Speaker, has the need for more efficiency and productivity been more urgent. I therefore urge Mr. Warren to keep this in mind and give us better service for our 32 cents.

* * *

MULTICULTURALISM

CRITICISM OF GOVERNMENT

Mr. Sergio Marchi (York West): Mr. Speaker, in an editorial the prairie newspaper, *The Link*, boldly stated that in regard to a national multicultural policy "it is hard to say whether Brian Mulroney and his Government will live up to his promises." The paper was quite mild, Mr. Speaker. Multiculturalism has been a low priority with the new Government. The Throne Speech was multiculturally bankrupt. The Government made no mention of a Multiculturalism Act. There was no mention of a separate standing committee, separate department, and no mention of a budgetary increase for the multiculturalism directorate. All of these were promises made druing and after the election campaign.

The Government has not apologized to the Japanese Canadian community, nor has it established a committee to examine a compensation strategy. However, the Government has undertaken to cut back immigration from 95,000 to 85,000. It has also doubled and tripled citizenship application fees. Finally, it refuses to add a national voice to condemn the unfortunate, racially discriminatory practices presently raging in the taxi industry.

Canadians were promised a multicultural expressway, Mr. Speaker, one that would pave the way for equal opportunity and facilitate entry into the Canadian mainstream for all Canadians of all backgrounds. Instead we have witnessed a multicultural dead end, both unpaved and very winding, and lacking in direction. I urge the Government to take this national responsibility back to a road of prominence rather than a road of obscurity.

* * *

NUCLEAR ARMAMENTS

CRUISE MISSILE TESTING—LIBERAL PARTY POSITION

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, last Friday in this House the Hon. Member for

Winnipeg-Fort Garry (Mr. Axworthy) said the development of Soviet cruise missiles would be a major disruption of North American security. That is true. Of course the Soviet move is exactly what we in this Party foresaw two and a half years ago when that Hon. Member and his Government pushed ahead in helping the Americans develop the new generation cruise in the first place. The Member, his Party, and his Government refused to heed our advice and a similar call from the Canadian people.

Now the Hon. Member raises alarm about the cruise missile. Now the Hon. Member calls for a Soviet and American ban on cruise missile deployment, and calls on the Canadian Government to promote such a ban. Yet he does not call for an end to cruise missile testing in Canada. He wants Canada to seek a halt to cruise deployment while we proceed with plans to test the very same missiles next month. What does his Leader, the Liberal leader, say? He says Canada should test the cruise. Canada should help develop those very same weapons that pose a threat to our common security on the planet.

It is a good thing the Liberals have admitted they have nowhere to go but up. Based on their stand on the nuclear arms race, it is clear they will be in that position for some time. If the Liberals want to ban cruise missile deployment to strengthen our common security, let them start by calling for an end to cruise missile testing in Canada.

* * *

HOUSE OF COMMONS

CHANGES TO COMMITTEE SYSTEM ADVOCATED

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, our Government made a commitment in the Throne Speech to enhance the role of the private Member in this House. A special task force has already been established, under the capable chairmanship of the Hon. Member for St. John's East (Mr. McGrath), to make recommendations on the powers, practices, organization, and resources of the House of Commons.

In keeping with our commitment to provide positive reform that will allow each and every Member to represent his and her own constituents and all the people of Canada, I urge this task force seriously to consider making substantial changes to the committee system. Our committees should have more resources, more stature, more independence, and more power in the policy review process.

• (1410)

Independent, expert counsel should be provided to all committee members, with sufficient resources available to allow for special investigations and ongoing policy reviews in designated areas.

Committee chairmen should report directly to the House on a regular basis, in a manner that allows for questioning and discussion. Committees should be able to launch their own inquiries without references from the House.

S.O. 21

Changes such as these would provide the private Member an opportunity to put his or her energies to work in a more constructive and meaningful way. Through positive reform, all Members of the House can become more active participants in the decision-making process.

* * *

FINANCE

VALUE-ADDED TAX PROPOSAL

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, once a new tax is brought into being it invariably remains, and is incorporated into the general tax system. Witness the temporary income tax originally imposed as a wartime emergency measure. Witness the Canadian Ownership Charge which is still with us even though its initial purpose no longer exists.

We hear, these days, considerable discussion about a value-added tax, commonly referred to as VAT, with the idea being that if this were to be imposed other taxes could be reduced. History and human nature tell us that this would not be the case. Inevitably we would end up with both the new VAT and the older taxes imposed at their former levels.

The idea of a value-added tax for Canada ought to be rejected out of hand, and the Government ought to concentrate on reducing and simplifying existing taxes which currently impose too heavy a burden on the tax-paying citizens of our nation.

* * *

[*Translation*]

HUMAN RIGHTS

NAMES OF ALLEGED PROSTITUTES PUBLISHED IN HALIFAX

Mrs. Lucie Pépin (Outremont): Mr. Speaker, I wish to express my shock at the measures taken by certain authorities acting under the Solicitor General of Nova Scotia.

The names of 47 alleged prostitutes were recently posted on the public square, in Halifax more specifically, for the purpose of summoning those persons to appear on December 5, 1984 before the Supreme Court of Nova Scotia.

Personally, I view this as both degrading and discriminatory for the human beings involved. This is infringing upon personal rights and privacy, because those 47 persons should have been summoned individually, without their names being posted in a public place or published in a local newspaper. To several of them, this will be extremely prejudicial.

The Canadian Charter of Rights and Freedoms is one of the most progressive in the world. I hope that our society will feel it has a moral obligation to implement it and broaden it in such a way that no person's reputation will be tarnished in whatever context or situation.

If that kind of posting ever happens again, I demand that the names of the clients of the alleged prostitutes be also published.

* * *

[*English*]

ENVIRONMENTAL AFFAIRS

NIAGARA RIVER—TOXICS COMMITTEE REPORT

Mr. Joe Reid (St. Catharines): Mr. Speaker, I find it rather ironic to make a statement about the pollution in the Niagara River and Lake Ontario Basin, following the statement made by the former Minister of the Environment (Mr. Caccia).

The Niagara River toxics Committee has once more identified many sources of toxic and organic waste, and points out that new chemicals have been discovered. However, the report went on to say that many old pollutants are still entering the river from already known municipal and industrial sources about which the former Minister of the Environment was aware. It is these issues that Environment Canada should address quickly.

The report states that further delays in the repair of the Niagare Falls, New York, waste water treatment plant are unacceptable. Waste disposal sites along the Niagara River are not being dealt with as expeditiously as possible. Known source pollutants should be required to enter into remedial measures as fast as possible. While 90 per cent of these contaminants originate on the American side, there are some Canadian source pollutants. The report cries out for action.

The Niagara River is the most closely monitored river in Canada. Pollution studies have gone on since the early 1950s. In order to reflect the awareness of an alert and responsive Government, Environment Canada should not take a reactionary stance but should take the lead now. The eyes of millions of Canadians are upon us.

ORAL QUESTION PERIOD

[*Translation*]

THE CONSTITUTION

RECOGNITION OF SPECIFIC STATUS OF QUEBEC—GOVERNMENT'S INTENTION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Right Hon. Prime Minister.

The newspaper *Le Devoir* reported on the weekend that the Prime Minister is prepared to recognize in the Canadian Constitution the distinct and specific character of Quebec's society. Could the Prime Minister inform the House how he intends to recognize the specific status of Quebec?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, obviously that was not a direct quote. I have the article here, but as far as I know, it is not a direct quote of something I said. Quebec does have a number of distinctive and quite different dimensions. Basically, it represents a francophone cultural and linguistic entity that must be recognized as such. It has always been my intention to try and create a climate that will make it possible for Quebec to sign the constitutional agreement with enthusiasm and with honour. That has always been the aim of this Government.

[*English*]

PROVINCIAL CONSULTATION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, that report in *Le Devoir* apparently came from certain members of the Conservative caucus, and said that the Prime Minister was reported to have addressed his Members.

In any event, as a prelude to his forthcoming meeting with Premier Lévesque, on Thursday, I believe, has he consulted with the Premiers of the other provinces in order to determine from them how far he could go in terms of their possible consent in addressing the hopes and ambitions of the people of the Province of Quebec as recognized through the Premier?

[*Translation*]

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my visit with the Premier of Quebec next Wednesday or Thursday will be a courtesy visit, on my way to my riding of Manicouagan. I intend to see Mr. Lévesque for a general discussion on various matters, both economic and otherwise, that are of interest to us as Quebecers and Canadians. If he wishes to make any further proposals, I shall be delighted to give them careful study and to inform the House accordingly at the appropriate time. For the time being, this is just a normal meeting between the duly elected Premier of Quebec and the duly elected Prime Minister of Canada.

INQUIRY WHETHER GOVERNMENT PLANS TO GIVE RIGHT OF VETO TO QUEBEC

Right Hon. John N. Turner (Leader of the Opposition): Would the Prime Minister be prepared to grant a veto right if the question were asked by Mr. Lévesque?

Right Hon. Brian Mulroney (Prime Minister): Well, this is similar to what the Hon. Member, your Quebec lieutenant, wanted to do during the election campaign. In the weekend press I saw that the Premier of Quebec was not necessarily seeking a veto right and that he might wish to discuss other alternatives, and I will be there to listen. We are of course aware of the new factor in the constitutional area as a result of the new constitutional amending formula by which the central government is bound. That being said, I shall listen carefully to what the Premier has to say.

INQUIRY WHETHER GOVERNMENT READY TO START IMMEDIATE NEGOTIATIONS WITH QUEBEC

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I wish to direct a supplementary question to the Right Hon. Prime Minister.

Two weeks ago in Toronto, the Prime Minister told media representatives that he had no intention of holding constitutional negotiations before the next election. Is the Prime Minister now in a position to tell us whether he is prepared to have immediate constitutional negotiations with Quebec?

Right Hon. Brian Mulroney (Prime Minister): The economic recovery has always been my priority. Every effort of the central government will be aimed at Canada's economic recovery, including Quebec's. Naturally, I cannot prevent the premier of a province from raising another issue with me, and should the Quebec government do so through its premier, you will undoubtedly agree with me that it would be quite proper for me to consider and analyze carefully such a request.

• (1420)

RIGHT OF QUEBEC VETO—POSITION OF OTHER PROVINCES

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I have a supplementary question for the Prime Minister.

Did he seek the opinion of other premiers on that issue, considering that there were only a few diverging opinions between the provinces, the federal Government and the Quebec government when the constitutional agreement was signed? Would the Prime Minister be in favour of reconsidering the possibility of giving Quebec the right of veto? Most provinces were willing to do so at the time, when the Ontario government decided to drop its right and let Quebec alone have the right of veto, and only a few provinces had raised objections. Since those provinces are now led by governments whose political views are the same as those of the Right Hon. Prime Minister, is it his intention to apply pressure so that those provinces will agree to give Quebec the right of veto, as we had recommended at the outset?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not know what requests will be made or what positions will be taken by the Quebec government. But I can say without hesitation or ambiguity that the new Government will take every reasonable approach to create a climate which will enable the National Assembly of Quebec to sign and endorse a constitutional agreement under which Quebec would indeed, and in every respect, be an integral part of Canada.

[*English*]

AUDITOR GENERAL

PETRO-CANADA PURCHASE OF PETROFINA—REQUEST FOR DOCUMENTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I have a question for the Prime Minister. In August the Prime Minister indicated very clearly that he believed the Auditor General of Canada ought to have complete access to the documents that he wanted to see concerning Petro-Canada's takeover of Petrofina. At that time the Prime Minister said:

> The Auditor General doesn't work for the Government of Canada. He works for the Parliament of Canada . . . he's got to be able to look at those books.

The Prime Minister was right in August when he was campaigning. Why has he changed his mind now that he is Prime Minister?

Right Hon. Brian Mulroney (Prime Minister): I have not changed my mind at all, Mr. Speaker. We have been trying to find a formula that would provide the Auditor General with all of the information that he seeks. It appears that previous documents of Cabinet, confidences of Cabinet, because of constitutional convention and custom could not be made available to the Auditor General, and every other means was made available to him to have the information that he requires. It appears, however, as the days go on, that what is emerging is a conflict between Parliament and the executive. I stand fully for the rights of Parliament.

Some Hon. Members: Hear, hear!

Mr. Mulroney: As a consequence, I will be asking my friend, the former Leader of the Government, as a Member of the Privy Council, and the Leader of the New Democratic Party, to meet with me to find a means which will satisfy the requirements of constitutional convention, but provide the Auditor General of Canada with all of the information he requires.

Some Hon. Members: Hear, hear!

PRIME MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Prime Minister does not need that meeting. He has our agreement right now.

Mr. Turner (Vancouver Quadra): Right now.

Mr. Broadbent: We, too, stand for Parliament's interest in this matter. We remind the Prime Minister that the Auditor General is responsible to the Parliament of Canada, as he knew in August. To deal with the substance which the Prime Minister has raised, considering that the specific documents which the Auditor General has requested are being denied because he has maintained, as a decision, an earlier Liberal Cabinet minute decision, and considering that similar documents on other related matters, not concerning Petro-Canada but other Treasury Board submissions, have already been

made available in the past, so there is Cabinet precedent, I come back with my question to the Prime Minister. When he talked as he did in August in full knowledge of the constitutional traditions of this Parliament, of Cabinet government, and said that the Auditor General's right to these documents ought to be implemented, I repeat, why did he change his mind when he became Prime Minister?

Right Hon. Brian Mulroney (Prime Minister): The answer is I have not changed my mind at all, Mr. Speaker.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I was confronted with constitutional advice that was given, and opinions conveyed by the former Government to the Auditor General, and I will acknowledge readily that, in attempting to defend the constitutional principle, it appears there is conflict emerging between that principle and the right of Parliament to know. I am on the side of Parliament having all of that information.

Because of the delicacy of it, but with a view to obtaining an urgent resolution of this matter, I am suggesting that the former Leader of the Government as a Privy Councillor, and the Leader of the New Democratic Party, meet with me on an urgent basis to devise a formula which will be respectful of the constitutional tradition but which will ensure that the Auditor General gets all of the facts in this case so that he can make a determination as to its propriety.

CONSTITUTIONAL TRADITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I thought just for a moment that the Prime Minister was going to say: "The devil made me do it". He did not go quite that far.

An Hon. Member: Not yet.

Mr. Broadbent: Would he, as Prime Minister, please explain to the House which precise constitutional practice or tradition would be violated if he decided to make available the specific documentation which the Auditor General has requested? Would he tell the House what tradition would be violated?

Right Hon. Brian Mulroney (Prime Minister): Yes, Mr. Speaker. My understanding is that over the course of Canadian history Cabinet discussions have remained confidential—

Mr. Broadbent: He did not want that.

Mr. Mulroney: —I am trying to answer the question—so as to ensure the full flow of debate within the Cabinet chamber. This debate is captured in Cabinet minutes and records of decision which are there. Most Ministers over the history of the country have participated in the knowledge that they were bound by Cabinet secrecy and that these documents would remain privileged. It was with a view to protecting that privilege of people who went before us in the ministry that I have taken a hard look at this. I can understand the reasons for that. It is important that Cabinet function in that manner. But because of the conflict of the Auditor General seeking information, I look to my hon. friend as a Privy Councillor, and to a former Leader of the Government, in the certain knowledge that by putting our three heads together we can come up with a formula that, as I say, will be respectful of that tradition but which will provide the Auditor General with all the information he needs to pass a value judgment on the propriety of a commercial transaction.

I am not trying to hide a single thing. We were not involved, directly or indirectly, in the Petro-Canada transactions. We are just here trying to provide the Auditor General with the truth, and the whole truth. That is what we are up to.

Some Hon. Members: Hear, hear!

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THE ECONOMY

UNEMPLOYMENT—GOVERNMENT PLANS

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is for the Minister of Finance. According to this morning's edition of *The Globe and Mail* that paper has a leaked Conservative report of an internal task force on employment which states, among other pessimistic declarations:

> We found very little reason to be confident that we will solve the unemployment dilemma we face in the near future.

In the Minister's financial statement of November 8 he stated:

> Unemployment will come down only as U.S. interest rates fall, and at best will average 9 per cent for the rest of the decade.

Mr. Speaker: Does the Member have a question, please?

Mr. Allmand: Despite all the rhetoric with respect to unemployment during the campaign, are the Minister and the Conservative Party now telling the Canadian people that they have no specific plans to create employment other than to reduce the deficit and to leave everything to the private sector? Are these two pessimistic documents their only plans to create jobs?

• (1430)

Hon. Michael Wilson (Minister of Finance): Mr. Speaker—

Some Hon. Members: Hear, hear!

Mr. Deans: It is not unanimous.

Mr. Wilson (Etobicoke Centre): Maybe the next time it will be unanimous. If the Hon. Member would look at the discussion paper attached to the economic statement of three weeks ago, he would see that a very broad change of direction is signalled by the Government. It will free up the economy, the obstacles to growth and the regulatory malaise which have slowed down the economy. It will be a major impetus to the

economy and will create far more jobs than the direct job creation which this individual Member seeks; those jobs are not permanent, they do not satisfy the needs of the economy.

REQUEST THAT CONSERVATIVE PARTY REPORT BE TABLED

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): The Hon. Minister's Leader stated to the House a few minutes ago that he believed in the right of Parliament to decide and determine things. Mr. Speaker, will the Minister be willing to table the internal task force report of the Conservative Party which seems to have a lot of input into the policy making process of the Government? Will he be willing to table it and refer it to the Standing Committee on Labour, Employment and Immigration so that all Members of the House can review it and be more privy to the Government's plans for employment?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the document to which the Hon. Member refers was the subject of an extensive press conference back in early April of this year. Large portions of that document were discussed at that time. I believe they were also discussed in committee at the time. I do not believe that what the Hon. Member wants will add anything to the knowledge of the committee. I suggest that he read the agenda paper to have a better understanding than he does now of the directions which the Government will be following.

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AUDITOR GENERAL

PETRO-CANADA PURCHASE OF PETROFINA—REQUEST FOR CABINET DOCUMENTS

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is directed to the Prime Minister. In view of the fact that Auditor General Dye has labelled government arguments that Cabinet minutes are confidential and cannot be divulged as a "red herring", and that the Auditor General has had Cabinet information in the past, why is the Prime Minister stonewalling in the particular case of Petrofina and Petro-Canada?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I should like to answer this question as the Minister responsible for the issue. The Prime Minister asked several weeks ago to look into giving the Auditor General everything the law allowed, that means everything except private documents. In checking with my Department I have learned that, in fact, the Auditor General has received everything the law allows, that is, everything but Cabinet documents. I would be glad to table the list of the material supplied to him.

Unfortunately the Auditor General wants from me what the law does not permit me to give, that is, access to other Cabinet Ministers' material. They are not my memoirs.

Ms. Copps: Memoirs!

Miss Carney: In order to resolve this with the Auditor General, I have discussed with him whether he is willing to participate in an independent review for which I have commissioned chartered accountants. As the Prime Minister indicated, there are also parliamentary methods of going about this. I will be meeting Mr. Dye on Thursday to discuss further with him how we can accommodate his request without my breaking the law.

LEGAL REQUIREMENTS

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is simple. Will the Minister please tell me what law she is talking about?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, we are advised as Ministers of the Crown by our legal advisers that we are not permitted access to the Cabinet documents of our predecessors. I would love to go rummaging around.

Some Hon. Members: Hear, hear!

Miss Carney: I would dearly love to do that, but I am advised that that is not open to me, and that in future, anything in which I participate in Cabinet would not be available to people who follow me. That is the situation with which I am faced.

* * *

BANKS AND BANKING

CHARTERED BANKS' REFUSAL TO CASH WELFARE CHEQUES

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, my question is directed to the Minister of Finance. He will know that Canadian banks continue to reel in magnificent profits and at the same time are turning away people who go to them to cash their welfare cheques. This leaves these people in the hands of a new breed of store-front bank sharks. Will the Minister tell Canadian banks to stop this scurrilous treatment of disadvantaged Canadians? Will he tell them that they are in business to serve all Canadians, rich and poor alike?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am not aware of the practice which the Hon. Member discusses in the House today. I would be happy if he raises it with me and I will get back to him with a specific answer.

EXISTENCE OF CHEQUE DISCOUNTERS

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, there is a new breed of store-front bank sharks who are setting up to cash cheques which the banks will not cash, and they are charging up to 6 per cent for that. Will the Minister do something about this rip-off? Will he set up a patrol of these bank sharks?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I would be glad to take the Hon. Member's representation under advisement.

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STATUS OF WOMEN

ABELLA COMMISSION RECOMMENDATIONS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Minister responsible for the status of women. It concerns his meeting tomorrow with provincial Ministers. Since aggressive federal action is essential to set an example for the provinces if women are ever to achieve true economic equality, what specific actions has the Minister recommended to Cabinet to enforce the Abella Commission recommendations, particularly regarding employment equity and equal pay for work of equal value?

Hon. Walter McLean (Secretary of State): Mr. Speaker, the Hon. Member will know that my colleague, the Minister of Employment and Immigration, indicated that she intends to bring very early to Cabinet an outline for discussion in order that as a Government we might address the issues concerned. Tomorrow's meeting of which the Hon. Member speaks is a meeting to address two important issues. One interfaces with the Abella Commission and concerns the impact of the First Ministers' meeting and economic issues relating to opportunities for women. In that discussion I will be interested to hear the observations of provincial Ministers on the Abella report.

MANITOBA DAY CARE LEGISLATION

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, since accessible and affordable child care is a prerequisite for equality, has the Minister studied the Manitoba proposal for a Canada Day Care Act? Will he recommend this model Act for consideration by both provincial and federal Governments?

Hon. Walter McLean (Secretary of State): Mr. Speaker, the Hon. Member will know that the issue of day care is one which has seized all Canadians, but its delivery is primarily a responsibility of provincial Governments. At the moment we have a federal task force which is reviewing the matter. One of my purposes in meeting with the Ministers responsible is to receive their recommendations on how the task force the House will establish can have maximum acceptability by provincial Governments. Those recommendations will then go to the Minister of National Health and Welfare and his colleagues for implementation.

CAPITAL PUNISHMENT

REQUEST FOR DEBATE ON ISSUE

Mr. Pat Nowlan (Annapolis Valley-Hants): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. In view of another tragic killing over the weekend, and fully appreciating the priority of economic matters which, frankly, will always be with us, would the Prime Minister have the Government House Leader meet with other House Leaders to discuss and define the time and manner of a debate on capital punishment, as a result of public interest in this matter?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, as I have indicated in other circumstances, I hope that during the life of this Parliament there will be an occasion for Members to consider this and other matters. However, for the moment I think the priority of the country and of Members of the House is devoted toward economic renewal and economic recovery. Until the economy is in better health and we can see some light at the end of the tunnel, I think Hon. Members would want me to stay on that course.

Some Hon. Members: Hear, hear!

* * *

• (1440)

TOURISM

ELIMINATION OF FUNDING UNDER INDUSTRIAL AND REGIONAL DEVELOPMENT PROGRAM

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, my question is for the Minister of State for Tourism. In his absence I will direct it to the Minister of Regional and Economic Expansion. The Government has decided to eliminate tourism funds under the Industrial and Regional Development Program. Until recently, this program provided valuable funds for tourism development. Why has the Government cut the tourism industry from this program, and why has it done so before having signed tourism subsidiary agreements with all of the provinces?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, the Hon. Member, in the latter part of his question, partly answered his own question. We believe we can give suitable assistance to the tourist industry through IRDA types of agreements and subagreements. Second, we believe there are better ways of helping the industry than the traditional IRDP approach to which the Hon. Member has referred.

CONSULTATION WITH INDUSTRY

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, will the Minister advise if there was consultation with the tourism industry before these cuts were announced and made?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, the Hon. Member will be pleased to learn that we are in constant touch with the tourist industry.

* * *

AUDITOR GENERAL

ACCESS TO INFORMATION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is for the Prime Minister. Section 13(1) of the Auditor General Act states:

—the Auditor General is entitled to free access at all convenient times to information that relates to the fulfillment of his responsibilities—

Why is that access being denied?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the access is not being denied. I think the Hon. Member knows that. The Hon. Member quite understands the fact that there is this tradition of privilege that is associated with documents involving Cabinet deliberations.

We have only been here two months. I am not trying to protect anything that I or my colleagues have said. We are trying to be respectful of that tradition. I was delighted to hear my right hon. friend indicate that he would be ready at any time to meet and agree upon a formula that would allow unfettered access to the Auditor General within certain obvious constraints. I take it as an article of faith that the Leader of the New Democratic Party, and perhaps the Leader of the Opposition, will meet with me as soon as possible and we will help the Auditor General get on with his job.

LEGISLATION QUERY

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, is the Prime Minister aware that the same section I just quoted states: "Except as provided by any other Act of Parliament the Auditor General is entitled to free access—"? What Act of Parliament is there that denies the Auditor General the access he seeks?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am not debating legal niceties with my friend today. There is a constant uninterrupted current of legal advice which buttresses the view that I have, with some reluctance I might say, been defending here.

Mr. Blackburn (Brant): Why don't you fire your lawyer?

Mr. Mulroney: You were fired a long time ago.

We could do a lot better and satisfy the requirements of Canadians if the former Minister of Energy and his predecessor appeared before a committee of this House and answered all the questions of the Auditor General. They have the answers. We are going to find a formula that will allow the Auditor General, on behalf of all Canadians, to get the truth. I hope the Hon. Member will help us in that.

INDUSTRIAL AND REGIONAL DEVELOPMENT PROGRAM

USE OF CENSUS DISTRICTS FOR TIER CLASSIFICATION

Mr. Howard Crosby (Halifax West): Mr. Speaker, I have a question for the Minister of Regional Industrial Expansion on the application of the provisions of the Industrial and Regional Development Act respecting tier classification. Simply stated, a depressed area will be denied benefits if that community is included in a census district that in other areas has high employment and industrial activity. Will the Minister review the statutory requirement respecting the use of census districts for tier classification? One solution would be to allow the use of subdivisions of census districts to establish economic need in a particular community.

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, the Hon. Member will be pleased to know that we have under review the classifications to which he is referring. In the instance he is specifically concerned with involving his own constituency, he will be pleased to know that on Friday I discussed his situation with the local officials and got an update on what is in fact the problem.

* * *

HOUSING

RESIDENTIAL REHABILITATION ASSISTANCE PROGRAM—PROVISION OF FUNDS TO LOWER INCOME GROUP

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Minister responsible for housing. In committee last week the Minister said he was lowering the amount of money available for RRAP funding to families earning $13,000 a year or less. Does the Minister feel this measure of cut-back is appropriate at a time when the most recent CMHC annual report states that one million Canadians had identified their dwellings to be in a state of major disrepair?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I am very sorry if the Hon. Member misunderstood what was said in committee last week. I recall saying in committee that 50 per cent of the monies now applicable under RRAP go to those families earning less than $13,000 a year. I stated that this would continue, even with the lowering of the amount of money available in the total aspect of RRAP. Our concept is to provide, within the fiscal framework that we have, to those most in need when it comes to housing.

ELIGIBILITY CRITERIA

Ms. Sheila Copps (Hamilton East): Mr. Speaker, if the Minister is stating, as he stated in committee, that he is considering lowering the eligibility to those families, he will be restricting families—

Mr. Speaker: Will the Hon. Member put her supplementary question, please?

Ms. Copps: Does the Minister realize that lowering the ceiling to $13,000 will destroy the accessibility to social housing and rehabilitation funds by Canadians, many of whom at an $8,000 higher figure still live below the poverty line in Canada?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, does the Hon. Member feel that more money should be allocated to those earning $23,000 rather than to families headed by individuals who only earn $13,000? It is a priority of this Government to provide, within the scarce amount of funds available, to those individuals most in need. I am sure the Hon. Member will agree that families earning $13,000 are more in need than those who are earning $23,000.

* * *

UNITED NATIONS EDUCATIONAL SCIENTIFIC AND CULTURAL ORGANIZATION

IMPENDING BRITISH WITHDRAWAL—CANADIAN POSITION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Prime Minister. I am sure he is aware that Britain wants to withdraw from UNESCO. On "*As It Happens*" last Thursday, the Canadian Ambassador to UNESTO, Ian Clark, was asked if he had been notified by Ottawa of a joint Commonwealth appeal to Britain to stay in UNESCO. Does the Prime Minister feel that Ambassador Clark was following the Prime Minister's new guidelines for public servants when he replied, according to the transcript: "Now, Miss Gray, you can't ask me a question like that"?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we Clarks have to stay together. The Government of Canada is very deeply concerned about the progress of reform in UNESCO. We do not intend to follow the British action and signal an intention to withdraw from UNESCO. We are, however, going to ensure that there is a more speedy progress toward reform which will not only strengthen that agency but could strengthen all of the United Nations system.

QUESTION PUT TO AMBASSADOR

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the question was not answered. I simply want to ask, either the Prime Minister or the Secretary of State for External Affairs, why Ambassador Clark was not allowed to answer a factual question like that. Why could he not answer? Was it because of the restrictive guidelines?

Right Hon. Joe Clark (Secretary of State for External Affairs): No, Mr. Speaker, it was not.

ENERGY

VENTURE OFFSHORE DEVELOPMENT—MOBIL OIL COST ESTIMATE

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Mobil Oil has estimated that it will cost approximately $3 billion to bring the Venture gas onshore. How much does the Government estimate it will take to bring this gas on shore?

• (1450)

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I would like to advise the Hon. Member that we cannot make that kind of estimate because we are not interventionists. We do not dictate to the company how it should develop the natural gas reserves. However, I am discussing the Venture project with Mobil, and at this point there seems to be every indication that that project is moving along very well. We look forward to the announcement of new sales contracts that will be made shortly.

DEPARTMENTAL STUDY

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my supplementary question is directed to the Minister of Regional Industrial Expansion. Can the Minister confirm that his Department in fact commissioned a study on the production of Venture gas and that that study states that the cost of bringing the gas onshore is considerably less than Mobil estimates, and in fact may be as little as $1.5 billion?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I am sorry but I am not aware of such a study. I will ask if there is such a study, and I will be in touch with the Hon. Member in due course.

* * *

[*Translation*]

CANADA LABOUR CODE

PUBLIC SERVICE—WORKPLACE HEALTH AND SAFETY REGULATIONS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is for the President of the Treasury Board.

Since, during the election campaign, the Conservative Party advocated more co-operation between the government and the public servants, could the Minister explain why the extension of the Canada Labour Code to health and security in the Public Service has been deferred for a period of 18 months without any consultation with the unions representing the Public Service?

[*English*]

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, because the responsibility of implementing that Code rests

with the Minister of Labour, I would like to reply to the Hon. Member's question as I replied on Friday. There is a need for consultation during the drafting of the regulations that will be implemented to reflect the views and wishes of the legislation, and it requires that amount of time. The Hon. Member knows that at present there are occupational health and safety provisions for public servants.

PUBLIC SERVICE REACTION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, is the Minister aware that the drafting of these regulations in the Province of Ontario took only nine months after the passage of Bill 70, and that it would have taken until March, 1985, if the same calendar had been followed here? Is the Minister aware to what degree his arbitrary decision, made without advance consultation, has shocked the Public Service and jeopardized the chances of a co-operative relationship with the Government of Canada?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I find the Hon. Member's expressions of shock to go further than I would like to see them go. It is very apparent that I have offered, to the Hon. Member and to his colleagues, consultations with my officials in the spirit of open government so that they will understand the necessity of drafting regulations that are consistent with the wishes of the employer and the employees, so that when those regulations, are implemented they will be implemented with knowledge and everyone will have had an opportunity to have had some input into those regulations.

* * *

EXTERNAL AID

ETHIOPIA—DONATIONS TO FEED THE FAMINE-STRICKEN

Mr. Jack Scowen (Mackenzie): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. I have in my hand a cheque for $1,760 made out to the Ethiopian Relief Fund, which was presented to me by a constituent who won a trip for two to Hawaii. This compassionate constituent felt that the Ethiopian hunger would be better helped by the money than—

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

Mr. Scowen: Yes, Mr. Speaker. Will the Minister assure the Canadian people that the Government is doing everything possible to see that every dollar donated is being spent on food for the hungry?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am very pleased not only to be able to give that assurance but to thank the Hon. Member for Mackenzie for bringing to the attention of the House of Commons one more instance of the extraordinary generosity of Canadians in response to the famine in Africa. I can offer the assurance to all Members, and to all interested Canadians, that the need continues and that the delivery system is as effective as we can expect under the circumstances. I am sure I speak for all members of the House of Commons in encouraging individual Canadians to continue their most generous contributions in response to the famine in Africa.

Some Hon. Members: Hear, hear!

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[*Translation*]

GOVERNMENT ADMINISTRATION

NATIONAL CAPITAL COMMISSION—APPOINTMENT OF NEW CHAIRMAN

Mr. Gaston Isabelle (Hull-Aylmer): Mr. Speaker, my question is directed to the Right Hon. Prime Minister.

As reported in *Hansard* of November 26, the Prime Minister stated, and I quote:

[*English*]

We do intend to proceed without undue delay with some appointments within the National Capital Commission and to depoliticize it—

[*Translation*]

Last weekend, a well known personality in Ottawa's political circles and active supporter of the Progressive Conservative Party was awarded an Oscar of a sort by the Prime Minister when he appointed her Chairperson of the National Capital Commission. My question is this: Was the Prime Minister really sincere when he stated last week that he meant to depoliticize appointments, especially those made to the National Capital Commission?

Right Hon. Brian Mulroney (Prime Minister): I am quite surprised by the Hon. Member's question. For the first time an exceptional and extraordinary woman has been appointed to chair this important commission, and we are looking for other women with similar qualifications to carry out other important duties within the Civil Service, and you surprise me by asking me such a question. We want women to fill other important positions, and I can assure you that we will appoint more of them.

Mr. Isabelle: Mr. Speaker, I think that the Right Hon. Prime Minister (Mr. Mulroney)—

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

Mr. Isabelle: Mr. Speaker, I merely wanted to tell him that I am not questioning the choice of that woman, and that if he really wanted to depoliticize the appointments—

[*English*]

Mr. Speaker: The Hon. Member for Churchill.

Oral Questions

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

NEGOTIATION OF FORMULA

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is also directed to the Prime Minister. Last week the Prime Minister wrote a letter to me which read in part:

At the time the new formula was negotiated, all provinces agreed with its objectives.

Since it was obvious that the Province of Quebec and the Province of Manitoba objected violently to the equalization formula, why did the Prime Minister write that to me? If he did not write, it, who wrote that statement for him?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I was indicating to my hon. friend that the various formulae that we have inherited will be subject to renegotiation but were there when the new Government came in. I never meant to suggest that they were perfect, but they were there and we are trying to improve upon them. That is exactly what the Minister of Finance has been doing in Manitoba, Quebec, and elsewhere.

PROVISION OF INFORMATION

Mr. Rod Murphy (Churchill): Mr. Speaker, could the Prime Minister explain why he is giving me false information as to what the positions of the provinces were?

Some Hon. Members: Order!

Mr. Murphy: Why is he giving us false information when he knows that at least two provinces disagreed with that equalization formula?

Mr. Speaker: The question is in order.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think my hon. friend does himself—

Ms. Copps: How is your Teddy, Brian?

Mr. Mulroney: A little better than yours.

My hon. friend does himself and the House a disservice when he suggests that another Hon. Member wilfully misled him. I did no such thing. All the information he sought was provided in a way that I thought was above board and helpful. If the Hon. Member disagrees with it, that is his prerogative. However, I can give him the assurance that it was provided in the most honourable way.

* * *

ADMINISTRATION OF JUSTICE

UNLICENSED CABLE TELEVISION OPERATORS—PROSECUTION QUERY

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Minister of Justice. I would like to ask him to confirm that on Monday, November 19, he met with prosecutors from across the country who are prosecuting cases dealing with unlicensed cable television operators, and that he gave them the go-ahead to continue with those prosecutions on that date.

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, that may have been the date on which I met with the people from the Department who were assembled here in Ottawa, but I did not meet with any such group for the purpose of discussing prosecutions of cable companies or anything of the like.

MINISTER'S POSITION

Hon. Bob Kaplan (York Centre): Mr. Speaker, I did not ask whether that was the purpose of the meeting. I asked whether that direction was given. Had the Minister, prior to that meeting, received from his colleague, the Minister of Communications, or any of the officials from the Department of Communications, information about the necessity or desirability of continuing those prosecutions?

• (1500)

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, when I spoke to the officials of the Department I was not speaking on departmental business. There were a few words of greeting and a few words on general topics. I do not know to what the hon. gentleman is referring or what his informants told him, but the issue was not discussed, and it is completely irrelevant to whatever the hon. gentleman is trying to grope for.

ROUTINE PROCEEDINGS

[*English*]

FINANCE, TRADE AND ECONOMIC AFFAIRS

PRESENTATION OF FIRST REPORT OF STANDING COMMITTEE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have the honour to present the first report of the Standing Committee on Finance, Trade and Economic Affairs, approving the Supplementary Estimates as presented to the Committee.

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

[*Translation*]

PETITIONS

VIERGE ALTAGRÂCE HOUSING CO-OPERATIVE—REQUEST TO REINTRODUCE CANADA WORKS PROGRAM

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, it is my privilege to present a petition signed by my constituents through the Vierge Altagrâce Housing Co-operative. They humbly ask the government to reintroduce, for the benefit of our senior citizens who worked so hard, the Canada Works program for the Vierge Altagrâce Housing Co-operative project which has been in abeyance for three years.

[*English*]

CALL FOR REINSTATEMENT OF CAPITAL PUNISHMENT

Mr. David Daubney (Ottawa West): Mr. Speaker, I rise on this, the day after the murder of the eighth police officer in Canada in the last four months, to present a petition signed by 269 residents of Ottawa West and other Canadian citizens, calling for the reinstatement of capital punishment for conviction of first degree murder.

* * *

Mr. Speaker: Could I take a moment to remind Members that it is unfair to the Chair and to other Members of the House to pass between the Speaker and the Member who is speaking. It makes it very difficult both for whoever is on the floor and for me. I would appreciate it if Hon. Members would undertake to remember that practice in the future.

Some Hon. Members: Hear, hear!

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FOREIGN EXTRATERRITORIAL MEASURES ACT

MEASURE TO ENACT

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada) moved that Bill C-14, an Act to authorize the making of orders relating to the production of records and the giving of information for the purposes of proceedings in foreign tribunals, relating to measures of foreign states or foreign tribunals affecting international trade or commerce and in respect of the recognition and enforcement in Canada of certain foreign judgments obtained in antitrust proceedings, be now read the first time and printed.

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

Order Paper Questions

NARCOTIC CONTROL ACT

AMENDMENT TO PROVIDE FOR MEDICAL USE OF HEROIN

Hon. James A. McGrath (St. John's East) moved for leave to introduce Bill C-213, an Act to amend the Narcotic Control Act (therapeutic use of heroin).

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

Some Hon. Members: Agreed.

Mr. McGrath: Mr. Speaker, the purpose of this Bill is to provide for the medical use of heroin, especially in the management of pain for the terminally ill. A similar Bill had its subject matter referred to committee in the last Parliament, but it was overtaken by the parliamentary calendar and by dissolution. I am hoping that the House will allow the committee to finish its work in this session.

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

* * *

QUESTION ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, the following question will be answered today: No. 26.

[*Text*]

DEPARTMENT OF SUPPLY AND SERVICES LAWYERS

Question No. 26—**Mr. Howie:**

How many lawyers are employed by the Department of Supply and Services?

Mr. Bud Bradley (Parliamentary Secretary to Minister of Supply and Services): There are 18 lawyers assigned to the Department of Supply and Services from the Department of Justice.

[*English*]

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

Mr. Speaker: The question as enumerated by the Parliamentary Secretary has been answered. Shall the remaining questions stand?

Mr. Gauthier: Mr. Speaker, before I give consent to let the questions stand, I would like to bring to the attention of the Parliamentary Secretary his habit of answering only one question a day. There have been a total of seven questions answered out of the over 100 questions which have been put to the Government. I just wondered if—

Mr. Speaker: I am in some difficulty. The House has developed the practice of allowing questions with regard to the

status of a specific question. It is not a matter of consent as much as it is a matter for the House to agree to let the other questions stand. With great respect, I do not want to introduce the concept of general comments with regard to these practices, as this period could be extended longer than is necessary.

Mr. Gauthier: With all due respect, I am not entertaining debate. Mr. Speaker, you will have to ask for unanimous consent to allow the other questions to stand. I am telling you that I will not give that unanimous consent continuously in the weeks to come if the Parliamentary Secretary does not give the answers which are requested of him. I am simply giving you notice that you may not get unanimous consent to stand these questions in the days to come.

Mr. Speaker: The Hon. Member may want to consult the effect of refusing to give unanimous consent, if he were to choose to do so. I presume he knows what will happen to the questions on the Order Paper if he does that.

Mr. Gauthier: I sure do.

Mr. Speaker: I simply wanted to ensure that the Hon. Member knew about that.

Mr. Nunziata: Mr. Speaker, I would like to ask the Parliamentary Secretary about the status of question No. 65, which I submitted on November 13.

Mr. Dick: Mr. Speaker, I can tell the Hon. Member quite simply that it has not yet been answered.

Mr. Nunziata: I would also like to ask the Parliamentary Secretary about the status of question No. 66, which I submitted on November 13.

Mr. Dick: Mr. Speaker, I think I should point out to the Hon. Member that in previous times a Member of this House had questions on the Order Paper for eight years and the previous government refused to answer them.

I would like to point out that as of the eighteenth sitting day, which was last Friday, this Government had answered 5.9 per cent of the questions, whereas on the eighteenth sitting day of the Thirty-second Parliament, the government had answered only 4.5 per cent of the questions.

Mr. Speaker: I regret to advise the Hon. Parliamentary Secretary that that is no less debate on the matter than that attempted by the Hon. Member for Ottawa-Vanier (Mr. Gauthier).

Does the Hon. Member for York-South Weston (Mr. Nunziata) have another question on this matter?

Mr. Nunziata: Yes, Mr. Speaker. I would like to ask the Parliamentary Secretary when I might have answers to the 12 questions which I submitted to the Government. Can he give me a time frame?

Mr. Dick: Soon.

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—BUDGETARY CUT-BACKS

The House resumed consideration of the motion of Mr. Guilbault (Saint-Jacques):

That this House regrets that, after less than three months in office, the Government is in growing disarray as demonstrated by its harmful, inadequately considered and irresponsible cuts in government services of importance to the economic and social development of the regions and of individual Canadians as well as by Ministers' apparent inability to manage their departments and their relations with the provinces and with the public.

Mr. Speaker: Since the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano) was in the middle of his question and comment period, I will advise the House that there are eight minutes remaining for questions and comments.

If there are no questions or comments, I will recognize the Hon. Member for Kootenay West.

Mr. Bob Brisco (Kootenay West): Mr. Speaker, I was beginning to wonder if today was in fact an Opposition day. I was also beginning to wonder if the Opposition was serious about the Opposition day. I thought that the Opposition might proceed in the next hour to deal with Questions on the Order Paper and to filibuster the House. That would give us an indication of how serious it is not about the embarrassing motion which has been proposed. The motion is embarrassing to the Opposition.

Mr. Boudria: It is your Government that is embarrassing.

• (1510)

Mr. Brisco: Let me review the Opposition motion. It states that the Government is in growing disarray "as demonstrated by its harmful, inadequately considered and irresponsible cuts". Including the words "inadequately considered" would infer that we really have not examined the matter in any depth and that what we should do is resort to greater study. For the record, Mr. Speaker, I would like to turn to *Hansard* of November 7, 1984, at page 38. The Right Hon. Leader of the Opposition (Mr. Turner) said, and I quote:

Studies are not action. Process is not an agenda for progress. The Prime Minister and his Party have a massive majority.

At least we can agree on that.

We can see it in this House. We can see it all around us. Now they are the Government. Now they must face the tough issues and difficult decisions.

That is what the Right Hon. Leader of the Opposition asked us to do, that is what we are doing and that is what that Party

is now complaining about. The Right Hon. Leader of the Opposition goes on to say, and I quote:

> That is what their role is. That is what the Canadian poeple put them into office to do, not to study, contemplate, ruminate and meditate.

What do we find today, Mr. Speaker? We find an article in *The Citizen* entitled "Sky High", and the relationship to the title is the $1 million cost of the probe into the crash of Air Canada's Gimli Glider. I think it should more likely be called the "Gimli gimmick" which was perpetrated on the Canadian people by the former Minister of Transport. The former Minister of Transport insisted that the probe be held in Winnipeg, coincidentally in his riding, because, after all, Gimli is not too far away from Winnipeg and that is where the Air Canada Boeing 767 went down, out of gas. Therefore, it should follow that that is where the study should be held. But how many times did that commission manage to get to Gimli? Just once, Mr. Speaker. Yet that commission managed to go to Vancouver, London, Frankfurt, Zurich, Paris, Seattle, San Francisco, Manhattan, Chicago, Atlanta, Dallas, Montreal and Edmonton in order to find out how an airplane runs out of gas.

Mr. Crosbie: And it never ran out of gas once.

Mr. Brisco: You are right. And the study is still not ready. That is the kind of contemplation and rumination which the former government indulged in. Those Hon. Members should not ask us to perform that kind of self-examination of our navels at an enormous cost to the taxpayers.

The Liberal Party says that the cuts in government services, which are of importance to the economic and social development of the regions, is irresponsible. The Hon. Member for Essex-Windsor (Mr. Langdon) said this morning: "We must be putting more money into people's pockets". What that means in effect is that we do not cut, we spend. If that is not what the Hon. Member is saying, then I stand to be corrected. What I believe he is saying is that we do not decrease the deficit, we increase it.

The Hon. Member for Essex-Windsor advised us that he is an economist. As such he is some form of a specialist. I must say, however, that that specialty is in deep trouble in his Party. Mr. Laxer tells us that he is in deep trouble in terms of his Party because the Party is in deep trouble in terms of its economic philosophy. I recall on *Cross Country Checkup* when the Leader of the New Democratic Party was waxing eloquently about how up to date his Party was in its philosophy and policy. He was really upset with Mr. Laxer and was letting Canadians know that the New Democratic Party was right on its economic track. When was the program *Cross Country Checkup* aired? It was just before the election campaign. It was in 1984 and the closest year the Leader of the New Democratic Party could refer to as reference was 1979. He said his Party went along with the Liberals in 1979, but he is right out of touch in 1984. I do not believe he has ever read Orwell. If he has, he must have started at the back of the book and read it in reverse. The corollary is that we do not discourage investment, we encourage it, thereby encouraging Canadians to put their savings into the elements which are going to bring this country back from the brink of disaster and rebuild the economy.

I would be very interested in terms of the election campaign just past to know what the Liberal policy is on this particular problem with which we are faced, the deficit. How does the Liberal Party rationalize its motion? I would like to know what the New Democratic Party policy is. I say that on the basis of my experience in appearing on eight or ten open line shows during the period of the election campaign.

What a spectacle, Mr. Speaker, of the Liberal candidate looking through her policy book—which consisted of three pages, handwritten. Finally, in the last week of the election campaign, glory be, there it was with the Liberal logo on the front. It was official. When I asked the former Hon. Member for Kootenay West what his Party's policy on mining was, he did not know. He did not believe there was a policy on mining. I knew what the New Democratic Party's policy on forestry was because it had copied ours. That was a great help because at least we could communicate on that subject. There are two main resources of Kootenay West, mining and forestry, and at least the former Hon. Member for Kootenay West was half right; but there was an absence of policy as indicated by the thinness of the manual. It looked like a starved child.

During the election campaign I had the opportunity, as did many Canadians, to listen to the Hon. Member for Essex-Windsor speak on the CBC in programs of national consequence. In fairness, I wondered what that Party had to offer us. If they could not tell us what the answers were, at least they could give us some concrete solutions or suggestions. That is what I had hoped for, and some things which the Hon. Member for Essex-Windsor had to say did make sense.

However, this House of Commons is the place not just for debate; it is a place where one should be prepared to listen to the concrete solutions of either the Government or the Opposition. Just because one is in opposition is no justification to slam and kick. It is an opportunity to offer alternatives. But I have yet to hear from Hon. Members of the New Democratic Party or Hon. Members of the Liberal Party as to any alternatives. I have heard them say "Cut this, butcher that, do this", but in terms of laying out in a sensible and cohesive manner a proposal which any Party could consider, be they on this side or the other side, I would have to say how disappointed I am in the rabble across the way.

• (1520)

The motion moved by the Hon. Member for Saint-Jacques (Mr. Guilbault), Mr. Speaker, refers to "harmful, inadequately considered and irresponsible cuts". Let me ask Hon. Members opposite where they were when the NDP got together with the Liberals on the National Energy Program, a total economic disaster? Were they ever in Alberta or northern British Columbia, or were they comfortably sequestered in their seats in this House of Commons? Did you see any of these Hon. Members out in northern British Columbia, off the beaten track in the Fort St. John gas-producing area? Did you

see them at drill sites in Alberta? No, sir! I can remember reading a document in which the NDP energy critic thought that tar sands and heavy oil were the same thing. So much for knowledge. So much for the ability to criticize intelligently.

How many Members opposite realize that when you drill for oil it is not just a brace and bit. When you drill for oil you are talking about a structure that takes two years to build and costs millions of dollars. It requires up to 40 flatbed trucks to move it from one site to another. In the case of a deep well, it is 64 trucks. But they do not realize that, Mr. Speaker. They did not see the industry shut down, the trucks parked and unmoving. Neither did they see the tool retrieval firms with half a dozen employees go bankrupt. They did not see the suppliers of equipment and services to the oil and gas sector. How many of them ever went to the small town of Drayton Valley and looked at the number of houses for sale? None of them, Mr. Speaker. They were in isolation, wrapped up in their House of Commons cocoons. They dared not step off the threshold.

The bottom line is that they have never cared for the West. Never! The Party with its roots in the West is the very Party that abrogated its responsibility to the West. I speak of the NDP. That, Mr. Speaker, is what has brought about their demise and will continue to do so.

They pose questions about economic and social development of the regions. We have had some howling about the four and a half person-years being removed from the interpretation centre at the Creston Valley Wildlife Management area. I have not heard a word out of these people opposite about the social and economic impact on loggers, truckers and other equipment operators of the rebate of 20 cents a gallon on fuel taxes for the resource sector. I have not heard a word about the difference that is going to make to the trucker who has to haul logs some 40 miles over back roads. I have not heard a word about the fact that this 20-cent rebate will mean that, on the basis of fuel consumption and mileage, a trucker will now be able to buy one new tire a month, and there are 18 tires on a logging truck. I have not heard a word about the fact that that rebate can mean the difference between survival and failure, between employment and unemployment, in the fragile forest industry of British Columbia. I have not heard a word about the opportunities provided to the mining sector. But then of course, they really have not asked about them, Mr. Speaker.

The motion, as framed, is specious and frivolous, particularly when I hear them talk about the social consequences. Do not talk to me about social consequences when I represent a riding with the highest unemployment rate in British Columbia at 24 per cent.

Mr. Marchi: What are you doing about it?

Mr. Brisco: Working a darn sight harder on it in this House of Commons than you are, sir.

Mr. Marchi: Answer the question.

Mr. Brisco: I would be pleased to answer your question after I have had my shot.

Mr. Nunziata: Answer it right now.

Mr. Brisco: No, I am not going to bother with your frivolous question at this moment.

When it comes to the social and economic consequences of 24 per cent unemployment, I have seen them. Why do you suppose that the third floor of the Nelson Hospital has 12 beds occupied now instead of one? Why do you suppose the people occupying those beds are there by virtue of acute mental and psychological depression? It is because in Nelson, B.C., there is a 24 per cent unemployment rate.

In Kootenay West we have the highest unemployment rate in British Columbia, and among the eight highest in Canada. When they talk to me about social consequences, Mr. Speaker, let me tell you that those miners are glad to have the opportunity to get back to work. Forest workers, loggers, truck drivers, skidders, they are all delighted at the opportunity to know that this 20-cent rebate, taken across the board, can mean the difference between survival and failure. But what do I see here? I see a member of the Liberal Party grinning. I hope he never has the misfortune to have the level of unemployment in his constituency that I have in mine. If he did, he would not be sitting there grinning. He would understand the impact that has on the people I care for and whom he should be caring for.

Finally, Mr. Speaker, I will turn to a statement by the Economic Council of Canada. They have again reminded us of how we got into our current fiscal mess. Perhaps the Liberals and NDP on the opposite side who have a grain of doubt in their minds should carve this in stone on their foreheads. What happened was quite simple, and I quote:

> We designed elaborate government programs in the sixties, and added to them in the seventies. Yet the economic growth to pay for the programs faded in the seventies, opening an increasing gap between expenditures and revenues. The recession of 1981-82 blew the gap wide open, sending the federal deficit from $10-billion to $35-billion.

They went on to say:

> Tighter spending controls, a review of some 'tax expenditures' and a more relaxed monetary policy is the combination the country requires.

Those are the proposals put forward by the Economic Council of Canada. I look forward to listening to some good sense and good suggestions from the opposition side. How refreshing that would be in the House of Commons.

Mr. Marchi: Mr. Speaker, I would like to point out to my hon. friend that despite the differences in this House, no one grins about unemployment, whether it is in his riding, mine, in eastern Canada or western Canada.

I would like to ask the Hon. Member about the unemployment situation in his own riding. The Hon. Member's Government was elected on a promise of job creation as the first priority, not necessarily cutting the deficit. His Leader and caucus went around the country from east to west promising thousands of jobs overnight. I would think they were also referring to the Hon. Member's riding. What does the Hon.

Member's Government have to propose concerning job creation for the people in his riding and others? Give us some solutions instead of only talking about concepts and the idea of co-operation, consideration and consultation. Many Canadians believe that such talk adds up only to vegetation. Let the Hon. Member tell us what he proposes not only for his riding but for other ridings across this country that face unemployment. Let him put those proposals on the floor.

• (1530)

Mr. Brisco: Mr. Speaker, I have no difficulty in responding to that question in terms of my own riding. I would rather not offer solutions for all the other ridings because that is a rather heavy responsibility to deal with today. However, I am more than prepared to respond in terms of the constituency of Kootenay West.

What has the Government done? If the Hon. Member had been paying attention he would have heard that the forestry sector in British Columbia is in very serious trouble. It is facing oversupply primarily as a result of cutting wood for nothing else but two by fours. The economy has forced that sector to consider modernization, expansion and efficiency. We have provided the ways and means for such improvements to one sawmill in particular through assistance in the sum of approximately $1.25 million, which will guarantee the maintenance of existing jobs. In terms of the Hon. Member's question, I believe that is an example of what the Government is doing.

We are also considering an application by Cominco—which is the largest silver, lead and zinc producer in the free world—for assistance in the construction of a new lead smelter in Trail. That will generate 600 jobs directly for six years. The spin-off benefits in the ratio of two to one should be evident to the Hon. Member. The application of that particular project would certainly prevent a directly negative impact on approximately 3,000 jobs along with the spin-off effect on 40,000 people living in a number of communities.

I would suggest that the initiative, which has been approved, and the Cominco application, which is being studied, will go a long way to help to secure job opportunities and create additional job opportunities in the forestry sector.

I have already mentioned the impact of the 20 cent per gallon tax abatement on diesel and gasoline fuels for off-road use in the bush and in the mining sector.

Mr. Langdon: Mr. Speaker, I am goaded into making some comments and asking a brief question. First, I would suggest that if the Hon. Member read *Hansard* more carefully, he would see that there are four occasions since this session started when, as our Party's spokesman for economic development, I laid out positive suggestions for reviving the economy.

I have made speeches about industrial development, agricultural policy, tax policy and trade strategy. If the Hon. Member is interested, I can give him the references.

He also suggested that there was a comment in my criticism of the Government dealing with putting money in people's pockets and that somehow it suggested irresponsibility. I was suggesting, and continue to stress, that it is crucial to our economy to put more money into the pockets of the taxpayers of this country who, I believe, are overtaxed. The economic crisis in this country, as in fact analysed by the Minister of Finance (Mr. Wilson), stressed the problem of consumer confidence. His approach to creating more confidence has been tax those people more and to cut back public sector services.

It is our opinion that such an approach does not make sense since one creates more consumer confidence by allowing ordinary Canadians to have more money in order to be able to spend more and have a greater sense of security for the future.

How can the Hon. Member, as a Conservative, stand up in the House and make the kind of commentary he does when so many of his colleagues in the last Parliament made commitments, such as to ensure that borrowing does not take place for the next fiscal year, to provide, an open government, and to consult with groups affected by policies, yet his own Government is taking a step by step move away from those past commitments?

Mr. Brisco: Mr. Speaker, I am pleased to respond to the Hon. Member for Essex-Windsor (Mr. Langdon). If he cares to provide me with the page reference to his comments on agriculture, the tax system and economic development, I would be pleased to read them.

In his remarks this morning, the Hon. Member made frequent reference to butchery when I hoped that he would give some solid and forthright suggestions about what his Party's policy would be as a solution.

He stated that there is too much taxation and that taxpayers should have more money in their pockets. However, the economic indicators suggest that there should be more taxation. The Economic Council of Canada is saying that there should be more taxation. It also stated that any government is fearful of adding to the tax burden of taxpayers.

If I understood the Hon. Member correctly, when he spoke of putting money into people's pockets, he meant reverting back to the grant system. While there are times when I believe the grant system is more appropriate, I have seen some major abuses of the grant system in my constituency. When the Canada Works applications come before my advisory board, they will be most carefully screened. I do not want to see an apple juicing plant erected in a community where there are no apple trees. I do not want someone given a grant to build a pelton wheel factory, only to have that building revert to that person for him to sell when in fact no pelton wheels are produced. It is that kind of use of the grant system that I am against.

With respect to the issue of seeking borrowing authority for the next fiscal year, I think the Hon. Member must realize that, for the Government to implement even to a degree only the programs which his own Party espouses as well as our programs that will help generate short-term employment and meaningful long-term job training, borrowing is necessary at this stage. I do not like it any more than the Hon. Member,

but it is an issue that has confronted us and one which we have acted upon. We must bite the bullet, and we have done so.

Mr. Deputy Speaker: The period for questions and comments is now over. We will resume debate.

Mr. Simon de Jong (Regina East): Mr. Speaker, it gives me great pleasure to enter the debate on the opposition motion of the Liberal Party. Basically, the motion states that after less than three months the Government does not seem to know where it is going.

● (1540)

While I support the motion, having sat in the House the last number of years when the Liberals were in power, I have often wondered whether the Liberal government knew where it was going. In most instances the Liberal government did not know where it was going. It was crisis management, going from pillar to post and not really providing any leadership for Canadians and for our economy.

The September 4 election of the new Government, I hasten to add, brought with it a lot of promise and hope, but we have seen in the last three months what type of direction this Government wants to take. To tell you the truth, Mr. Speaker, I am quite afraid. At first I was quite hopeful. While in Opposition I had an opportunity to talk and meet with a fair number of members of the Conservative Party. I got the impression that many were people with whom I could associate myself. Many were small "c" Conservatives who were concerned about preserving and conserving.

I am very committed to the notion of a conserving society. I believe that Canada and most of the industrialized western countries are going through major economic, social and environmental changes. The rapid growth in the past has in many ways reached its limits. For society to survive in the 21st century, we must begin to conserve scarce resources, for instance, energy and other natural resources. We must attempt to conserve our land, clean water, and clean air. We must begin to conserve and use wisely our capital and human resources. I had hoped, perhaps naively, that this new Government might begin the task of introducing into the Canadian social and economic fabric some of the notions of a conserving society. How disappointed I was when the Minister of Finance (Mr. Wilson) brought down his economic statement.

It seemed to me that all the programs which the Liberals had introduced in a hesitant way, often as a result of pressure from people such as New Democrats, and I must say as well the odd Conservative Member, were some of the main programs which the Minister of Finance and the Conservative Party elected to cut back or abolish as a whole.

Let us go through the list. First, let me deal with environmental questions. Coming from Saskatchewan, I have been concerned with the increasing use of herbicides and pesticides. It has been the practice in the last number of years to use chemical products to kill weeds and undesirable pests. Over the years we find that insects and plants develop resistance to these chemical products, and so more powerful chemical products are needed to do the job. We have also found that some of the tests that determine the safety of these products on the environment and on consumers have not been all that honest.

A number of years ago I rose in my place in the House and brought to the attention of the former Minister of the Environment, the former Minister of Health, and the former Minister of Agriculture the faulty testing of International Bio-Test Laboratories in the United States. It had done most of the testing on almost all of the herbicides and pesticides that are on the market in Canada today. It was discovered that that lab had deliberately falsified the tests. The matter was first brought up in a Senate subcommittee by Senator Kennedy in the United States. I raised questions in the House and in committee on numerous occasions. In the beginning, the then Minister of Health pooh-poohed me. She said that I was unduly raising the concerns of Canadians and that our system of testing the safety of these products was quite adequate. Many officials of International Bio-Test Laboratories are in jail in the United States. The governments both in the United States and in Canada have had to withdraw certain products from the market because they were found unsafe. Tests had to be redone costing millions of dollars, for which farmers and consumers must eventually pay.

It has been recognized that the massive use of chemicals will have a detrimental effect on users, consumers, and the environment. Studies after studies have been done by the Department of the Environment showing mutations among the lower level of biological life at the lake bottoms in Saskatchewan and in the Great Lakes as a result of the chemical residue that washes into these fresh bodies of water.

Programs that monitor changes in the lower form of life give warning signals to the rest of society. They tell us that abnormal changes in the life pattern are occurring and these will eventually move up into life's chain, affecting the health and welfare of all Canadians. This monitoring is important if we are to conserve the fresh water we have for the generations to come. The speed of technological change is such that it is not just the health and safety of generations to come with which we must concern ourselves but the health and safety of our own generation.

I was very sad to notice that one of the programs to be cut by this Government was the program to study toxicology and the program to study the effects of dioxins and other such substances in the Great Lakes.

A number of years ago I had the privilege together with my colleagues of touring the dump sites at Niagara on both the Canadian and the American sides. I saw the Love Canal. I am speaking not only of the Love Canal; there are other dump sites in which Hooker Chemical has dumped thousands of pounds of highly toxic materials. When the war in Vietnam came to an end, Hooker Chemical realized it had un-needed chemicals, such as Agent Orange. One will recall that DDT was banned. Hooker Chemicals decided to bury their un-needed chemicals in dump sites. We know there has been a certain amount of leeching from these dump sites through the Niagara River into the Great Lakes. We know there are toxic chemi-

cals in the dump sites. If some irresponsible person or some act of nature such as a storm, an earthquake, or whatever else were to wash enough of these highly toxic substances into the Great Lakes system, it would destroy the system as a source of fresh water for humans. The whole of the Great Lakes could become so filled with toxic substances that human beings would no longer be able to draw from it water to drink. It is so sad for me to hear that the program to monitor the amount of dioxin material in the Great Lakes is scrapped. I call that false economy. In fact, to say false economy is mild. It is such stupidity that it amazes me. For the sake of a few million dollars, the Government is willing to risk the water supply for all of southern Ontario. That is stupidity to the nth degree.

● (1550)

As a country we have one of the richest forms of natural wildlife. Today I received a letter from The Saskatchewan Natural History Society. I should like to read a paragraph of it for the record. It reads:

> In particular our members are most outraged by cuts which will: close the Prairie Wildlife Interpretation Centre near Swift Current; halt the planned reintroduction of the Swift Fox, an endangered species; and cancel the 1985 opening of Grasslands National Park. Our members also wish to protest: reduction of wildlife research programs; elimination of the wildlife habitat acquisition fund and the termination of the 200 seasonal naturalist positions in National Parks.

This Government, previous governments and governments to come have a responsibility to preserve our wildlife so that it is not dissipated within the life span of our generation. It is terrible for us in this generation to assume that we can despoil wildlife for generations to come. Surely we have a responsibility and a duty to maintain our natural wildlife. The actions of the Government for the sake of saving a few million dollars have determined that the Swift Fox as an endangered species can go by the way and that the Grasslands National Park can go by the way, that there is no need to preserve them. What false economy!

Turning to the list of further cut-backs, I should like to deal with the Department of Energy, Mines and Resources. As we move into a time when energy will cost more because it is an unrenewable resource, even though market conditions will see the price fluctuate, we know that in the end the price and cost of energy will rise.

The solution for reasonable men and women is to begin to preserve, conserve and develop alternatives. With a downturn in the cost of energy such as the one we are experiencing now because of international situations and a downturn in the economy, we have been provided with a bit of breathing room. Now is the time to have on stream some of the alternatives—solar, wind and different forms of hydro. It is essential for us to make these alternatives into economically viable alternatives while there is time. Let us not awaken one morning to find another oil crisis where the cost of energy will go through the roof and threaten the economic and social well-being of the country. Let us not discover that we have not done our work on developing alternatives. Lo and behold, it is another area which the Government has deemed to be unuseful and deserves to be cut. The NRC program developing wind, solar and alternative forms of energy is cut. The home insulation program is cut and will eventually die. That particular program saved the skin of the previous government and of Canadian taxpayers by the amount of energy it saved. Positive-thinking Canadians participated in that program. Governments at the time called upon Canadians to work together to help preserve and conserve energy, and Canadians responded. Surely that is the road the Government must follow if it really believes in working with people and being dedicated to conserving and preserving.

No, that is not the route the Government wants to see Canadians develop. Instead, we will become more dependent upon the oil industry and upon those people who hold the economic and social well-being of our country in their fists. Rather than encouraging and providing leadership for Canadians to develop alternatives and independence, we will be forced into a greater dependency upon the oil industry.

Turning to the area of housing, again I refer to the work of the National Research Council in developing more energy-efficient housing. That program will be scrapped. RRAP attempts to conserve and preserve older housing stock in the city core. That program has been cut. Our city cores can rot. As long as land developers and speculators on the outskirts of cities are doing their thing, everything must be hunky-dory as far as the Tories are concerned. So much for the core of our cities.

Let me deal with the cuts in cultural agencies. Wise men and women who have the responsibility of government must realize that if we are to preserve ourselves as an independent country, having our own sense of identity and culture and living so close to the American border and its culture, it is the responsibility of governments to work with the private sector to help maintain and conserve a separate cultural identity. This is why cultural activities are so essential for the well-being of our nation as a separate entity. However, we see further cut-backs in essential cultural services to the country.

The Tories say, "preserve it" and "conserve it"; in fact, that was their slogan in Ontario. In fact, they ran Ontario Hydro ads reading "preserve it, conserve it". The previous speaker from Kootenay West made reference to George Orwell. I would like to do likewise. Surely Newspeak is occurring here, the utterance of slogans which in the end are just empty slogans. The government Party is not committed to preserving and conserving. It is committed to exploitation. It is committed to exploiting the environment here and now and damn the future, damn the environment, damn the quality of life and the quality of our fresh water. It is not a conserving Party. It is one that exploits, one that would seek to exploit our valuable human, technological and environmental resources just for its sake right now. It is not concerned with the future. It is not composed of men and women who have the well-being of generations to come at heart. Its bottom line is whether its members will be re-elected in four years. Its time span is a very narrow one. As we move into the 21st century, I am afraid it is a mind-set which will lead to disasters such as the urea formaldehyde disaster, thalidomide babies, environmental

mistakes, miscalculations and misplanning. Future generations will have to pay many more dollars to correct the mistakes that these people are making in the name of false economy. As such, I wholeheartedly support this motion.

• (1600)

M. Dick: Mr. Speaker, I would like to ask the Hon. Member a question. He has advocated expenditure on a number of items which have been postponed. Would he prefer a larger deficit this year than previously announced by the Liberals? Would he like to spend forever?

Mr. de Jong: Mr. Speaker, I have given two speeches in this House dealing with the deficit. I am well on record as saying that the deficit has to be reduced. I have been suggesting that there are false economies. I suggest that these cuts in the environment, science and preventive health care are false economies that will in the end cost us more.

The point in both my speeches is that this Government is concerned about the expenditure side of the balance sheet. The Economic Council reported last week that the Canadian Government has not overspent. As the Economic Council pointed out, we have not been collecting the revenues that should have been collected.

I pointed out the scam in the research and development tax credit. Introduced by our Liberal friends, it was supposed to involve only $100 million in lost revenue. When the Liberals left, it had run up to $1.5 billion. Apparently there is a grandfather clause. We will lose another $400 million to $500 million under the Tories because of this grandfather clause. Instead of putting on a moratorium, we will lose another half billion dollars under this grandfather clause. That half billion dollar loss would do more than just restore these cut-backs in the environment, preventive health care and home insulation.

That is why my answer to the Hon. Member is that these cuts are false economies. The public Treasury could have saved money in ways they have chosen to ignore. Rather, they cut areas that are essential to the health and well-being of Canada.

Mr. Dick: Mr. Speaker, in the two speeches on the deficit, did the Hon. Member explain in detail where he would either raise the revenue or cut expenditures in the nature of $4 billion or $5 billion to reduce the deficit somewhat? Did he detail where he would make the cuts or increase the revenue?

Mr. de Jong: No, Mr. Speaker, I have not given a counter-budget. As soon as the Government introduces its full budget, there will be opportunities to introduce a counterbudget. I have suggested one item to the Hon. Member: Put the freeze on the grandfather clause that deals with R and D. That would save the public Treasury some $500 million. With that saving, the Government could restore some of the cut-backs in preventive health care, home insulation, alternate energy and the environment.

Mr. Dick: Does the Hon. Member not believe that he would gain credibility if he suggested, rather than just criticising, a constructive alternate package of cuts and tax increases?

Mr. de Jong: Absolutely, Mr. Speaker. That is why we will be asking the Government for much more information. We want to know about the $4.5 billion in uncollected taxes. We want to know whether the $1.6 billion that the corporate sector has not paid in taxes, even though it accepts the fact that it owes these taxes, has been collected. We want to know why the $400 million which companies have deducted from their employees to be remitted to the Government has not been remitted. Why is the Government writing off $100 million of that amount?

We want to know some of the deferred taxes. We want to know the type of information introduced by the Minister of Finance in the Clark Government with regard to tax loopholes and how much lost revenue has occurred. We would like to know how many jobs were created and how much useful social activity occurred because of these tax breaks. When we have that information, we will be able to supply the Hon. Member with a blueprint of how to balance our budget and still do the important things a Government needs to do, such as conserving the health and the environment of Canada.

Mr. Dick: Mr. Speaker, I want to be sure I heard the Hon. Member correctly. A moment ago he said he wanted to balance the budget. Is it now the position of the New Democratid Party that it wants to have a balanced budget?

Mr. de Jong: Mr. Speaker, it would be very foolish for us to attempt to balance the budget in one year. It would create social havoc. Let me point out, as I have done in other speeches—and the Hon. Member may not be aware of this—that when the NDP and its predecessor the CCF were the government of the Province of Saskatchewan, we had a balanced budget. When the Conservatives were elected in the Province of Saskatchewan in 1982, we had a surplus of $170 million. After less than two years of Conservative government, the Province of Saskatchewan has a deficit higher that all the deficits in the history of Sasktachewan rolled into one, thanks to a Conservative government. How they were able to accomplish that is still a puzzle to us. They cut back on social and human services and sold mines, highway equipment and public assets. They have done the cut-backs and have still rolled up a $1 billion deficit. That takes some doing.

Why is it that Conservative governments, whether elected in England, the United States or Saskatchewan, end up with higher deficits than ever before? The highest deficit in the United States is now, under a Conservative government. The highest deficit in England is now, under a Conservative government. The highest deficit in Saskatchewan is now, under a Conservative government.

I will stand here in my place one, two and three years from now and accuse this Government of increasing our deficit. I predict that with its economic policies there will be a downturn in economic development in this country, in economic activity.

Public revenues will fall and the deficit will increase under its so-called stewardship.

Mr. Dick: Mr. Speaker, I was very pleased that the Hon. Member stopped at the end of three years because in the fourth year we hope that he will be defeated. Under the NDP Government of Manitoba, the only NDP Government we have presently, that Province has the highest per capita deficit of any province. I did not know we were going to debate provincial budgets in the federal House.

Mr. Blackburn (Brant): It started under Sterling Lyon.

Mr. Dick: This is much higher. The Hon. Member did not answer my question. How soon does he want to see the federal budget balanced?

Mr. de Jong: Mr. Speaker, we all want to see our debts paid off as soon as possible. As I mentioned before, this cannot be done overnight. We have to accept some of the economic realities. We have to ensure that cuts are done with wisdom, care and in an open way. People should know the economic and social consequences of those cuts. That is how to begin to reduce the deficit. We must pinpoint where there are wasteful expenditures and where there are tax breaks and tax loopholes that are not productive. Once that information becomes public, it will become evident to all Members of Parliament and Canadians where the fat is to be trimmed, what loopholes are to be closed and what public revenues are to be saved. Until the Government comes across and starts supplying that information rather than trying to hide it in some secretive way, Canadians, including members of the Opposition, will never be able to give a straight answer to the Hon. Member because we do not have the information. The Government has the information and it does not want to share it with anybody.

• (1610)

Mr. Deputy Speaker: The period for questions and comments on the Hon. Member's speech is now over.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for York Centre (Mr. Kaplan)—Immigration—Request that 1985 entry level be increased; the Hon. Member for York West (Mr. Marchi)—Visible Minorities—Internment of Japanese Canadians during World War II. (b) Discussions with Japanese Canadian community; the Hon. Member for Regina East (Mr. de Jong)—Airports—Automobile rental concessions.

GOVERNMENT ORDERS

[*Translation*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—BUDGETARY CUT-BACKS

The House resumed consideration of the motion of Mr. Guilbault (Saint-Jacques):

That this House regrets that, after less than three months in office, the Government is in growing disarray as demonstrated by its harmful, inadequately considered and irresponsible cuts in government services of importance to the economic and social development of the regions and of individual Canadians as well as by Ministers' apparent inability to manage their departments and their relations with the provinces and with the public.

Hon. André Ouellet (Papineau): Mr. Speaker, it is a pleasure to be taking part in the debate today and to second the motion moved by my colleague and friend, the Hon. Member for Saint-Jacques (Mr. Guilbault).

I would like to start by mentioning the presence in the Chair of the newly elected Member for Verchères (Mr. Danis) who has been a patient and courageous defender of Progressive Conservative interests in the Province of Quebec for many years, and I am sure it gives him a great deal of satisfaction to be here in the House.

Mr. Speaker, I therefore wish to offer you my best wishes for a successful though perhaps not very long career.

This Government, which has just received a very strong mandate from the Canadian people, started by creating expectations among all levels of our society. It is a fact that Canada is going through a difficult economic period. Because of the world economic situation, unemployment rates in this country have been fairly high, and, like other industrialized countries, we have also experienced a slowdown in economic growth.

At the time it was easy for the Opposition to criticize the Government and have Canadians believe that a change in government would be beneficial. However, we accept the verdict of Canadian voters. The Progressive Conservative Party offered Canadians an alternative, which was accepted. Voters thought that by electing Progressive Conservative Members, prosperity would return to this country and they would find jobs very shortly. We do not blame them for this political judgement. We are too democratic to complain about the result of an election. We accept the people's verdict, but, as the Official Opposition, it is our duty to point out to Canadians that this Government, which promised so much, is very slow to deliver on its promises and to respond to the expectations of Canadians.

I was reading the newspaper "Le Droit" and I saw a headline: "All talk, no action". I am referring to an editorial by journalist Alain Dexter, which appeared in the weekend edition. He was referring to the Government of Canada in connection with acid rain and said: "All talk, no action".

Mr. Speaker, I think this is an appropriate slogan for the new Government of Canada and its Prime Minister: "All talk and no action", because the Progressive Conservative Party's 338 election promises are certainly far from being kept, and I have no hesitation in saying right now that they will never be kept in the four years to come. All we have to do is look at what has been done, starting with the Throne Speech, and then the economic message by the Minister of Finance (Mr. Wilson), to realize that this Government has already aligned itself with certain groups in our society, to the detriment of those Canadians who are in need and constitute the most disadvantaged groups in our society. If anyone asked me what kind of favorites this Government plays, I would say without hesitation that this Progressive Conservative Government, this Mulroney Government, plays favorites with big business and more particularly, with the oil companies.

● (1620)

If we read the economic message carefully, in page after page the Minister of Finance focussed almost exclusively on energy questions, not for the benefit of Canadian consumers but for the benefit of the multinationals which are being given additional grants and additional concessions. And who is going to pay? Canadian consumers, who will have to pay more for gas and oil in the months and years to come. This Government had raised a lot of hope and paid close attention to the people of Canada, this Government had stated that job creation would be its first priority, yet this same Government has just shown through budget cutbacks that it will create unemployment rather than jobs for Canadians.

This morning, I listened to the Hon. Member for Chambly (Mr. Grisé), his maiden speech in the House. And what did the Member for Chambly say? He told us that the Government has a three-prong action plan: first, lower the deficit, second, ask the private sector to create jobs and, third, invite foreign investors to spur our economy.

Closer examination of those three points reveals that the Canadian Government has given up altogether on its responsibilities. It expects others to create jobs and launch the economic recovery. Not only will the Government fail to create jobs but, as a result of its drastic cutbacks in several departments, it will create unemployment directly by making Canadian public servants lose their jobs and, indirectly, by depriving Canadian institutions of the grants they had become used to, which they were entitled to and which they were given before by the Liberal Government.

Quite obviously, Mr. Speaker, the Government has switched priorities, anxious as it is to lower the deficit. That is what leading businessmen and major corporations have been saying for years to the Canadian Government, and that is what they told us when we were in office: Cut the deficit.

I have never seen an ordinary worker, an ordinary citizen, somebody we refer to as the man in the street urge the Government to cut the deficit. Never! But I have seen many business leaders, businessmen and major corporation executives tell the Government to cut the deficit. Well, now, the first priority of the Progressive Conservative Government, its first measure is not to give jobs to those who need them. No, its first priority is to reduce the deficit, to make ordinary Canadians suffer even more just to please the corporate sector. That is why I say that the favourable prejudice of the Mulroney Government benefits the corporate sector to the detriment of ordinary Canadians. We in the Official Opposition will work hard and tirelessly to force the Government to keep the election promises it made this past summer and in early September. We will make sure that people across the land come to understand and recognize this Government's true character, this new character that clearly will honour some commitments to the large multinational corporations but will not help all those whom they had promised to help during the election campaign.

We are now convinced that this will be detrimental to this country's poor, to the co-operative groups that are cut from the Canadian Mortgage and Housing Corporation's programs. It will be detrimental to the Canadian workers who welcomed the passing of the Canadian Labour Code Amendment Bill just before the Houses adjourned, and who now hear from the new Minister of Labour (Mr. McKnight) that time will be needed to draft the regulations and that the new amendments to the Canadian Labour Code will not become effective before a couple of years.

Mr. Speaker, this proves one thing. It proves that this Tory Government is not lending its ears to women and workers who were the main beneficiaries of the amendments to the Canadian Labour Code. This Government lends its ears to large corporations, to business people. Those bankers, those spokesmen for the Canadian Bankers' Association and the major Canadian manufacturers have told the Minister of Labour: "Sit on the regulations, wait before you put into force that Act which was passed by the previous Government. Take your time drafting the Regulations." And this Tory Government, with an ear of course for these businessmen and bankers, has shelved as far away as possible the drafting of the new regulations relating to the Canadian Labour Code.

Well, Mr. Speaker, I suggest this is not good enough. It is sheer irresponsibility for the new Government not to draft as a priority the regulations under the Canadian Labour Code amendments. This amounts to penalizing thousands of Canadian women who need those new regulations in order to have justice on the market place. This amounts to penalizing thousands of Canadian workers employed in businesses under the

jurisdiction of the Canadian Government and who need those regulations as soon as possible to be better protected on the market place. Knowing the large number of occupational accidents in Canada, knowing the number of hours lost due to such accidents, I cannot understand why this Government does not want to immediately implement the regulations needed to better protect Canadian men and women in the work place.

Finally, I would like to suggest, Mr. Speaker, that a Government is very quickly judged according to what it does or does not do in the early stages of its mandate. As far as we are concerned, we very soon realized that this Government does not care for the people living in the most remotest parts of this country. People living in the most underprivileged areas have been the first hit by the cuts announced by the new Minister of Finance (Mr. Wilson). I need only look at the programs affected, like the dairy policy.

• (1630)

If there is one group of Canadians in need of Government assistance, it is our Canadian farmers, especially those who work hard under difficult conditions, rising very early in the morning to take care of their dairy farms. Yet, as a result of Government action there will be cutbacks in our dairy programs. I find this completely unacceptable.

Secondly, this government is going to cut funds appropriated to social housing. Is there any thing more unfortunate than the situation of our senior citizens or simple people, living on an inadequate income, who are unable to find decent housing in many regions of Canada? Yet, the first message given by the new Government to these people is that there will be cutbacks in its social housing programs, which means that the Canadian Mortgage and Housing Corporation will not be able to build facilities for senior citizens or social housing units so essential in our Canadian economy to provide assistance to the poorest and most disadvantaged members of our society.

In addition, the Government is preparing to cancel our job mobility programs. Because it is difficult to find work nowadays, the previous Liberal Government had implemented a subsidy program whereby Canadians could move to other parts of the country where jobs are available. However, this program, under which assistance was provided to workers willing to move to other regions where jobs were available, has been cancelled by this Government. In my opinion, this goes directly against the interests of Canadian workers who are looking for jobs.

Finally, we have been told that job creation programs for young people and summer employment programs for students will be cancelled. This is another group in our society which needs Government assistance and which has been deceived and let down by this Progressive Conservative Government in the very first days of its administration.

I shall close by saying that it does not take long to judge a new Government, Mr. Speaker. The Canadian people certainly want the economic situation to improve. They certainly want this Government to do well. That is why I urge the Progressive Conservative Government to keep its promises and to bring prosperity to all Canadians and to make jobs available to those who need them. This should be the first priority of this Government. We are looking forward to it. The Official Opposition will always support Government initiatives aimed at creating employment. We shall work in close cooperation with this Government to promote economic recovery. However, in the face of uncertainty, when the Government seems to want to reexamine everything, to give priority to a reduction in the deficit rather than to job creation, we have to say that this Government does not keep its promises as it should. We shall have to ask the Progressive Conservative Government to do better in the future, otherwise the people will be bitterly disappointed.

The Acting Speaker (Mr. Paproski): Questions and comments. The Hon. Member for Châteauguay (Mr. Lopez).

Mr. Lopez: Mr. Speaker, my question is directed to the Hon. Member for Papineau (Mr. Ouellet). I hope this time I am going to get answers, for I did not get any this morning when I directed a question to the Hon. Member for Saint-Léonard-Anjou (Mr. Gagliano).

I suppose that he simply could not answer. I suppose also that it would have been difficult for him to answer without placing himself in an embarrassing situation. Now that I am facing an Hon. Member with much more Parliamentary experience, I am quite sure he will be able to answer my questions.

Ms. Copps: Ask your question! You have wasted two minutes already!

The Acting Speaker (Mr. Paproski): Order, please!

Mr. Lopez: He is blaming us for trying to reduce the deficit which the previous administration has created. My question is this: Does the Hon. Member believe that we should allow the deficit to increase even more! He claims that no ordinary citizen has ever asked him to reduce the deficit. Does he expect ordinary citizens to come to the House and say: Dear Hon. Members, enough is enough? The deficit Canada is faced with is already more than we can pay. Indeed, it takes 33 per cent of our GNP to pay the interest alone. Does he suggest we should allow the deficit to grow bigger still? Does he not feel that when Canadians voted for change on September 4, they were actually saying: Enough is enough! Let us get rid of a government which can do nothing but mortgage our future?

The Acting Speaker (Mr. Paproski): The Hon. Member for Papineau (Mr. Ouellet) has the floor.

Mr. Ouellet: Mr. Speaker, I am pleased to answer the question of the Hon. Member for Châteauguay. Of course, I

give priority to job creation over the reduction of the deficit and he would know it had he listened to what the leader of the Liberal party said during the election campaign. The reduction of the deficit is of course a long-term objective we should strive for. Putting that objective ahead of job creation may be the Conservative solution but it is surely not the Liberal one. I remember that the leader of my hon. friend for Châteauguay said to Montrealers when he came to speak at Place Ville-Marie: "I promise you to make Montreal the major city it used to be." And Montrealers thought that it meant more jobs and more economic growth for Montreal.

Now the first step taken by his Minister of Finance was to make cuts in VIA Rail which means that the maintenance base for VIA Rail may not be built in Montreal. The Hon. Member is from the Montreal area and he should look into that matter.

The Minister of Transport (Mr. Mazankowski) who belongs to the same cabinet has relocated the Canadian Air Safety Board in the National Capital area without any consultation even though he told me in this House that he had some consultations with concerned authorities. But we have documentary evidence that the mayor of Montreal or the chairmen of the Chamber of Commerce and the Board of Trade as well as the chairman of the Montreal Urban Community have declared: "We were never consulted by you. You have relocated that air organization which is quite important for the Montreal economy and you did so without prior consultation."

I hope, Mr. Speaker, that the Hon. Member who has just put that question to me will join the Liberals to exert pressure on the Tory ministers so that Montreal will regain the status it once had, such as promised by the Progressive Conservative leader. Job creation measures will be needed rather than cuts such as those imposed by the Minister of Finance.

The Acting Speaker (Mr. Paproski): Another supplementary question? The Hon. Member for Châteauguay (Mr. Lopez).

Mr. Lopez: Mr. Speaker, I think the Hon. Member is well aware that reducing the deficit is the key to creating jobs. Reducing the deficit will bring the interest rates down. And everybody knows that it is the excessively high interest rates resulting from the Liberal Party's mismanagement which is responsible for the high unemployment rate we now have in this country.

Does the Hon. Member not agree then that after we have reduced the deficit, we will be able to boost the economy and create jobs?

Mr. Ouellet: Mr. Speaker, I think the Hon. Member for Châteauguay (Mr. Lopez), the overnight expert financial critic, is overlooking a number of international economic factors. He should recognize that the value of the Canadian dollar and the level of interest rates in our country are linked to the economic situation in the United States, and that no matter the budget cuts my hon. friend would like to make to ease interest rates in Canada, our interest rates will fluctuate along with those in the United States.

And until such a time as the economic situation in the United States is dealt with by President Reagan's administration, this Conservative government has an obligation to do everything in its power to help the Canadian people who are looking for jobs. Young Canadians, one million and some hundreds of thousands Canadian men and women who are now unemployed want to hear something other than "the deficit will be reduced by the Conservative government". A lot of good that is going to do them in their efforts to find jobs. It is not by creating more unemployment within the federal Public Service for the sake of reducing government spending that we will help our unemployed people.

[*English*]

Mr. Dick: In the 12 years I have been here as an Hon. Member—the Hon. Member for Papineau (Mr. Ouellet) has been a cabinet Minister most of that time—we have gone from a surplus and, in the last ten years, an ever increasing deficit, allegedly because of job creation. At the same time, we have gone from 4.5 per cent unemployment to 12 per cent unemployment. Since we have tried the deficit route and have ended up losing jobs rather than creating jobs, would the Hon. Member not now agree that it is best to look at an alternative way of trying to create jobs?

Mr. Ouellet: I regret to disagree with the Hon. Member. Quite clearly he forgets to mention one element which is extremely important. He and other Hon. Members of his Party very systematically avoid mentioning the fact that there have been more people entering the labour force during this period than in any other industrialized nation. What we have been faced with in Canada is not only the oil crisis of the industrialized world—

Mr. Crosbie: Everyone faced that.

Mr. Ouellet: —but at the same time the increase of the labour force due to the baby boom after the war.

Mr. Crosbie: They had babies everywhere, not just in Canada.

Mr. Ouellet: The number of people who entered the labour force increased because of the reality that there is more than one person per family who wants to work. Therefore, the previous government has had to face a tremendous request for jobs, which we met substantially by creating more jobs per capita than any other industrialized nation in the world.

Mr. Dick: Most of them for 20 weeks.

[*Translation*]

The Acting Speaker (Mr. Paproski): Order, please! I regret to interrupt the Hon. Member, but the time allotted to questions and comments has expired.

[*English*]

Mr. Joe Price (Parliamentary Secretary to Minister of Labour): Mr. Speaker, I am pleased to have the opportunity to address this House for the first time.

Some Hon. Members: Hear, hear!

• (1640)

Mr. Price: I look forward to the opportunity over the next three to four years of addressing and contributing to the process that takes place in this House in a meaningful and positive manner.

During the recent election campaign, the Progressive Conservative Party promised Canadians an enlightened national program for economic renewal, a program built on a solid foundation of open consultation with the provinces, the private sector, management and labour, women's groups, natives and minorities. We promised to build a dynamic national consensus that would define new national goals for Canada and a fair and equitable manner in which they could be realized. In the three short months since Canadians overwhelmingly endorsed our manifesto, we outlined, on November 8, the first chapter of a coherent national plan to involve Canadians in determining their collective destiny. It was a courageous effort, open, detailed, sound, logical and, above all else, honest. It is a plan that will give Canadians an opportunity to participate in a consultative and co-operative process that will lead to a rekindling of a vast potential which was kept dormant by the years of virtually uninterrupted Liberal mismanagement and frivolous abuse of their elected position. What the Liberal government of the last decade and a half failed to do, we have done in three short months.

The program of expenditure reductions announced on November 8 were part of a conscious, well defined plan for economic renewal, Mr. Speaker. They were not arbitrary, heavy-handed and callous reductions in government expenditure as suggested by the Hon. Member in his motion. They involved numerous responsible discussions between Ministers who took great care to ensure that no single group of Canadians or no single region was disproportionately affected. We were ever mindful that all expenditure reductions were not without some degree of pain. At the same time we were steadfast in our belief that some bitter medicine was needed to revitalize a great Canada left moribund by Liberal mismanagement and imprudence.

We were not alone in the belief that expenditure reductions were needed and could be effectively introduced. The Leader of the Opposition (Mr. Turner) himself admitted during the campaign that there were billions of dollars in the current $100 billion federal budget being wasted. He said, and I quote:

> There is a lot of space to reduce and cut expenditures and duplications. Programs which are no longer in force, which are no longer pertinent, wastage in public administration. I believe this reduction in expenditures could save us billions of dollars.

Indeed, Mr. Speaker, federal Government spending has climbed from around $12 billion in 1968 to over $100 billion in 1984. A significant portion of this increase occurred in the four years since 1980. Government spending was only $50 billion when the Liberals were re-elected in 1980. The profligacy that followed in those short four years was unparalleled in recent history and is a matter of public record and public discontent. The last 10 years since 1974-75 has been characterized by a staggering accumulation in our public debt as the result of annual deficits, and I would like to examine briefly some of the facts.

In 1974-75, the net public debt was $24 billion. By the end of 1984-85, it will have risen to almost $190 billion, an eight-fold increase in 10 short years. In 1974-75, $1 out of every $20 of tax revenue was used to pay the net interest on this debt. If gross interest payments were used, the numbers are one in three in 1984-85, compared to one in nine just 10 years ago. Canada's national debt is growing much faster than the Canadian economy. The net public debt will have increased from 16.6 per cent of the Gross National Product in 1974-75, to a whopping 45.2 per cent in the current year. If allowed to grow as projected, by 1990-91 the net public debt will have more than doubled to $400 billion, or 63 per cent of the projected Gross National Product.

These continuing deficits and growing debt critically undermine confidence. They put upward pressure on interest rates and reduce prospects for growth, not to mention the psychological albatross around the necks of future generations of Canadians. Simply put, if taken all at once, then total deficit would cost each Canadian taxpayer over $17,000, more than many Canadians make in a whole year, Mr. Speaker.

The persistence of deficits, while eroding the confidence of foreign and domestic investors, is also indicative of the previous government's inability to manage its financial affairs with any degree of prudence. This Government cannot and must not tolerate the continuation of such a pattern of excessive expenditures relative to revenue. In behaving responsibly and practically, we introduced a number of very conscious policy and program decisions on November 8. The decisions were aimed at restoring some degree of fiscal flexibility within the context of creating an environment within which balanced and sustained growth could be fostered.

The Hon. Member has referred to harmful and irresponsible cuts and makes wild allegations regarding the relationship of this Government to the provinces and the public. We are all aware that government has become too big under too many years of Liberal mismanagement. With its regulations, subsidies and interventions, it intrudes perversely into the lives of Canadians and the Canadian market-place. Heaven help the poor unsuspecting Canadian business person who endeavours to find his way through the maze of over 100 federal government programs which purport to serve his needs.

During the campaign, Mr. Speaker, this Party promised to introduce principles of productive government management to ensure that Canadian taxpayers received value for money. To make government more responsive to the needs and aspirations of Canadians, we launched the ministerial task force on program review led by the Deputy Prime Minister (Mr. Nielsen). Its mandate is to streamline the delivery of programs, to eliminate duplication, and to get more value for every dollar

spent. The reviews will involve consultation with Canadians, thereby making them a responsible and essential part of decisions which will affect their future. In a comparable fashion we will involve the provinces and the private sector in a continuing dialogue to build a better Canada.

Our strategy for economic renewal implicitly provides the framework for meaningful discussions while building a lasting partnership. This partnership cannot but lead to the realization of our objective to provide sustained growth and productive jobs.

The Acting Speaker (Mr. Paproski): Questions or comments? Since there are no questions or comments, I would like to call upon the next speaker.

● (1650)

Mr. Murray Dorin (Edmonton West): Mr. Speaker, I am pleased to rise today to speak to this motion put forward by the Liberal Party. I believe that the motion demonstrates the absolute moral bankruptcy of that Party. I knew that before the election but now I am convinced of it today.

The Liberals have the audacity to criticize us about government spending and our relations with the provinces and the public. It is unimaginable how the Liberals can condemn us after 20 years of spending public money like drunken sailors and inflating the deficit to $30 billion. We are attempting to deal with the problems which the Liberals have left with us.

How did today's problems come about and what can we do to solve them? The economic and fiscal mismanagement which has resulted in our record deficit began in the early and mid 1970s when the Minister of Finance at that time, the present Hon. Leader of the Opposition, talked about the need for restraint. During the five budgets that he introduced, federal government spending doubled, a $600 million surplus was transformed into a $4 billion deficit, and the net debt grew by 50 per cent. Public debt charges doubled, and the Public Service grew by 74,000, excluding cuts to the Armed Forces.

The Auditor General of Canada stated that Parliament had lost or was losing effective control of the public purse. According to a study by the C.D. Howe Institute at that time, three of the five budgets of the then Minister of Finance actually widened the gap between rich and poor. This is the legacy that we have inherited.

Following that auspicious beginning, the Liberal government continued another ten years of spending money, increasing the deficit and building a spirit of confrontation in this country, the likes of which we have never seen before. This is the legacy that we are now attempting to deal with as the Government.

The economic renewal strategy plan that was announced in the Throne Speech refers to removing impediments to growth, seeking national consensus for economic direction, reinvigorating investment, and enhancing private sector risk-taking and innovation among entrepreneurs.

In immediately attempting to reduce the huge federal deficit, this administration has realized that the cost of servicing the deficit limits the Government's ability to meet priority economic and social needs. The deficit hides the real cost of government and does not allow for society's response to the needs of its citizens. The deficit inhibits private sector growth and constrains the Government's ability to encourage growth.

I am convinced that the most constructive role that our Government can play is to concentrate its attention on creating a kind of environment in which the private sector can do what it does best—to create jobs and new prosperity. Increasing private sector confidence and investment in the Canadian economy will result in the security of employment and jobs.

I suggest it is fair to ask why the deficit needs to be addressed. NDP members, including the NDP spokesman on industrial regional development, who claims to be an economist by profession, seemed unable to analyse what has happened to our country in the last 15 years of continued deficits. The Government, just like any business or individual, faces the problem of financing a debt when it spends more than it takes in. When the Government runs a deficit, it has two sources of financing. The first is the printing of money. The second source is borrowing. Both sources have inherent problems that eventually result in a weaker economy and the loss of jobs.

Let me explain briefly how this happens for the benefit of some Members who seem unable to make that link. In the early years of deficits, the governments resorted to printing money. The basic result was an expanding money supply and an ever-increasing inflation, which essentially robs the workers and those on fixed incomes of their spending power. In fact, it is a hidden tax.

The second method of financing is deficit borrowing. There are two sources of borrowing—foreign and domestic. Since the government must pay the interest and possibly repay the principal on a foreign debt, the result is pressure on the Canadian dollar. That pressure must be balanced by the Bank of Canada through such measures as an inflated interest rate. Canadians have seen the result of inflated interest rates in the last few years. The majority of federal government borrowing is done domestically. That domestic borrowing has a drastic economic effect because essentially it removes the available capital in this country and crowds out private borrowing. It raises the cost of money, which is, in essence, the interest rate.

Money is just like any other commodity. When there is an increased demand for money by the government, interest rates are driven up and foreign borrowing is crowded out.

Furthermore, we are all familiar with the very negative effect of high interest rates. We have witnessed how high interest rates have resulted in a decline in consumer spending for those high ticket items such as cars and housing which produce many jobs in this country. High interest rates are also very detrimental to small businesses which require sources of capital at a cost that will not prevent a new business from realizing a profit.

The job of rebuilding the Government's finances and implementing policies that will support economic growth and job creation is just beginning. We asked Canadians for this oppor-

tunity and we are absolutely delighted that we received such a strong national mandate for change. Canadians from all regions and from all groups expressed through their votes the belief that our country could and indeed had to do better.

I represent a western riding and therefore must travel extensively. I have talked to people in airports as well as to my constituents and have heard nothing but positive support for the direction in which the Government is heading. While I have received some correspondence at my office expressing some concern about individual cuts in spending or about programs that have been affected, most individuals realize that despite their concern, the Government had to control its spending and get its house in order. While these people may have asked for a review of their individual case, they essentially agree with the objectives of the Government.

The fact is that we have support for our policies. I believe that that is borne out by opinion polls, much to the dismay of our friends on the opposite side of the House. They are aware that Canadians acknowledge our progress and that we have their confidence. Canadians voted for a change in policies and in the approach of Government to the making of policy. This motion today is trying to tell us to go back to the old ways, the old ways of a government that had been spending money like a drunken sailor, spending it on a political basis aimed at ridings held by Liberal Members. One of my colleagues mentioned that the way to attack problems by the former government was to set up commissions so its friends could be well looked after, travel the world at taxpayers' expense and live, I think the words were, "reasonably comfortably". And what about the probe into the Gimli airplane case—

• (1700)

Mr. Crosbie: The gimme case.

An Hon. Member: The Gimli gimmick.

Mr. Dorin: Yes, the Gimli gimmick. We are told that over $1 million has been spent, to find out what? The trip resulted in some fairly interesting information. What was that information? For instance, the Israeli airline decided to check levels manually on all its 767s before and after fueling. It is incredible that we would have to spend $1 million to find that out.

Mr. Crosbie: Just by a dip stick.

Mr. Dorin: And then we have Thumper Macdonald at $800 a day. I understand the counsel to this commission, a former provincial Liberal candidate in Manitoba, suggested that he was making about $800 a day. Everybody has basically acknowledged that he was dragging it out because he had a good thing going.

Mr. Crosbie: They all did.

Mr. Dorin: This nation is seriously in debt, Mr. Speaker. Business confidence has ebbed. Foreign investors have been scared off and unemployment is painfully high. As soon as the election was called, everyone knew what was going to happen. People did not have to wait. People knew the Liberal government was going to be turfed out. In the third quarter, we had a dramatic 8 per cent increase in our GNP. Just the fact that the election was called inspired confidence in a new government that everyone knew was going to be elected.

The Government can neither wish nor legislate economic growth and meaningful job opportunities into being. The way must be made clear for the private sector to become confident, to flourish, to invest, and thus to create jobs. The Government must move step by step to remove a wide range of obstacles to growth and new jobs. The private sector must be provided with a stable and comprehensive policy environment. The first order of business is to take action on the deficit. The mounting federal debt has become the single most powerful obstacle to growth and private sector job creation. It has been said that the greatest financial invention was compound interest. From an investment point of view, this may be true, but there is another side to compound interest, that seen by the debtor. The federal Government, unfortunately, has fallen into massive indebtedness that now feeds on itself. New interest charges generate new borrowings, which lead to more and more interest charges, an accelerating treadmill of debt.

Even with relatively favourable assumptions about interest rates and continuing economic growth, the deficit in future years was projected to remain in the range of $34 to $38 billion. On the one hand it was clear that we would not just grow our way out of the deficit problem. We could not spend our way out. In fact, we would be getting into an even greater debt problem unless we took action. The public debt, if left unchecked, would reach a staggering total of $410 billion by the end of this decade, the equivalent of $54,000 for every Canadian family. Each year we are borrowing more and more money just to pay the interest on past debts. In so doing, we are imposing a crippling tax burden on future generations.

When, as is currently the case, more than $1 out of every $3 of tax revenue is used to pay the interest on the national debt, then it is clear we are not only compounding past debts, we are compromising the future. The accumulating debt threatens the creation of permanent jobs for unemployed Canadians today and for our children in the years to come, and it does so in a number of different ways. It puts upward pressure on interest rates by raising the expectations of future inflation and by competing for private savings. It limits the Government's ability to meet priority economic and social needs. It symbolizes a state of economic mismanagement that undermines confidence and threatens the job-creating private investment that Canada needs.

That is why, despite the limited time available, the Government had to make a number of tough decisions which were announced on November 8 as part of the economic statement, decisions to reduce expenditures and to increase revenue recovery as a first step in controlling the deficit. As a result of these measures, the projected deficit for 1985-86 has been brought down to $34.9 billion from the projected $37.1 billion. Those figures tell us that much more needs to be done. Clearly, this will not be an easy or a painless task. Some pain, as mentioned

by the motion, has already been felt, but we will have to feel a lot more in trying to correct this mess.

Mr. Boudria: What is this?

Mr. Dorin: As we did with our initial spending reductions, we will continue to do our best to ensure that our decisions are consistent with all our economic renewal objectives, including the principles of greater self-reliance for the private sector and equitable treatment for all regions of the country, not just Conservative or Liberal regions. We will even help NDP regions a little. We will treat NDP regions fairly as well.

Of course, we could have responded to the debt problem differently. One option would have been to try to treat the situation with stimulative financing. Yet nothing short of a massive injection of stimulus would have had any initial effect on growth or employment. With the deficit for this year already $5 billion higher than was projected in last February's Budget, deliberate and massive stimulation would have left us in a very precarious position. The country would have sunk more deeply into the quagmire of national debt, and long-run prospects for growth and employment would have been seriously harmed. The cost in lost investor and consumer confidence would have lost us jobs in future years.

The other option we had was to chop the deficit dramatically and ruthlessly right at the start. I can tell you, Mr. Speaker, that many of my constituents have told me that that is what we should have done. But this Draconian appproach would have undermined confidence and threatened social cohesion. The costs of adjusting to such a sudden wrench in the economy would have been high, and our collective ability to deal with our structural problems would have been undermined.

We must do all we can to encourage a more dynamic and self-reliant private sector. We must deal not only with the deficit, but also with the tangled web of regulations, subsidies and other forms of government intervention that have been built up over the years.

Too many industries in this country are overprotected. Too many programs designed to assist investment have distorted investment decisions and encouraged the establishment of companies viable only with continued taxpayer support. Too many negative signals have been sent to foreign investors, particularly in the energy sector, and too many government programs carry on long after they have stopped being needed.

In short, the inherent dynamism of the Canadian economy has been eroded by frequently inappropriate and erratic economic policies.

Besides changing government policies, we need to change the way we go about the public's business. We need to take the confrontational tension out of the air which was the hallmark of past governments. We need to sit down and talk to one another.

We have challenged all Canadians to take a hard look at fundamental problems and to break free of the conventional wisdom of the past. The challenge is great for all of us, but particularly so for the private sector. The private sector must be the driving force behind growth and job creation. I think we in this Government are on our way to giving Canadians the kind of confidence they can and should have in their government.

• (1710)

Mr. Marchi: Mr. Speaker, I am amazed to hear repeated Conservative speakers who have addressed the motion before us today saying that they are looking for options. Perhaps they should consider the option which they promised the Canadian electorate several months ago. Also we have heard them talk repeatedly about their top priority being deficit cutting.

In my riding the candidate for that Party never touched the question about deficit cutting. He stressed job creation. I asked an Hon. Member who spoke previously what kind of initiatives would be brought forth in order to create jobs and how they would maintain the fundamental promise which they made from coast to coast during the election campaign.

If I look at my own city in North York, I see quite the opposite. I see the Government cutting a $58 million tax centre which would have created 3,000 jobs—2,000 full-time and 1,000 part-time. It would have created hundreds of jobs in the construction and trade industries. It would have provided a service to the citizens of North York. Where was the job initiative in that cut? Where were the promises to Canadians before September 4 about the multitude of cuts we have witnessed? What happened to the Government on the way to the House of Commons after September 5?

I do not want to hear from the Hon. Member anything about deficit cuts because we did not hear anything about them during the campaign. We heard about job-creation programs which would come overnight from the Government. I would like to hear what the Hon. Member has to say in terms of actual numbers of jobs being created. That is what Canadians want to hear.

Mr. Dorin: Mr. Speaker, I am glad to respond to both those points. First he talked about deficit reduction during the election campaign. I assure him that I used every opportunity to talk about deficit reduction. I said that deficit reduction was the only way to get true job creation. I was not referring to job creation in terms of make-work projects using the money of the government and taxpayers. The only way to obtain permanent, long-lasting and meaningful jobs is through job creation by the private sector.

For example, in the job-creation programs which we have funds have been allocated in an attempt to provide people with meaningful jobs and to use that money in the best possible way. That is in contrast to the former government. I am talking about the Canada Works program. For the last several years, my riding has received the minimum allocation under the Canada Works program of $100,000 per year. The reason we continued to receive it was that the former government continued to manipulate the formulas and to use data which were three to five years old to arrive at its formulas. In actual fact, ridings which could rightfully call upon those funds were

refused their fair share simply because Conservative Members were representing them.

Under the Canada Works program, the Minister of Employment and Immigration (Miss MacDonald), in allocating funds, used current data so that it would be done on a fair basis. In my riding, the amount of funds received rose from $100,000 to $770,000 this year. A large number of projects is being evaluated by the advisory board. We hope to have some good jobs.

Despite the fact that we have to do that temporarily because of the current situation, those programs are not the answer. I hope that in two, three or perhaps four years from now those programs will not be around any longer. They are simply a band-aid solution. They are not a long-term solution. We have to create true jobs in the private sector. The only way to do that is by giving the private sector room within which to work, and the only way to do so is by reducing the federal Government deficit.

The Acting Speaker (Mr. Paproski): I recognize the Hon. Member for Essex-Windsor (Mr. Langdon) on a short, succinct question, to which he will receive a short, succinct answer.

Mr. Langdon: Mr. Speaker, I am not sure how a short, succinct question could do justice to the many myths which were put before the House by the last speaker.

Does the Hon. Member not think that it is important, in talking about the deficit in Canada, to recognize that the personal savings rate in this country is two and a half times that in the United States? Does he not think that it is also important to recognize that every conceivable authority concedes that no crowding out effect is taking place in an economy where investment has declined over the last two years and where there is idle capacity and excess unemployment? Does he not realize that there is no possible way that businesses could be faced with too much competition for funds? In short, is he not applying an argument about the deficit which might make sense in the United States but is entirely different here given the conditions in this country?

Mr. Dorin: Mr. Speaker, certainly I realize that the personal savings rate in this country is very high. I will take the Hon. Member's word that it is two and a half times that in the United States. However, the reason it is high is the lack of consumer and investor confidence. People are paying down their debt. They are reluctant to spend it on consumer goods or on business investment because they are afraid of the federal Government deficit getting out of control and of not receiving a return on their money. In fact, they are afraid that there will be hyperinflation. Eventually the Government will have to pay its bill. If it cannot do it by borrowing, it will do it by printing money. Then we would see the kind of inflation which exists in Israel, and the money people have spent will come back to them in worthless dollars. That is the reason for the lack of confidence. We in the Government are trying to instil some confidence in the Canadian consumer and investor.

Ms. Copps: Mr. Speaker, I should like to ask two very brief, factual questions. With respect to Canada Works summer projects, I gather the Hon. Member for Edmonton West (Mr. Dorin) vehemently disagrees with the position taken by the Ontario Federation of Students. It has already expressed its concern and dismay over the elimination of the Canada Works summer program. I understood the Hon. Member to imply that moneys which were given out across the nation for Canada Works programs were being given in Liberal areas, somehow to prop up Liberal fortunes.

I wonder if he could answer the Executive Program Director of the Catholic Youth Organization in my community who wrote to his Government because, as a direct result of its decision to cut back on programs, 106 young people, including about 73 disabled and handicapped children, will be unable to attend summer camp in Hamilton this summer. Are these the so-called Liberal supporters to whom the Hon. Member referred, these 73 handicapped children who will be denied summer camp as a direct result of his Government's fiscal cut-backs?

Mr. Dorin: Mr. Speaker, under the programs which are now in place funds are being allocated in a manner which is fair to all areas and regions of the country. They are done on the basis of statistics, not votes.

In reply to the question on student summer employment, I do not know what programs may be forthcoming regarding government job creation. However, my hope is that we will not need them. As I said, they are not solutions; they are simply band-aids. What we want is private sector jobs.

• (1720)

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I will be very brief because other Members want to speak to this motion. I congratulate the Hon. Member for Saint-Jacques (Mr. Guilbault) on his excellent motion—"irresponsible cuts, Ministers' apparent inability to manage their Departments and their relations with the provinces and with the public." Of all that the Conservative Government promised, and still promises, it is consultation with the provinces, openness and the stop of those decisions made from on high in Ottawa.

One Member mentioned in this debate cuts in the social housing program. I want to elaborate on that issue as it relates to the lack of consultation with the provincial governments. They were not consulted. If there is one thing a government must do when it cuts back on social housing projects, it is to consult with the provincial governments and the agencies concerned.

The reason is quite simple. It is the provincial government agencies which have to guarantee the occupancy in most of the social program public housing in this country. The provincial governments decide when a housing project will be built and where. I know that CMHC has certain maneuvrability in its programs, but it is the provincial governments that have to act in concert with the federal government.

In the last five years, each provincial government has announced a five-year program. It is common for a provincial government to have a five-year program from senior citizen homes, nursing homes and the like. This announced cut-back of $9.5 million in the social housing area will have an incredible effect on these plans. This $9.5 million may not sound like much money, but this is a cash cut from 1985 to 1986.

The social housing department of CMHC has ongoing responsibilities on 30 and 35 year mortgages. They cannot be stopped. We are looking at a financial cut for the year 1985-86. A senior citizens' home with a $4 million mortgage could pay an additional $100,000 to bring the rate of interest down 2 per cent. That kind of a cut right across this country will involve a substantial reduction in social housing programs right across this country. There was no consultation. I understand that the federal Minister responsible for housing will meet with his provincial counterparts later this week, after the decision was made and after it was handed down from on high by this Government. There was no consultation with provincial governments.

The other area that hits at the heart of the issue was the announced 25 per cent cut in RRAP. That really smacks of discrimination. It discriminates against the poorer regions of this country. This is another example of lack of consultation with the provinces. It is the provincial housing authorities which deliver the RRAP program in high unemployment areas. Apart from the national poverty organization in various high unemployment areas, the provincial housing authorities deliver this program.

I continually criticized the previous government for restricting this program. It started off as a great program. You could qualify depending on the condition of your house. It started to be restricted because the demand was so high and the money was just not there. It reached the point where a family of four could not put on the extra bedroom.

It began with a forgiveness of $3,750 for those whose income was below $11,000. It increased later to $5,000 for those whose income was below $13,500. The provincial housing authorities are now being told that this program is being cut back 25 per cent across the board. The provincial housing authorities, the delivery agents, do not know what to do. One housing authority I checked with said it will meet next week to decide on a public statement. It will not criticize the federal Government in that statement. It cannot do that.

Incredible cuts are being made in transportation with no consultation with the provincial governments affected. Some of these cuts are absolutely outrageous. The motion says they are irresponsible cuts. That is an understatement.

The tourism departments in each province have been working with the federal Government to try to devise a long-term plan to encourage tourism. The Provinces of Newfoundland and Prince Edward Island have always wanted a cheap ferry system. They demanded that. Each time CN Marine increased its rates, each provincial government filed an objection with the Canadian Transport Commission.

This Government has laid down in law that CN Marine must cut $20 million from its administration and operations. It is to cut a further $17 million in its gulf ferry runs and coastal boat service without consulting with the provincial governments. No sweat for CN Marine. It announced a 15 per cent rate increase and blamed it on the federal Government. The decision was handed down from on high with no consultation with the affected provincial governments.

One person and a car travelling from North Sydney, Nova Scotia, to Argentia, Newfoundland, must pay $98 or $99—I say it is $100—on the basis of a 15 per cent fare increase. Add to that a reduction in coastal boat service, which was never adequate, not on my coast of Newfoundland or on other coasts. That is the word from on high from this great Government that is going to consult and ensure that everything is open. That is what it has done with regard to transportation.

The Fisheries Loan Board is meeting this week in most of the provinces affected to determine what can be done as a result of the announcement made by the Minister of Fisheries and Oceans (Mr. Fraser) and the Minister of Finance (Mr. Wilson) to cut out the national insurance scheme. These fisheries loan boards will have to seize some of the boats next year, have their own insurance scheme or have a subsidy or package arrangement delivered through the private insurance companies. Subsidizing private insurance companies is not in the statement of the Minister of Fisheries and Oceans. He did not consult before the decision was made. He will now be consulting after the decision.

Other policies were announced which will substantially affect provincial budgets. There was no consultation. No one in this House can stand and say that provincial welfare budgets will not be affected by the $200 million cut-back in unemployment insurance. The reason is that it will be more than $200 million. The system which the Minister of Employment and Immigration (Miss MacDonald) says she is going to put into effect will cut more than $200 million out of the unemployment insurance paid to Canadians. The reasons are quite simple. The restrictions on people drawing unemployment insurance in the country are too great as it is. If an unemployed person does not sit next to his or her telephone every day of the week for eight hours a day, he or she runs the risk of being cut off of unemployment insurance. I notice that the local unemployment offices in high-unemployment areas of the country have taken to heart what the Government has said and are making these phone calls as of two weeks ago. They are phoning fishermen on the northeast coast of Newfoundland asking where they were yesterday at 3 p.m. A fisherman might say: "I was down at the store," and the fellow says: "What store is that?" The fisherman then gives the name of some store in St. John's. The point is that this will affect the provincial governments.

• (1730)

The other part of this motion indicates that the Ministers do not really know what they are doing. On the subject of UIC, how does one cut back on the mobility program for people who

are looking for work in other parts of Canada? That mobility program is too tight right now. The people who need help from it cannot get it. If someone wanted to go from Newfoundland to Alberta, he or she would need to have a guarantee of a job for at least a year before he or she could qualify. Then the job has to be advertized by the local manpower office closest to the location of the job. In other words, that is how tight the program is at the present, and yet the Minister of Employment (Miss MacDonald) is now going to cut it. The question is, Mr. Speaker, where she is going to cut it? Ask the Minister, she does not know. Ask the bureaucrats, they say they have not worked it out yet. The same is true for the CMHC cuts to social housing. The Departments do not know about them. That is why this motion is so adequate at this time.

The Minister of the Environment (Mrs. Blais-Grenier) does not know how she is going to charge people who phone the weather office for weather information. She admitted to the House that she does not know how she is going to do that. Neither does Atmospheric Environment know, but the word has been handed down from on high and the Minister has to follow it. She must have had some prior consultation. She is the most accommodating Minister in the Government. I say that because out of the 1,500 jobs that were supposed to be cut by the financial statement, her Department suffered a cut of 416 jobs. That is unfair to the Department of the Environment.

The Minister of the Environment does not know how she is going to charge people for those phone calls. Granted it will take time, but why should the Minister have it dictated to her that she must charge for weather forecasting information other than the information that is received via the media? It is a difficult proposition. How does one charge someone for making a telephone call to the local weather office if, as the Minister has said, fishermen and those who require the information for health and safety reasons are not to be charged?

It is common for federal government Departments to impose a charge that excludes a certain group of people for a particular reason. How does one determine who are the exclusions? The Minister says that they are working with the telephone companies, but the CRTC will not allow the telephone companies to act as a collection agency. Who is to make the decision that a caller is a fisherman or requires the information for health and safety purposes? The telephone company will not ask those questions. Therefore, if the provision goes through, it will be the local weather forecaster who will have to ask these questions. How is he to know the difference? How is he to know whether someone is a full-time fisherman or a part-time fisherman? Is he going to get a list from the federal Department of Fisheries? Is he going to have a checklist of the families that are eligible and those that are not?

That particular policy was ill advised. We can see the same thing happening in every single section of the Minister's Department. This morning an Hon. Member said that the interpretation centres that are to be cut out are all in Tory ridings. While he was making that statement, I was wondering how people could receive an interpretation of a national park on their own. The guided tours have been done away with. We now have what the Minister calls self-guided tours, and she also mentioned volunteer-guided tours. You can imagine, Mr. Speaker, that in the wilds of our national parks, among the bears and amid the trees, there will be self-guided tours. There will be signs all over the place saying: "Seek and ye shall find," or "Enter at your own risk". As I suggested at one time, perhaps this would be a good way to beef up search and rescue despite the cuts that have been announced by the Minister of National Defence (Mr. Coates).

The Government also announced that it would increase berthage fees in Canada. What is a berthage fee? I do not know. I am from Newfoundland, Mr. Speaker. We did not have berthage fees there and I will tell you why. The Hon. Jack Davis, who was the Minister of Fisheries some years ago—

Mr. Ouellet: A Liberal.

Mr. Baker: Yes, a Liberal. He made a special agreement with the provincial Minister of Fisheries to exclude the Province from berthage fees. What has happened now? A new Government is in power in Ottawa and, all of a sudden, there is to be a doubling of berthage fees for commercial fishermen and a tripling of berthage fees for sports enthusiasts with their own boats, and this is to be applied equally across the country. The bureaucracy does not know how it is going to apply these berthage fees to Newfoundland. I phoned the Department head and asked him that question. He said: "I do not know. We have not really decided yet". I spoke to the Minister. He said: "Well, we are just examining it now". It has been put down in black and white by the Minister of Finance that these berthage fees are to be applied.

You are indicating to me, Mr. Speaker, that I should conclude soon. I am sorry about that because I had so many things to say, although I was going to be very brief in my remarks.

On August 28, in one 25-minute period, the Prime Minister (Mr. Mulroney) promised $224 million in agricultural expenditures, $50 million in small business initiatives, $268 million in tax relief for the energy sectors, $45 million for restructuring of the fisheries, $150 million in mining investment and tax relief for northern workers, $265 million in health and welfare, $285 million in training and youth employment, $100 million in direct research and development investment, $22 million in assistance to Canadian veterans, $190 million in defence expenditures, $75 million for shipbuilding and $8 million in justice initiatives. In a 25-minute period, the Prime Minister promised about $1.7 billion, give or take $.5 billion. Those are promises that were made in one 25-minute period. Examine what was promised in every province of Canada. Now the Government says it cannot really spend those billions of dollars because the nasty old Liberal government put it in a debt amounting to $34 billion while it figured it was only in debt by $30 billion. Therefore, it cannot spend the $10 billion that was promised to the Canadian people.

In conclusion, let me say that I do hope that the Government will change direction and that it will consult with the provincial governments and the people affected by its cuts in a spirit of openness and fairness. If it does not, it will be stuck with a label that is even worse than the label of the Liberal government. It will certainly not regain the confidence of the Canadian people, which has, as this motion suggests, been lost during the past two months.

• (1740)

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

Ms. Copps: Mr. Speaker, I have a question for the Hon. Member for Gander-Twillingate (Mr. Baker). I was a bit confused by the reaction of some government members when he was decrying the intention of the Government to cut back on relocation moneys for former employees who are seeking work in places across Canada. A number of government members asked what was wrong with that. They thought that relocation fees should be cut back.

Could the Hon. Member first, clarify the Government's cut-back, and, second, reconcile that particular cut-back with the order which was issued by the Prime Minister's Office? That order indicated that when employees in his riding faced lay-off, all possible assistance was to be given to relocate up to 1,000 residents who were losing jobs because of a mine shutdown. I would like the Hon. Member for Gander-Twillingate to comment on the reaction of government members who have indicated that the relocation program should be cut back. Could the Hon. Member clarify our position on this?

Some Hon. Members: Oh, oh!

Ms. Copps: In particular, could he clarify the position of government members who have indicated that the program should be cancelled, when at the same time the Prime Minister (Mr. Mulroney) has no qualms in applying it in his own riding?

Mr. Baker: Mr. Speaker, the point is this—

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

The Acting Speaker (Mr. Paproski): The Hon. Member for Gatineau (Mrs. Mailly) on a point of order.

Mrs. Mailly: Mr. Speaker, I am wondering to which program the Hon. Member is referring when she refers to a program that the Prime Minister—

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member, but that is not a point of order.

Ms. Copps: It was on October 13, 1984. The Prime Minister said—

The Acting Speaker (Mr. Paproski): Please, if the Hon. Member wants to carry on a conversation, she can go behind the curtain. The Hon. Member for Gander-Twillingate has the floor.

Mr. Baker: Thank you, Mr. Speaker. First, anyone who says that there should be cuts in the mobility program of the Department of Employment and Immigration has not talked to his or her constituents who are looking for work. They have not gone through the experience of talking to someone who wants to relocate to another part of Canada where there might be a job available. If they had done that, they would realize that the restrictions which are presently in place discourage people from moving to another province. Then, to turn around and further cut back through a decision made by the Minister of Finance and the Minister of Employment and Immigration is absolutely outrageous. If the Prime Minister has ordered the money for that mobility program for his own riding, and if there are any numbers involved, the entire year's budget for that program will be exhausted.

The Acting Speaker (Mr. Paproski): The Hon. Member for Western Arctic (Mr. Nickerson) on a short question.

Mr. Nickerson: Mr. Speaker, I have a very short question. When the Hon. Member for Gander-Twillingate (Mr. Baker) first got to his feet, he promised to be brief. That was welcome news to anybody who has listened to the Hon. Member before. My question is, why did he mislead the House by announcing he was going to be brief and then continue until the Speaker called him to order?

Mr. Baker: Yes, Mr. Speaker, I was going to be very brief. When I started I had four lines of notes, but I just could not stop. What came to mind was the reign of terror in Canada. People are wondering where the axe will fall next.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. I will recognize the Hon. Member for Windsor-Walkerville (Mr. McCurdy).

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, sitting as I do next to an economist from my own city, I hestitate to get into a discussion about deficits. However, having listened to the Hon. Member for Edmonton West (Mr. Dorin), who has unfortunately departed from the Chamber, I feel no hesitancy in stepping into waters in which I could not otherwise swim.

I may not know much about economics, but I do attempt to have some familiarity with history. I know that emphasis on deficits, notions of restraint and the cutting of social programs has had numerous precedents, not the least of which were the actions taken in the course of the Great Depression which made matters worse. I would suggest that could happen now. Even those people who are least informed about economic principles would understand that the great economic surge in the United States has resulted not from the actual implementation of what has been sloganed, but from the rather significant expenditures in the military area. That area has the function of creating make-work programs. Indeed, what we have is a model whereby one does not attempt to deal with the

deficit in the manner suggested by the Hon. Member who spoke previously, but on the basis that certain things can be accomplished by expenditures.

The issue is not one of idle economic speculation of Hon. Members on either side. What I have frequently noted in listening the Hon. Members opposite is that they seldom deal with the issue. They seem more determined to deal with their allegedly perfidious predecessors than with what they are responsible for. It is no wonder they have not chosen to deal with the motion before us.

The motion states that "the Government is in growing disarray". Can anyone seriously challenge the loss of government papers in hotel rooms, interviews in the form of dictation tapes, and contrary views about what regulations should apply to contracts with the press? I would suggest that that indicates there is some measure of disarray.

The motion goes on to suggest that the "growing disarray is demonstrated by its harmful, inadequately considered and irresponsible cuts in government services". Could anyone seriously suggest that the cuts in unemployment insurance will not prove harmful? Can there be any doubt about the harm that has been recognized in the cuts in environmental, scientific and cultural expenditures?

The motion states that the cuts were "inadequately considered". Let us for a moment reflect upon the Minister of the Environment (Mrs. Blais-Grenier) and her reconsideration of ill-considered cuts, such as the herring gull project. A further example could be the hesitancy now evident with respect to CBC cuts. It is now recognized that they were a little too precipitous.

The motion goes on to suggest that there has been, on the part of the Ministers an "inability to manage their departments and their relations with the provinces and with the public". If Members opposite had been rational in their consideration of the content of this motion, they would have inevitably reached the conclusion that the resolution states the facts as they are.

● (1750)

I really do regret that this kind of motion has appeared before us so early in the session. I was somewhat seduced by the proffering of the 300 promises made by the Leader of the Government during the election campaign. I suppose it reflected the fact that the Leader of the present Government was smiling as he made those promises. I should have recalled that his advisers had suggested he not laugh at his own jokes. Having observed the Prime Minister (Mr. Mulroney) in these chambers, I would suggest that that advice is probably very useful—now knowing what the Government intends to do—because it may be thought by the poor that the Prime Minister is laughing at them.

We have a Government which promised there would be no confrontation. I suppose that has proven to be partly correct in the sense that the only confrontations of which this House is aware are confrontations over the previously mentioned policies with respect to contact of his Government with the press. We have a Government which promised consultation. I believe every previous speaker referred to the lack of appropriate consultation with the provinces on a number of issues. But it seems to me there are other areas where there is a dangerous failure to consult. I have in mind the numerous actions taken with respect to science and technology. Clearly on the basis of any number of reports in the press, these decisions were taken without any consultation whatever. I cannot possibly believe that there could be no reaction from the government side unless those Hon. Members on the government side who are scientists have been muzzled. I cannot believe that scientists would have allowed such cuts as the herring gull project cut and the toxicology centre cuts, and so on.

We have a Government which has chosen only one of the two goals usually chosen for itself by society. On the one hand, there is the pursuit of social justice. On the other hand, there is the pursuit of prosperity and economic growth. Usually the people look to government to pursue the goal of social justice while it is the role of business to pursue the goal of economic growth and prosperity. It is obvious that this Government has chosen not to perform the proper function of government but to place its emphasis on the goals of business, thus separating social justice from the issue of prosperity and growth. This is marked by a whole litany of buzz words, one of which is "restraint", which really means, "let the poor eat confidence". We hear phrases like, "Cut the deficit. Cut unemployment insurance benefits. Cut government spending. Cut social programs". The fact of the matter is, Mr. Speaker, that every time there has been an attempt to cure the ills of society by pursuing prosperity at the expense of social justice, we have suffered. Every depression, every recession could be attributed in a very large measure to the fact that someone has chosen the route of abandoning social justice in the pursuit of prosperity at any price.

The Hon. Member for Edmonton West (Mr. Dorin) said we must have short-term pain. As I look around me, I suspect there is not a soul in this room who is going to experience any pain whatsoever as the Government pursues this course. That Party talks a good game but it should experience the cuts in unemployment insurance benefits itself and try to cope, as does the lady who wrote to me recently saying she presently lives on $300 a month while paying $350 for housing and food.

This Government says that confidence is going to cure everything; let the poor eat confidence. But this Government is not even consistent. If it is going to pursue the kind of economic goal about which it talks, then one would have to consider the pillars of private sector growth. These pillars are research and development, innovation, technology diffusion, labour markets, human resources and adaptation to technological change. If one contemplates those so-called pillars, Mr. Speaker, then I believe one is driven to examine the economic statement, and the Government's agenda, and perhaps look for the steps which need to be taken in order to address the needs dictated by those pillars. One might contemplate the possibility of there being some reference to the necessity of having a broadly educated work force. One might look for suggestions

on how to increase the opportunities for young people, not in narrow, specified areas of training but with the kind of broad education and versatility which will be necessary for our economic future. One might have thought that Government would try to find some way to ensure that the offspring of the poor and of minorities would be encouraged to avail themselves of the kind of education which the great economic future which is promised will require. Yet nowhere in all of the verbosity which accompanied this great agenda does the Government deal with the issue of post-secondary education. There is some reference to transfer payments and this is elaborated upon, not in the documents themselves but in subsequent statements, to the effect that those transfer payments will have to be subject to restraint.

We have heard the glad tidings about youth. Youth are going to have an articulate spokesman. But in the economic statement we find that Summer Canada is to be cut by $85 million, and even that statement is misleading. That is the base funding. The fact is that the Government's so-called perfidious predecessor spent twice that amount on Summer Canada in 1983 and 1984.

We cannot have prosperity at the expense of the poor, the youth, single women, or minorities. We heard the Minister's reaction to the Abella report last week. There were vague phrases addressed to some 117 recommendations. But the Government could not see the forest for the trees, Mr. Speaker. If it looked at the clear recommendations of that report, it would realize that if we are to achieve justice for women, native people, the visible minorities and the disabled, there are certain specific actions which must be taken. Those actions certainly do have economic repercussions. But the Government casts aside any of those issues which have anything whatever to do with social justice in order to ensure that those who most strongly support the Government will benefit from whatever actions it may pursue in the interests of prosperity and that prosperity otherwise will dribble down to the rest of us.

[*Translation*]

The Acting Speaker (Mr. Paproski): Order, please! It being 6 p.m., it is my duty to inform the House that, pursuant to Section 11 of Standing Order 62, proceedings on the motion have expired.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

IMMIGRATION—REQUEST THAT 1985 ENTRY LEVEL BE INCREASED

Hon. Bob Kaplan (York Centre): Mr. Speaker, I very much regret that the Minister of Employment and Immigration (Miss MacDonald) is not in the House to hear what I have to say concerning the immigration target level of 85,000 to 90,000 set for 1985. I had expressed my feelings about its inadequacy, and I spoke not only for myself but on behalf of my Party which has announced itself in favour of a target for 1985 of at least 100,000.

The reason I am sorry the Minister is not here is that I wanted to explain to her how the target of 85,000 to 90,000 damages the reunification of families process. She did not seem to understand that, from the answers she gave to the questions I asked. She seemed to feel that all that was needed for families was to establish the relationship and they could immigrate.

As you know, Mr. Speaker, that is true as far as it goes but it is only true for immediate children, parents and grandparents of an individual Canadian applicant seeking to bring those family members to Canada. I was astonished the Minister did not know that the relatives who are wanted in Canada are not in that category. That is so in the great majority of cases I have in my office, and I am sure the same is true for all Members of Parliament. It is the brothers and sisters, sons and daughters who may be married or over the age of majority, nephews, nieces and others, who in every sense of the word, other than in the Minister's understanding, have to be considered to be family, and they ought to be able to be reunited in Canada, particularly at a time of economic growth.

At the same time, Mr. Speaker, the Government has admitted that it does not really know what to do. Why do I say that? The Minister herself said she felt more study was justified in deciding whether higher levels should be set for Canada's immigration target for 1985. If that is the way she feels about it, I urge the Government to keep the rate as it was, at least while these studies are being done. Do not lower it any further. It would be preferable to increase it recognizing that there is economic growth and that immigrants make a tremendous economic contribution in times of economic growth.

They do this in two ways, Mr. Speaker. First, they are consumers from the moment they arrive. It is winter in Canada now and they will need winter clothes. They need a place to live. They need to be fed. All of this puts extra demand in the Canadian economy. They have their families assisting them to become consumers when they first arrive.

Of course, much more important than their role as extra demand in the marketplace is the role they play and always have played in the labour market. They are the most willing workers in the country. They are anxious to establish themselves and obtain Canadian experience. I have always noted, in my years in business and in practice in Toronto, that immigrants are at least as willing as the rest of us to take any job to get started.

I regret very much that at a time when the Government itself is putting forward evidence of those who cannot get employees to do the jobs that need to be done in Canada, the Minister would take a hard-nose attitude towards immigrants.

Make no mistake about it, Mr. Speaker, when the Minister makes a determination of what the proper level is, that affects the way the Department operates around the world. If they are told that their target is lower, then the resources allocated are lower and the pace of work is less. In each of our immigration offices across the country there will be a less open attitude, rather than the more open attitude which there should be in a time of economic growth. That is very regrettable.

• (1805)

I note that according to the statutes, the Minister can come back as often as she wants to change that target. I would like her to reconsider that, as the Government has reconsidered so many of its mistakes in its first three weeks in Government. Let it reconsider this mistake also, and come back with an immigration level that is realistic, compassionate and humane in view of the immigration situation.

It was suggested that when I spoke today I should be very certain to speak to Canadians who themselves are not affected by immigration. Let us say there are some who do not have relatives they want to assist to come to Canada as immigrants. They should bear in mind that there must be someone around to pay their old age pensions when they reach 65 years of age. If one looks at the demographic studies, it will not be people who are born to the people already here who will pay. If we are going to have the kind of base population that we need to validate the commitments we are making to senior citizens and others in our society, we need more people in this country. The Liberal Party has always stood for those principles.

I am very disappointed that the Government has taken a kind of lead from the tough times of the last few years and put on the clamps. Let the minister and her hench persons reconsider that policy.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister of Employment and Immigration): Mr. Speaker, I shall if I may reply on behalf of the Hon. Minister of Employment and Immigration (Miss Flora MacDonald) to the Hon. Member's question.

Contrary to what the Hon. Member was saying, I think the present levels of immigration announced by the Minister certainly do not reject the principle that immigrants when they arrive here in Canada are assets to our country and represent a vital stimulus for our economy. However, in his supplementary, my hon. friend urged us to be careful because we should also consider the repercussions immigration levels may have. Immigrants not only provide a considerable economic stimulus, but we will also have certain obligations to these people later on, and that is why we must be circumspect in this area.

According to the annual report on future immigration levels tabled last November 19, it is now expected that the number of immigrants admitted will range between 85,000 and 90,000. It also indicates that the Government intends to revert this fall to a planning cycle more in tune with the future, after full reconsideration of the immigration policy. As the Minister of Employment and Immigration (Miss MacDonald) assumed her new responsibilities only last September, she did not have enough time to make an in-depth study of future immigration levels, and that is why she announced the levels for 1985 only and decided to wait for the assessment of future cases.

Still, it has been decided that two initiatives might be taken immediately as evidence of support for immigration. First, government-sponsored immigrants will increase by 1,000 in 1985, which reverses the declining trend of the last four years. Then, a $500,000 or half-a-million increase in funding for the immigrant settling and development program to $3.6 million, to reflect the increased needs of immigrants, especially those who have been living in Canada for more than three years. Even though the trend to lower immigration levels over these last three years could not be immediately reversed, it has been indicated that there would be increases next year in both areas.

For a large part, reactions to the report mistakenly concerned the current level considered as an indication of the Government's attitude towards immigration. Clearly, the Government cannot be judged on the basis of that report. The report that must be tabled under the existing statute sets a provisional position by announcing a one-year level, in order to allow for a significant review of the future levels and policies which will have an impact on the number of immigrants that can be admitted into Canada.

The levels announced in the recently tabled report are not pre-established maximums. Rather, they are estimates of the number of immigrants that will be admittable under current policies. For more immigrants to be admitted, not only must artificially high projections be submitted, as has been done over the past few years, but also policies must be significantly changed. Policy changes having—

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member, but his time has expired. The Hon. Member for York West.

• (1810)

[*English*]

VISIBLE MINORITIES—INTERNMENT OF JAPANESE CANADIANS DURING WORLD WAR II. (B) DISCUSSIONS WITH JAPANESE CANADIAN COMMUNITY

Mr. Sergio Marchi (York West): Mr. Speaker, during the debate on this adjournment motion I would like to focus some attention on two questions I asked during Question Period on November 23. I appreciate that the Minister of State for Multiculturalism (Mr. Murta) has taken the time to come here this evening.

As I mentioned earlier in the debate today, I was somewhat worried about the priority the Minister had given to the whole question of multiculturalism. I said in my earlier remarks that the Throne Speech in terms of multiculturalism was quite bankrupt. I feel strongly about that.

During the campaign of several months ago our various ethnocultural communities were promised a multicultural expressway to equal opportunity and greater facilitation in this whole process called Canada. Within that multicultural sphere I would like to concentrate this evening on those questions I asked concerning the Japanese-Canadian situation.

My questions were two-pronged. The first relates to the whole matter of an apology. The second is the issue of compensation. The Government has made this a priority. We were told during the campaign, and certainly following the campaign, that priority was to be given to the matter of apologizing to the Japanese Canadian community for the policy undertaken by our government during the Second World War.

I have doubts about that priority because three months have passed and we have not had any form of announcement in this House on when an apology will be forthcoming. Our Leader said quite articulately in his opening comments in this House that we favoured and all-party resolution that would apologize for those things that occurred during the Second World War. There is no question that a resolution of this kind would move through the House very rapidly. Why has it not come? Why is it being held up? Has the mechanism been swallowed up with time and consultation?

The second question about compensation is also worrisome. In my discussions with the Japanese Canadian community, the process is as equally important as the substance. Japanese Canadians would like some input into the whole process of determining what kind of compensation is appropriate. They would like a committee to look at the alternatives. They were promised by the current Minister and the Prime Minister (Mr. Mulroney) that a committee would look into the various features the compensation would take, to whom, and when.

On several occasions during Question Period I put questions to the Minister, but was unable to determine when this apology would be tabled in the House. Why has a committee not been formed? What kind of a committee was the Minister thinking about when he was out on the hustings and said that "We are committed to a committee"? What kind of membership will it have? Will there be members of the Japanese Canadian community on this committee? Will there be Parliamentarians from the three Parties on this committee? Will the committee travel across the country to touch base with the various elements?

This is not just a Japanese Canadian matter. The Minister knows full well there are various ethnocultural communities also supporting a resolution to this Japanese Canadian situation. The resolution of this issue is fundamental to their communities; their communities also in a small way have suffered similar experiences.

I mentioned that Japanese Canadians value the process as much as the substance. I have been quite worried about some of the discussions which have taken place. I have received reports that a chair of Japanese studies was being considered by the Minister as compensation. I asked the Minister about it in the House. He denied that it was a consideration. Only a few days later in an article in *The Toronto Sun* he was quoted as saying that that was being considered. My purpose is not to criticize or to make any value judgment on a chair of Japanese studies.

● (1815)

Another project came to my attention involving a several million dollar educational institute. I am not questioning whether that is right or wrong, appropriate or inappropriate. My concern is that those considerations are being percolated through the Department in isolation of Japanese Canadians, in isolation of this Parliament and in isolation of Canadians from coast to coast.

Also my concern is about the process. The Japanese Canadian community is very concerned that it be included in the process. To date I think it fair to say that Japanese Canadians have been somewhat frustrated about the process. They yearn for an announcement from the Minister or from the Government which would in fact keep the commitment they were given during the election.

I notice that I have 60 seconds or less to summarize this matter. I see that the Minister of State for Multiculturalism is present in the House. When can we expect an apology in terms of time frame? I am not playing politics because it is a sensitive issue, but after three months someone has to pick up the pieces and begin to work with them. When will an apology be forthcoming? Will a committee to study compensation be organized or established? My concern is that Japanese Canadians are being excluded from a process which largely deals with their community.

Hon. Jack Murta (Minister of State (Multiculturalism)): Mr. Speaker, I always listen to the Hon. Member for York West (Mr. Marchi) as he is knowledgeable in the area of multiculturalism. He comes from a very important part of the country which is immersed in multiculturalism; of course the City of Toronto.

The Hon. Member made two or three accusations which I will deal with before dealing with the Japanese Canadian issue. He indicated that we were bankrupt of ideas because nothing had really happened over the last three months. I am sure he knows that that is not the case.

My Department, my staff and myself have been moving in a number of areas. We are looking at a federal-provincial conference, of which the Hon. Member undoubtedly is aware. It will be the first one held in the area of multiculturalism. We have been dealing with racism through consultation with the chiefs of police in the country. We are looking at strengthening the appointment process which was sadly lacking after the last government was in power. We are moving to strengthen the

Department in some very significant ways. We are broadening the base of multiculturalism in terms of the areas we want to address and in terms of mainstreaming multiculturalism.

Of course we are addressing the Japanese Canadian issue, the whole question of compensation and apology. The basic reason the apology has not been forthcoming to this point in time is that there has been a lot of consultation. I have met with Japanese Canadians in Vancouver, Winnipeg and Toronto. We have discussed the matter at length. I am not exactly satisfied about the direction in which we should go, and certainly I will be looking for further consultation in the future. There is no question that there will be an acknowledgement in terms of what happened to that important community. Of course the Government will act. The question of compensation is important. It is being discussed at the present time. As I have previously said in the House, the Hon. Member will be one of the first persons to know our progress in this process. He may know before it is public. In fact, I hope he will know because I intend to talk with him and take him into my confidence on this matter.

• (1820)

AIRPORTS—AUTOMOBILE RENTAL CONCESSIONS

Mr. Simon de Jong (Regina East): Mr. Speaker, the question I wish to raise today concerns the rules and regulations of the Department of Transport which are destroying the second largest car rental company in Canada, Holiday Rent-A-Car. This company is fighting for its very survival because government regulations are preventing Holiday franchise holders from bidding for space at some of Canada's larger airports. This comes from a Government supposedly dedicated to fair and open competition and deregulation.

In a nutshell, this is the situation. Many Holiday franchise holders are being prevented from bidding for airport counter space on December 7 because previous Holiday franchise holders are in arrears to the Department. The Government regulations that make present Holiday franchise holders responsible for past debts is unfair. Certainly this principle does not exist in normal business practice or law. Let me give an example.

If I had a Kentucky Fried Chicken franchise and went into bankruptcy, owing money to the bank and property taxes, under this present Government regulation no one would be allowed to open a Kentucky Fried Chicken outlet until my debts were paid.

That is an unheard of business or legal principle. However, this is what is occurring at Canadian airports. The Minister must realize that this is unfair. In fact, when he was in opposition, he asked the former Minister of Transport to change the regulations.

In his reply to my question in the House, the Minister was incorrect when he stated "The Holiday Rent-A-Car organization is in considerable arrears". Holiday Rent-A-Car does not owe the Government—individual past franchise holders do. These are the people with whom the Government had a contract.

It is ludicrous that the Minister expects Holiday franchise holders in Vancouver, for example, to pay past arrears for people who now own the Budget franchise. The person who now owns the Budget franchise was the previous Holiday franchise holder in Vancouver. Under government regulations, the present franchise holder is expected to pay off those debts. That is ludicrous. I repeat, it is a principle that you do not find in normal business practice.

We are not asking the Government to write off these debts, but to collect them from the people that owe them. We are asking the Minister to stop holding the Holiday organization responsible and penalizing them to the point that they will go into bankruptcy. We plead with the Government to postpone the December 7 deadline and to refer this matter to a subcommittee of the Transport committee.

This is a complex issue. The best forum to deal with this is a subcommittee of the Transport committee which could call witnesses and hear testimony. A group of Members of Parliament from all sides of the House, hearing the evidence and considering the situation as it exists, will render a fair recommendation to the Minister and to this House. I therefore urge the Minister and the Government to consider these suggestions and proposals.

Mr. J. M. Forrestall (Parliamentary Secretary to Minister of Transport): Mr. Speaker, I wish to make the following observations to my friend, the Hon. Member for Regina East (Mr. de Jong). Over the past two years, the Department of Transport has undertaken an extensive review of the 1979 airport vehicle rental concession policy to ensure its equitability and the provision of an open and competitive access to the airport market.

The policy, in particular the arrears provision, was seen by some to be too restrictive. This provision prevented any person or corporation in arrears to the Crown, or any person or corporation using the trade name or style of a company in arrears to the Crown from being awarded a vehicle rental contract at any Transport Canada airport until full payment of all arrears is received. The provision was established because of significant difficulties that arose as a result of the 1976 tender calls where some limited companies overbid and walked away from their airport debts.

• (1825)

In the 1979 tender call, the Department provided historical sales data that ensured prospective concessionaires would be aware of the dimensions of the market so that they could govern their bids accordingly. The Department, through these provisions, thus effectively served notice that it, like any other business, could not permit companies which were unable to pay their arrears to bid. Indeed, for Transport Canada not to insist on payment of rentals is unfair to competitive car rental companies and, in fact, I suppose, does a disservice to Canadian taxpayers.

In order to provide Holiday and other companies in financial difficulties with some measure of relief, the policy was amended in October 1984, such that the prohibition against companies and trade names in arrears was applied on a site specific basis only. That is, a company in arrears at a particular airport may bid at that airport if all arrears are paid. In order to further facilitate entry into the airport market, the present Minister of Transport (Mr. Mazankowski) further agreed that such rental arrears could be paid over the five-year term of the next contract.

The Minister of Transport tried on several occasions to reach a negotiated settlement with Holiday Rent-a-Car. These efforts have not been successful thus far. Nevertheless, individual Holiday operators not in arrears are most welcome to tender for new contracts at Transport Canada airports.

[*Translation*]

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

At 6.26 the House adjourned.

HOUSE OF COMMONS

Tuesday, December 4, 1984

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

SALTFISH ACT

MEASURE TO AMEND

Hon. John A. Fraser (Minister of Fisheries and Oceans) moved that Bill C-6, an Act to amend the Saltfish Act, be read the second time and referred to the Standing Committee on Fisheries and Forestry.

He said: Mr. Speaker, I have the pleasure to introduce Bill C-6 for second reading. It is legislation to amend Subsection 17(2) of the Saltfish Act to increase the permitted borrowing limit of the Canadian Saltfish Corporation to $50 million from the present ceiling of $30 million.

This is part of the backlog of legislation left over from the previous session. I am seeking the co-operation of Hon. Members to give speedy passage to this item of legislation. Its implementation is of considerable importance to the effective operation of the Canadian Saltfish Corporation and the large number of fishermen and saltfish processors in Atlantic Canada who depend upon the Corporation to market their catch.

Let me briefly outline the situation which has led to the introduction of this amendment to the Saltfish Act. The Canadian Saltfish Corporation, as I am sure many Hon. Members are aware, is a Crown agency which was established in 1970 with the primary aim of improving returns to fishermen. It was set up to bring about a change in the inefficient and haphazard marketing situation for saltfish which existed previously. The record shows that it has done a commendable job in this regard.

Under the Act the Corporation has a monopoly of the interprovincial and export trade in cured codfish—that is to say, salt bulk and dried codfish—produced in the Province of Newfoundland and Labrador and on the lower north shore of the Province of Quebec. Under matching provincial legislation, the Corporation has exclusive purchase rights to cured codfish and to codfish for curing within the mandated region. The Corporation is required to buy all cured fish of an acceptable quality which is offered for sale within its area of jurisdiction.

When the Saltfish Act came into effect 14 years ago, the Corporation's borrowing limit was set at $10 million, which was deemed adequate at the time. This limit was increased to $15 million in 1976 and to $30 million in 1980.

Due to the soft market conditions currently prevailing in the frozen groundfish industry, an increase in salt bulk and saltfish production is expected in the coming year. Because of this, and due to a number of other factors outside the Corporation's control, such as inflationary cost increases combined with severe devaluations of currency in importing countries, the Corporation anticipates that its peak borrowing in 1985-86 will be in the neighbourhood of $37 million. By the year 1988 it is predicted that this borrowing requirement will rise to $48 million.

I cannot emphasize too strongly that the sum of money established under the Act as the borrowing ceiling represents the absolute level of funds available to the Corporation as working capital in any one year. The Corporation cannot obtain additional credit outside this limit.

In summary, it is very clear that for the Corporation to operate effectively its borrowing limit must be increased from the current $30 million level. If this does not happen, the Corporation is likely to find itself in the impossible position of being obliged under its mandate to buy all the fish offered to it, at the same time having insufficient credit reserves to be able to pay the fishermen or processors. Of course, this is the same state of affairs confronting the Freshwater Fish Marketing Corporation which is also seeking to raise its borrowing limit under separate legislation.

As far as the Saltfish Corporation is concerned, this dilemma can be overcome by passage of the legislation before the House today. I trust Hon. Members will see their way clear to take that action with the minimum of delay.

• (1110)

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I will try to be very brief with respect to this Bill. The Minister omitted to say that the major problem with the Canadian Saltfish Corporation today is markets. The problem is further complicated by currencies, the value of those currencies and whether they can get their money within six months or a year if they sell to certain countries.

There used to be a problem of grades of fish. That problem has been partially overcome. We now have in Canada some of the best grades of saltfish in the world. It is unfortunate that the Canadian Saltfish Corporation cannot in certain cases reward those areas of Atlantic Canada, specifically Newfoundland, which produce grade A top quality fish.

Under the Liberal administration a couple of years ago, the Government of Canada encouraged a system of quality control

whereby fish were brought in to the wharfhead and iced. When taken out of the water, they were immediately bobtailed or bled, as we call it, then iced and graded on the wharf. For the first time we had what we, the industry and others, call a grade A product.

Unfortunately, when that grade A product was brought in, it did not fetch a higher price than the grade B product. Various excuses were made at the time for these discrepancies, mainly that there had to be a certain quantity of grade A fish available in order that a higher price would be paid. Without that quantity, you could not get into the grade A market in Brazil, for example. In a certain part of Brazil you can sell a high-priced quality product and in another part of that country you can sell the medium grade product.

The Government had to develop a system of subsidies. I know that is a bad word with the present Government, but a system of subsidies was developed for a grade A product. The major buyers were given the money to pay the difference to the fishermen who brought in the grade A product. I cannot see in the policies of this Government whether that system of encouraging quality fish in the market-place is being continued.

The Canadian Saltfish Corporation buys mostly in Newfoundland because it is mainly a Newfoundland-based product that we are talking about. There is some product along the coast of Quebec, but it is mainly a Newfoundland product. This year, the fishery in those areas was very poor. I would think that with all of the problems in the fresh fish industry and with all of the major plants in Atlantic Canada encountering closures due to strikes and to their financial situations, we would see an automatic increase in the amount of saltfish that is handled by the Canadian Saltfish Corporation.

• (1115)

Three and four years ago there was a crisis in the fresh fish industry. That is the industry which deals with fish that is normally frozen into cod blocks in Newfoundland, unfortunately to be sent to Massachusetts or somewhere else in the United States to be made into a finished product. At that time when the plants were unable to buy the fish, the fishermen normally salted the fish and sold it to the Canadian Saltfish Corporation. The Canadian Saltfish Corporation, the Corporation we are dealing with today, must by law buy every bit of saltfish that is offered to it. Three and four years ago the amount of fish that was sold to the Canadian Saltfish Corporation rose because there were problems in the fresh fish industry.

The fishery was very bad this year. There were problems with the fresh fish industry in Atlantic Canada. There were a certain number of fishermen who salted their fish and sold it to the Canadian Salfish Corporation through a licensed buyer. However, the amount of fish that was sold to the Canadian Saltfish Corporation was substantially less this year than it was in previous years. That was probably a godsend to the Canadian Saltfish Corporation because, according to my understanding of the situation, it had large inventories.

I estimate that the amount of fish sold to the Canadian Saltfish Corporation must have decreased by about 20 per cent. I imagine the Corporation would tell the Minister that the amount of fish that was sold to it had decreased by about 10 per cent or 15 per cent but I would say it was about 20 per cent. This highlights a very serious problem in the inshore fishery, specifically in the areas where there are fishermen who sell to the Canadian Saltfish Corporation. This problem is very, very serious and is of a magnitude that has never been seen before in this country. The fish were not there. They were simply not in the ocean in the latter part of this past summer.

The Minister of Fisheries and Oceans (Mr. Fraser), in bringing forward this Bill, should keep in mind that because there were these problems in the inshore fishery in eastern Canada and because no action was taken by the Government to assist these fishermen, there are a couple of Cabinet Ministers in the present Government who are in serious trouble with the inshore fishery. They are in very, very serious trouble with the fishermen who sell to the Canadian Saltfish Corporation.

I recall that it was this Minister of Fisheries and Oceans who, together with the fishermen's union of Newfoundland, sent to the Minister of Employment and Immigration (Miss MacDonald) a list identifying some 1,600 fishermen who simply did not have enough stamps to collect unemployment insurance this winter. The Minister of Fisheries and Oceans identified some 200 such fishermen in the northern area, about 400 in the northeast area and about 1,000 in the extreme lower east coast of Newfoundland.

I do not know what happened to the Minister's recommendation to the Minister of Employment and Immigration. I imagine that the people who work in the Department of Employment and Immigration must have gotten their hands on it and said: "We will hold off a bit now until the fishery season is over". That was in November. They will hold off until the fishery is over. The Minister of Employment and Immigration said that there would be no special program to assist the fishermen who sell to the Canadian Saltfish Corporation. The 400 fishermen that the Minister of Fisheries and Oceans identified, who were in financial trouble a month ago, were from Fogo Island. Fogo Island is solely the Canadian Saltfish Corporation indirectly selling through the buyer of the Fogo Island Co-op.

• (1120)

The fishermen were in serious trouble, worse than ever before in their history. Last year it was bad. The federal Government last year—the Government that was accused of throwing money at problems—had a special program for fishermen. The Parliamentary Secretary to the Minister of Employment and Immigration (Mr. Hudon) recently stood in the House to read a statement from the Department which denied that such a program existed. It is frustrating for me, as a representative of the fishermen, as well as for other members on the government side who represent fishermen, to have this confusion.

The Minister of Fisheries and Oceans knows that there was a special program whereby fishermen's groups, associations or co-operatives, such as the case of the Canadian Saltfish Corporation, received an amount of money from the Department of Employment. That amount was exactly equal to the amount of money required to put fishermen to work fixing wharves, stages and haul-outs. The work would give the fishermen the required number of weeks to enable them to receive unemployment insurance. Why? Because it was not simply a subsidy. It was required to keep these people in the fishery. If that is not done this year—and it should have been done a month ago—we will see a decrease in the number of people fishing indirectly for the Canadian Saltfish Corporation.

We cannot have respectable people, full-time fishermen, going on welfare. They are much too proud for that. Therefore, they will get out of the fishery—as a lot of them have this year—and look for jobs in Toronto or Fort McMurray where they have relatives. Of course, they will not receive money from the mobility program of the Department of Employment and Immigration because that program has been substantially cut back. The restrictions of that program mean that the fishermen will not receive the money which would enable them to travel to another area to get a job.

The fishermen were laid off as they obtained the required number of stamps to qualify for unemployment insurance in order to get them over the serious problem they faced last year. If a fisherman had six fishing stamps, he could match them up with four labour stamps; if he had seven fishing stamps, he could match them up with three labour stamps. But if the fisherman only had five fishing stamps, the law stated that he must have had ten labour stamps in order to qualify for unemployment insurance. As the Minister of Fisheries understands, these fishermen had anywhere from nine stamps to seven stamps. It required one or two weeks' work to get those stamps. Under the previous government, as the fishermen worked that one or two weeks, they were laid off, collected unemployment insurance during the winter, and then went fishing again in the spring.

Now there is no program. Somehow, through the jigs and the reels and through misinformation, the Minister of Employment and Immigration stood in the House and told Members—representing the areas that the Minister of Fisheries identified to the Department of Employment—that the Government would put them to work on Canada Works grants. Everyone knows that a fellow cannot be laid off after a week if he is hired under a Canada Works grant. He cannot be laid off after two, three or four weeks. It is not allowed under the Canada Works Program. What are they doing? Even if some of those fishermen were employed under Canada Works, they would have to work right through the winter and probably next summer, taking a job away from someone in the community who really needs it.

• (1125)

There are several problems, Mr. Speaker. If a Canada Works Program was begun it would mean that if a man had worked one week in the previous eight weeks, he would not be allowed to go to work. There are various problems associated with the announcement of the Minister of Employment and Immigration, who made an unforgiveable error by saying she will top everyone up to $3 million knowing full well that the districts affected are already up to $3 million under the the Canada Works Program. The Minister of Employment and Immigration is in very serious trouble with the fishermen who are covered under Bill C-6, an Act to amend the Saltfish Act. To lose these fishermen, Mr. Speaker, would be a tragedy for the Canadian Saltfish Corporation.

In examining their problem one can see that 99 per cent of these fishermen are poor people who sell their catch to the Canadian Saltfish Corporation. There is a program under the Department of Employment and Immigration but one cannot go to work under that program unless he is drawing unemployment insurance. Provincial governments have community development programs administered through the Department of Welfare, but one cannot go to work under those programs unless one is drawing welfare.

In the latter part of this summer the fishermen covered by the Canadian Saltfish Corporation, as a result of the cuts that were made, found themselves in the position that their boats had to be tied up and they could not fish. They had no money coming in and there was no special program in place to help them. Then, Mr. Speaker, we saw the discrimination practised against the fishermen which is inherent in our system in eastern Canada. These fishermen had no money to spend but when school opened their children's school books still had to be purchased. These fishermen went down to the welfare office and asked for welfare but they were denied for a variety of reasons. In some cases they were denied welfare because they were self-employed and in other cases they were denied because of a stupid 90-day rule under which provincial welfare departments operate. Under this regulation, if a fisherman had a good lobster season or a good groundfish season—and you can make quite a bit of money in a week with groundfish—he could not draw welfare for the next 90 days according to provincial regulations. So the trick used by a lot of these 1600 fishermen was to try to get on welfare in order to get their children's school books paid for.

I recall a phone call I had from a fisherman who sells his catch to the Canadian Saltfish Corporation. He is a gentleman about 55 years of age and he has three children in high school; one in grade 12 and two in grade 11. He asked me if the federal Government was going to come up with a special program and I told him to hoped so but I could not be certain. We have a change of Government now and this Government does not believe in throwing money at problems. This is a Government which does not believe in just maintaining a system because it is there. He told me he had a problem. He said that he had $70 on an upper shelf of a cupboard. That $70 was to buy food for the family during hard times. He has three children in high school and he cannot afford to buy their school books, which cost about $100 per student. He asked me: "What am I going to do? Welfare will not look at me because

of the 90-day rule and I am a self-employed man". What he had to do was give the $70 to the three children and tell them to buy whatever they could between them and he would have to borrow flour from next door to help them over this crunch.

• (1130)

For the areas covered by this poor inshore fishery, Mr. Speaker, on the northeast coast of Newfoundland and Labrador, that is how bad things were this summer. If you went into a community like Tilting you would have seen all the boats hauled up three-quarters of the way through the so-called fishing season. But this Government will not do what the previous Liberal government did. It will not assist those people although the Minister of Fisheries and Oceans sent a list of the fishermen to the Minister of Employment and Immigration and she verified in this House that that was done. So did the union. Then we see a provincial system which discriminates against these poor people. Is there any wonder that we have lost fishermen? They are not going to go back to the boats any more this year, those very inshore fishermen who keep the Canadian Saltfish Corporation alive.

I would say, Mr. Speaker, a few Cabinet Ministers are in trouble with these inshore fishermen. The Minister of Fisheries and Oceans is one, together with the Minister of Employment and Immigration, the Minister of National Revenue (Mr. Beatty) and the Minister of the Environment (Mrs. Blais-Grenier). That particular Minister is in trouble because these very inshore fishermen who sell to the Canadian Saltfish Corporation did not like it one little bit when she, in response to a letter to the Prime Minister (Mr. Mulroney) from *Greenpeace*, sent a letter to a Canadian delegation somewhere in Europe and told them not to object to *Greenpeace* being recognized by this international union of environmentalists. She can stand up and say: "We did not want to object. Is it not right that they become a member of this organization?" However, Mr. Speaker, by this very act she is supporting that organization.

I said at the beginning that I would not be very long, but I wanted to bring to the attention of the House a serious problem that the Minister of Fisheries and Oceans is going to have with the buyers for the Canadian Saltfish Corporation. The problem concerns the interpretation of rules and regulations by government departments. I have here a letter from Employment and Immigration Canada to a fisherman which says:

—this is to verify that the amount of salted ground fish, wet salted (salt bulk) is 600 cwt (600 lbs.) for an insured week. This is calculated at the end of the fishing season and for each 600 lbs., you would be entitled to one fishing insured week.

That is what the regulation says. The calculation is not on the value of the fish you sell, it is on the weight. Six hundred pounds entitles you to one fishing insured week. That is how salted fish is distinguished from fresh fish or other products controlled by the Unemployment Insurance Act and the Department of National Revenue in the determination of a question, as they put it. The fisherman brings this letter to the buyer and tells him he is supposed to be calculating the benefits in this way. The buyer turns around and writes two letters, one to Employment and Immigration Canada to verify this, and another to the Department of National Revenue because that department determines who qualifies and who does not under the Unemployment Insurance Act.

In the letter that the buyer sent to the Department of National Revenue, he says that the fisherman said:

—we should take his total number of pounds of fish shipped and divide by 600 pounds to arrive at the number of insured weeks. However, this is not the way that we do the calculation.

If that is not the way they do the calculation, then they are in very serious trouble with the Department of National Revenue and the Department of Employment and Immigration. He continues:

We have been calculating the number of insured weeks in the week that the shipment was made.

Please inform me if the above calculation is correct. If it is not correct, I would like to have some clarification on the matter.

Now, Mr. Speaker, the chief of source deduction of the Department of National Revenue is a man who knows. He has never made a mistake that I can recall. Never. He writes to the buyer:

—this will confirm that your method of computing the insurable earnings and weeks from the sale of a cured catch is indeed correct.

The information provided by Canada Employment and Immigration Commission . . . will be discussed at a meeting of the Commission and this Department with a view to ensuring the proper information emanating from both offices is factual.

As far as I can see, the Commission was correct in its interpretation. The Department of National Revenue was correct in its interpretation. Then we turn to the Deputy Attorney General of Canada and let us see what he thinks. Here is a buyer who averaged out the entire earnings for the total period covered by the fresh and cured catch deliveries instead of calculating the earnings separately and for the week in which they were caught. There have been countless cases like this, Mr. Speaker, in which a fisherman seeks an opinion from the Commission, the Department of National Revenue and then perhaps a judge, and all three are at variance. But the bottom line is that if that fisherman or buyer takes it to the final court, the Federal Tax Court of Canada—regardless of what the Departments involved have said—whatever that court says, that is it. If someone in the Commission made a mistake, it is the fisherman who suffers, not the buyer. It is not the Commission, not the Department of National Revenue, but the fisherman involved.

• (1140)

I wanted to bring that to the attention of the Minister as an illustration of the confusion around the sale of saltfish in the country and of a grave injustice that has been dealt to a poor fishermen who does not know any different and sells his fish to a buyer in good faith. If the buyer, the Unemployment Insurance Commission or the Department of National Revenue has made an error in determining the question, it is the fisherman who then faces having to pay back to the Government thousands and thousands of dollars.

At this very moment in the area covered by the Saltfish Corporation, there are 106 cases of fishermen who have been told they must pay back to the Government of Canada thousands of dollars. This happened at a time when the fishery was bad and the Government of Canada said it was not going to give them enough stamps for unemployment insurance. At that time 106 fishermen left and in 1985 they will have to face the courts. The cases will be brought pursuant to the Unemployment Insurance Act, 1971, the appellant versus the Minister of National Revenue, respondent. It will be a case of the Minister of National Revenue versus the 106 fishermen who sell to the Canadian Saltfish Corporation.

I wanted to bring that to the attention of the House for a particular reason. It is fine to look back and say that the Department has made a mistake. It is in black and white, but in a court of law it does not matter who made the mistake. No one is reprimanded in the Department of National Revenue or the Unemployment Insurance Commission. It is the fishermen who must pay on the bottom line. The buyer was misled in written statements from government departments. Therefore, in 1985 it will be the Minister of National Revenue versus each one of these fishermen before the Federal Tax Court of Canada.

I brought that up because under the Act the Minister of Employment and Immigration has the power and authority in cases of hardship, when it is determined that a person must pay back money, to forgive that money owed to the Crown. That is why I am bringing this up today. I am asking the Minister of Fisheries and Oceans to make representation to the Minister of Employment and Immigration to forgive the amounts owed to the Crown. Another way to short-circuit it would be if the Minister of National Revenue would say that they are not going to proceed with these cases. I do not know what reason he could use. I suppose he could say that there was written contradictory evidence from government departments. If that were done, I suppose it would be creating a precedent which would be very difficult to change in future cases.

Certainly, Mr. Speaker, something must be done. Any fair-minded person must realize that something must be done for these fishermen who sell to the Canadian Saltfish Corporation. Who would deny that? One would have to be crazy not to realize that something must be done for the fishermen. It is unfortunate that the Minister of Employment and Immigration could not have set up a special program to give these fishermen their unemployment insurance stamps. He could have put them to work for $200 a week so they could draw 60 per cent of their income in unemployment insurance. Is that too much to ask for a primary producer in the country? Unfortunately, Mr. Speaker, that is not the way it worked out.

I have gone on longer than I should have, Mr. Speaker. I mentioned that the Minister of Fisheries and Oceans, who was in trouble, is not in as much trouble as the other Ministers are. I would like to congratulate the Minister of Fisheries and Oceans for sending that list to the Minister of Employment and Immigration to verify the 1,600 people who needed their unemployment insurance. I also want to chastize the Minister of Fisheries and Oceans, in the areas covered by the Canadian Saltfish Corporation Act, for agreeing to policies handed down from on high and for agreeing with the group of people in the back room who decided to do this, that, and the other thing without consulting him. He will stand up in the House and say he was consulted, but I do not believe he was consulted when they decided to charge fishermen for the charts. I think he had to do what he was told with the substantial cuts in his Department. I know the philosophy behind that.

There was a statement issued in the PC Handbook called "Pocket Politics". I wish there were a hole in whatever pocket it went into. It is absolute garbage as it relates to the Department of Fisheries and Oceans. In Newfoundland we would call them all cracked. It is insane, Mr. Speaker. It says in "Pocket Politics" that:

> The current budget for the department is almost $700 million per year, almost 20 times what it was in 1968.
>
> Under Liberal management, Canada's fisheries have become virtually uneconomic, and have taken on the characteristics of a social welfare system, especially in Atlantic Canada.
>
> Fisheries policy has been designed to make the industry dependent upon Liberal goodwill, patronage and government handouts.

An example given is Crown corporations that rigidly monopolize vital sectors of the market. The Minister is now bringing in a Bill to extend the borrowing authority of this Crown corporation. It continues:

> Subsidies expand the industry with no thought to the limits of biological resources. Over-expansion on the Atlantic coast has bankrupted the processing industry and forced a massive federal bail-out that does not solve the real problem.

The Premier of Newfoundland called that massive bail-out the best thing that happened since confederation. Who creates over-expansion in the Atlantic fisheries, Mr. Speaker? They did not say that in "Pocket Politics". Those licences are issued by provincial governments and have nothing to do with the federal Government.

Reading this is almost like reading a communist manifesto. It says:

> The current budget for the department is almost $700 million per year, almost 20 times what it was in 1968.

So what, Mr. Speaker? It should be 40 times what it was. The policy emanated from cuts in the Department.

I know my time is running out, Mr. Speaker. Have I used up my 20 minutes? I have two minutes left in 40 minutes? I have gone on a little too long.

The Minister of Fisheries and Oceans is going to cancel the fishing vessels insurance scheme. In the one minute I have remaining I would like to appeal to the Minister not to cancel the program. If it is cancelled there will not only be fellows who will owe thousands and thousands of dollars to the Department of National Revenue, but they will also have their boats repossessed because, under provincial law, they must have insurance for provincial loans to remain in force. You must have your own insurance before you can get a loan from a provincial loan authority. You cannot just cancel something

and leave a little fellow with a 19-foot boat trying to make a living on the great northern peninsula unable to get insurance through a normal insurance company.

• (1150)

I see the Minister nodding his head. He is perhaps going to be dealing with this, and I know he is going to try to overcome what the Minister of Finance (Mr. Wilson) laid down as being the law of this country. It is wrong for a small group of people from on high to cast down his policies without consulting the very people they should be consulting in this country.

Mr. Deputy Speaker: The Hon. Member for Vancouver-Kingsway (Mr. Waddell).

Mr. Fraser: Mr. Speaker, I have a question for the Hon. Member.

Mr. Deputy Speaker: There are no questions for the first three speeches. However, if we have unanimous consent, the Hon. Minister may ask.

Is there unanimous consent?

Some Hon. Members: Agreed.

Mr. Waddell: No.

Mr. Deputy Speaker: The Hon. Member for Vancouver-Kingsway (Mr. Waddell).

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I listened with a great deal of interest to the remarks made by the Hon. Member for Gander-Twillingate (Mr. Baker). I thought for a moment he was going to ask for unanimous consent to go on for another 40 minutes. We certainly would have enjoyed listening to him for another 40 minutes.

He used a phrase I have never heard and I thank him for teaching it to me. I imagine it must be an East Coast phrase because we do not have it on the West Coast. He referred to the jigs and reels, and somehow through the jigs and reels in a debate on the Saltfish Corporation he managed to speak about *Greenpeace*, welfare, unemployment insurance, taxation, the communist manifesto and finally insurance. I congratulate him for doing a good job on behalf of his constituents in getting through the jibs and the reels into the things that concern his constituents. I gather he has very many poor people in his riding, particularly the inshore fishermen on the north coast of Newfoundland, and I learned something from his speech.

I have noticed that Mr. Richard Cashin and the officers and members of the Newfoundland Fishermen, Food and Allied Workers Union have also been speaking out and working hard on behalf of those people. They are quite disadvantaged compared to we rich city dwellers in other parts of Canada. The Hon. Member talked about the syndrome of going down the road, this time fishermen from Newfoundland, to Toronto, to Fort McMurray and to other places in Canada. I am sorry that sort of thing happens in this country. I wish it did not. I am sure the Hon. Member and the Minister would agree that we should be putting together a fisheries policy to help those people stay and thrive.

I have just returned from Europe. I spent some time talking with people in the European Economic Community, particularly the Danes and to a lesser extent the Greeks, about the fishing industry. When I see what the Danes have done, especially with their industry and how they have concentrated on quality, we have something to learn. The Hon. Member mentioned in his speech how important quality is, how important the product is and how important it is to sell in foreign markets. We have a lot to learn from them, and I hope we can.

On behalf of my Party, I have a few things I want to say about this Bill. The Bill seeks to amend the Saltfish Act in order to increase the Canadian Saltfish Corporation's borrowing power from $30 million to $50 million. The last time an increase in its borrowing authority was authorized was in 1980, as we heard from the Minister, when it went up from $15 million to $30 million. This is a simple amendment seeking to put the borrowing authority up to $50 million.

I want to say something about the background of the Corporation as I understand it. The Corporation was established in 1970 by the then Minister of Fisheries, Mr. Jack Davis, a fellow British Columbian. This Corporation has the exclusive right to market saltfish produced in Newfoundland, Labrador and the lower north shore of Quebec. It is a non-profit Corporation which was established for the purpose of improving the earnings of the primary producers of cured saltfish. What is important to note here, Mr. Speaker, and it is important for Conservative Members in the House to follow this, is that before the establishment of this Corporation the saltfish industry was in a shambles, in much the same way as the freshwater fish industry was in the West before the establishment of the Freshwater Fish Marketing Corporation in the Prairies. In other words, the private sector—the market here—was unable to operate effectively and efficiently in the fishing industry and so the Government set up this non-profit corporation. We seem to be going in reverse these days and I will come to that in a minute. The market was not working for the fishermen so the Government stepped in and set up this non-profit Corporation.

The Minister of Fisheries and Oceans (Mr. Fraser) said in his speech, to quote what he said a few minutes ago: "The record shows it; the Corporation has done a commendable job". I hope the Minister and the Government generally will not take corporations like Petro-Canada and other government corporations that have done a commendable job, to put it mildly, and out of pure ideology get rid of them. This is an example.

The Saltfish Corporation has been very successful. It has turned a profit every year since its creation, with the one exception of 1983-84. The annual report for this year, as far as I know, has yet to be published and the loss for the year 1983-84 is not yet known.

It should be noted that since this is a non-profit Corporation, any surpluses made by the Corporation are rebated to the fishermen as annual dividends. In 1983-84 the Saltfish Corpo-

ration was able to absorb its loss by depending on reserves it had built up for a rainy day. The Corporation has yet to cost the taxpayers a dime. It has been self-sufficient. The only place it gets its money or working capital is from the Government, but so far it has not run at a loss.

The Corporation is small and efficient. It has 48 full and part-time employees. It packages, markets and in some cases processes saltfish, which mainly consists of codfish but also includes pickled herring and salted salmon. It buys fish from agents, who are private entrepreneurs, and then markets the fish. The primary consuming countries to which the Corporation exports saltfish are Portugal and Puerto Rico, the latter country being part of the United States.

Unfortunately, since 1980, the last time that the Corporation had its limit of borrowing capacity raised, the devaluation of the European currencies against our Canadian currency has had a serious impact on the export of saltfish. The Hon. Member for Gander-Twillingate mentioned this in his speech but he did not elaborate. Let me say something about it so that you understand it, Mr. Speaker. The Portuguese escudo is now worth one-third of what it was against the Canadian dollar in 1980. That is not bad for Canadian tourists—

Mr. Fraser: May I ask the Hon. Member a question, Mr. Speaker?

Mr. Deputy Speaker: No. The Hon. Member has the floor. The only way that could be done is with unanimous consent.

Mr. Waddell: Maybe the Minister will ask a question at the end of my remarks. Beware of Scotsmen asking questions, Mr. Speaker, as the English learned to their chagrin! The Minister and I have both been seen together in kilts, but I can tell you that I am the only one who has worn a kilt in the House of Commons. You can ask me that later.

Some Hon. Members: Oh, oh!

Mr. Waddell: Let me go back to the Portuguese escudo. The point is very important. The reason is that this currency has fallen in value *vis-à-vis* the Canadian dollar. Other European currencies have also fallen, such as the Italian lira and the Spanish peseta.

• (1200)

Mr. Fraser: Mr. Speaker, I rise on a point of order. Ordinarily I would not rise at this point, but in the interests of the democratic functions of the House I must ask the Hon. Member, who is well known to me and who wears the kilt, as I do, if he would consent to a question being asked.

Mr. Waddell: Certainly I would.

Mr. Fraser: Are you for the Bill or against it?

Mr. Deputy Speaker: Is there unanimous consent for the Minister to ask a question?

Some Hon. Members: Agreed.

Mr. Gauthier: No.

Mr. Deputy Speaker: There is not unanimous consent.

Mr. Waddell: The Minister wants to know whether I am for the Bill or against it. We are for the Bill, and I am explaining why.

Mr. Dick: We were having trouble.

Mr. Waddell: The Hon. Member should not have trouble. There is something to learn from the Bill. What I am pointing out is that this Corporation is a successful Government Corporation. It had to take over from the free market which was not working in this particular case. Sometimes it works, but in this particular case it did not. The Minister has acknowledged that. This is very important because some time down the line in this Parliament we will have some problems.

Mr. Dick: Then why are you smiling throughout your speech?

Mr. Waddell: I say to the Hon. Member who is asking that question that he should look at the Government's report entitled "A New Direction for Canada". The Minister of Finance (Mr. Wilson) indicated that it was "An Agenda for Economic Renewal". The Hon. Member should look at page 31 which indicates the failures of some commercial credit corporations in international marketing of products. One paragraph on that page reads:

> Other Crown corporations which have an export-facilitation role include the Canadian Dairy Commission, the Canadian Saltfish Corporation, and the Canadian Freshwater Fish Corporation.

Then on page 32 it speculates as follows:

> Is it clear that a need exists for other specialized services promoting the export of selected agricultural and fish products? Could this role be assumed by the private sector or by other established government programs?

I hope the Parliamentary Secretary will participate in this debate. I should like him to tell us whether the Government will privatize the Canadian Saltfish Corporation. If the Hon. Member does his homework and looks at this report, he will understand. Why is it mentioned in here beside the concept of the market not working and the idea of changing or getting rid of these corporations? This is why I mentioned it.

The reason I mentioned the Portuguese escudo was that I was trying to point out that one of the difficulties the Corporation had with marketing the product of fishermen from Newfoundland and the lower north shore of Quebec was that they have had to compete in a market where our currency has been over valued. The currencies of countries such as Norway and Iceland which compete with them have in fact been devalued. This makes the situation even worse.

I have been told—and I looked into it—that it is very difficult for us to cut costs here in Canada. The fishermen and processors of Newfoundland are making very little money. The average income from fishing activities in that area has been between $3,000 and $4,000 per year. A plant worker makes $7.38 per hour, tops. This is not full-time, year-round work.

The prices paid to fishermen and the wages of workers cannot go any lower. Fishermen will simply not fish at the lower price; it would not be worth their while. More fishermen will go to Toronto, Fort McMurray or wherever.

The Corporation is taking its first loss for 1983-84. This was not due to bad management of that Crown Corporation, because it is properly managed. It is due to the international economic market and its associated problems. There is plenty of fish. The problem is marketing it without taking a loss.

I have already referred to "A New Direction for Canada" and the agenda therein. I would point out that the former Tory Minister of Fisheries, the Hon. Member for St. John's East (Mr. McGrath), stated that he had a firm belief in the Corporation and was committed to it. I hope this Minister, through his Parliamentary Secretary when he speaks, will be committed to it as well.

In summation, the Government has our co-operation in passing this amendment. It is a small one. I have indicated the background facts as to why the amendment must be passed. I have tried to set out some of the problems of the Canadian Saltfish Corporation as I see them. We in the New Democratic Party consider this to be a very important issue and hope that the Bill is passed quickly.

Mr. Baker: Mr. Speaker, I rise on a point of order and to keep the record straight. It was just communicated to my office that the Minister of Employment and Immigration (Miss MacDonald), on the recommendation of the Minister of Fisheries and Oceans (Mr. Fraser), approved $6 million to take care of the problem to which the Minister of Fisheries and I referred this morning. I congratulate the Minister of Employment and the Minister of Fisheries for a job well done on that very serious problem.

Some Hon. Members: Hear, hear!

Mr. Morrissey Johnson (Bonavista-Trinity-Conception): Mr. Speaker, I suppose I should say that it is ironic that my colleagues from Newfoundland should steal the announcement I was about to make. I am sure he saw me go across the House and talk with the Minister of Fisheries and Oceans (Mr. Fraser) and suspected something was in the wind. Obviously he wanted to find out what it was. In any event, I congratulate him for making the announcement.

I fully support the amendment to Bill C-6 which is presently before the House. There are six major saltfish processing plants within any riding. I think it is safe to say that the largest percentage of saltfish processed in Newfoundland is done in my riding. I am quite familiar with the Canadian Saltfish Corporation. I could elaborate quite a bit on it. I want to say that it is well managed, as the Hon. Member for Vancouver-Kingsway (Mr. Waddell) stated. It is essential that it continue.

As has already been stated, since its inception the Saltfish Corporation has until this year operated without a deficit. I did not hear the Minister when he made his statement, but I hope he pointed out that the deficit would not be repaid from this extended borrowing. According to my information there are reserves in the Canadian Saltfish Corporation to take care of the deficit incurred this past year.

Not only does the Corporation play a vital role in ensuring that fishermen receive equality in prices paid for fish throughout Newfoundland, Labrador and on the lower north shore of Quebec; it also has during peak periods in the fishing season in Newfoundland provided a means for fishermen who deal exclusively in fresh fish to find an outlet for fish which fresh fish processing plants are unable to process because of a glut in catches. They have done that by bringing in foreign vessels to purchase fish over the side.

• (1210)

If I were to talk about all the problems that exist in the fishing industry today in Newfoundland, I would need a full day. I have been involved in the fishing industry directly and indirectly for more than 35 years. I have caught fish, helped to process fish and bought fish from fishermen as a sub-agent of the Canadian Saltfish Corporation. There are many problems that have existed and still exist today. If Members of this House fully support the amendment to Bill C-6, some of those problems can be overcome with the extended borrowing of the Canadian Saltfish Corporation.

I want to elaborate a little on the remarks of the Hon. Member for Gander-Twillingate (Mr. Baker). I do not believe that the Ministers referred to are in as much trouble in Newfoundland as the Hon. Member has stated. The announcement with regard to the $6 million program for fisherpersons and fish plant workers shows the compassion this Government has for those in need. That program will not be implemented on a constituency basis. The monies will be allocated to the areas most affected and where the most need exists, where the least catches were obtained this year. I congratulate the Minister of Employment and Immigration (Miss MacDonald) on that decision.

Other Members have elaborated on when the Canadian Saltfish Corporation was incorporated and the role it has played. Therefore it is not necessary for me to say anything further on that. I believe that the Minister for Fisheries and Oceans and the other Ministers to whom the Hon. Member for Gander-Twillingate referred should not be criticized by the Hon. Member but be given constructive ideas. I am sure these Ministers would welcome any ideas he might have to improve the welfare not only of those in his constituency but throughout Newfoundland and Canada. That is why I will not elaborate further. I work in consultation with the various Ministers. I will make my views known to them rather than seek the glory of having my constituents seeing me stand here and ramble on, talking about what I am already putting forward to the Ministers concerned.

Mr. Baker: Mr. Speaker, I have a question for the Hon. Member for Bonavista-Trinity-Conception (Mr. Johnson), who is perhaps the most experienced man in the Newfoundland fishery ever to sit in this Chamber. He is experienced,

both directly and indirectly, in all aspects associated with Newfoundland fishermen, such as the seal hunt and so on.

Will the Hon. Member inform the House what regulations should be changed in the Department of Fisheries relating to the size of boats and licensing? Will he give the House some indication of what he believes should be done in so far as these matters are concerned?

Mr. Johnson: Mr. Speaker, with regard to the size of boats, we have vessel allocations with a restriction on size. The regulations state that a fisherman with a 50-foot boat can only increase the size to 60 feet. That is ridiculous as it now applies on the west coast of Newfoundland, which is covered by the gulf region of the Department of Fisheries. If a vessel has an allocation of *x* number of hundreds of thousands of pounds of fish, it is almost criminal to say the fisherman must catch that fish in a 55-foot boat. He may have to build a new boat, requiring subsidies from both the Government of Canada and the Government of Newfoundland. He could purchase a 65-foot boat by borrowing from a commercial bank, which in some cases is guaranteed by the Government of Newfoundland. It is wrong to say he must pay an additional $300,000 or $400,000 to acquire a 55-foot boat if he can purchase a 65-foot boat, as long as he is only permitted to catch the same amount of fish with that vessel. I do not mean to say that because he gets a 65-foot boat, he should start pleading with the Government for an extended allocation. Those problems exist in my riding today. I also receive representations from other parts of Newfoundland requesting me to present these views to the Minister of Fisheries, which I am now in the process of doing.

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, I do not want to prolong the debate because I support this Bill. I notice the Minister of Fisheries and Oceans (Mr. Fraser) has left the Chamber. I want to say to him that I welcome his appointment. Because he is from the West Coast of this country, he may bring a whole new perspective and point of view to the East Coast and the Atlantic fishery. I welcome him to that portfolio and hope that he will do an effective job. He has the ability and the right spirit to do the job that sorely needs to be done in the Atlantic area.

I do not want to talk about the fishery in general in the Atlantic, but I do want to say a few words about the Canadian Saltfish Corporation and make some remarks about a special subject in connection with that Corporation.

I support the points very effectively made by my colleague from Gander-Twillingate (Mr. Baker). He clearly staked out the plight of fishermen who make maximum use of the Canadian Saltfish Corporation. It was very dramatic when at the end of his remarks an announcement was made to the effect that the money he was seeking had been made available. I congratulate the Government on that. There was no other way to help those people caught in a situation through no fault of their own, except by a special *ex gratia* payment. That is now there, as it was in the past. I am pleased it is because if this did not happen, there are fishermen who would have no other recourse this year because of the way the system works. My friend, the Hon. Member for Gander-Twillingate, has pointed that out very effectively. Now these fishermen will have a way to collect unemployment insurance benefits this winter and to retain their dignity.

• (1220)

Let me give a brief example of this that I came across this morning. In the community of Griquet on the northern peninsula of Newfoundland there are about 30 fishermen who do not have enough qualifying weeks to draw unemployment insurance benefits this winter simply because the fish were not there. Under the normal Canada Works allocations, it is not possible to fit all those fishermen in because we cannot rotate them on Canada Works. Canada Works was not a vehicle. My friend has explained why welfare was not a vehicle. There were no other vehicles available to them. There was no safety net for these fishermen like the one farmers have. If this action was not taken, those people, through no fault of their own, would have been caught this year.

I am pleased that the Government has now come through. I would like to give my friend, the Hon. Member for Gander-Twillingate, a lot of credit for pressing his case and for making the views of his people known.

Mr. Fraser: He got the $6 million all on his own?

Mr. Rompkey: No. It is too bad that the Minister was not present earlier because I was saying some very nice things about him while he was gone.

Mr. Fraser: I'm back now.

Mr. Rompkey: He can check the record, but I cannot keep on saying too many nice things about him. After all, we are the Opposition.

Let me talk about the Saltfish Corporation. The Minister has described how it came into being and I do not want to trace that course of history any further. Suffice it to say that it was a godsend for fishermen in Atlantic Canada and particularly for those in Newfoundland when the market for fresh fish was very weak. The Saltfish Corporation offered an alternative. The fresh fish industry in the Atlantic provinces sells basically to the U.S. market. When the U.S. market is soft, there is no alternative. However, the Saltfish Corporation has sought out markets all over the world. It has sought out alternatives and it has the backing of the Government of Canada.

I think it is fair to say that the Saltfish Corporation has not only been an effective marketing arm but has also been financially responsible and effective. We have not had to give great subsidies to that particular corporation. I think I should give credit on the record here in the House of Commons to some men who have made the Saltfish Corporation what it is today.

One name that I recall is that of Knell Henriksen who was a Scandinavian with private sector experience in his own coun-

try. He came to Newfoundland and took over the Saltfish Corporation. He is no longer with us, but I think that his contribution will be remembered and it is appropriate that I place on the record of the House of Commons the name of that man who did so much to make the Saltfish Corporation what it is.

Another name that I recall is that of Len Cowley, another public servant who is no longer with us but whose name I think will be remembered with a great deal of respect and affection. I would like to remember him today for his contribution to the Saltfish Corporation.

I can recall other men, Aiden Maloney among them, who have made their contributions over the years. Suffice it to say that the Saltfish Corporation is strong and we must continue to keep it strong. I support the improvement offered by today's Bill.

There is one thing that I would like to deal with particularly, Mr. Speaker, and that is the Northern Fishery Development Corporation. That Corporation is, in theory, a creature of both the Government of Canada and the Government of Newfoundland. It was set up because of a very ironic situation which is occurring on the northeast coast of Newfoundland and the coast of Labrador. In these places are some of the most disadvantaged fishermen anywhere in Canada. They have the lowest incomes and their plants are in need of upgrading. By and large, they are small-boat fishermen. Yet off the shores of the northern peninsula and off the shores of Labrador, there are some of the most lucrative resources anywhere in Canada. There are shrimp, salmon, Arctic char, herring, codfish and crab. All of those resources are available. There are maximum resources and minimum income. One of the reasons for that is that the private sector has simply not performed up to scratch in those areas for a long while.

For example, St. Anthony was part of the Fishery Products chain. However, it did not prosper under the Fishery Products chain. When Fishery Products decided to withdraw from St. Anthony, the Government of Canada stepped in and asked the Saltfish Corporation if it would take over the St. Anthony plant and run it for a year. The Corporation did that. Bear in mind that there was no other alternative within the private sector. The Government of Canada asked the Saltfish Corporation to operate that plant and it did. It broke even and possibly even made a small profit a couple of years ago.

As a result of the Kirby task force, the governments then decided that they would indeed create a Northern Fisheries Development Corporation to include St. Anthony, certain plants on the northern peninsula and along the Labrador coast, some of which were owned by the Government of Newfoundland. Both governments signed an agreement indicating that that would be done. That happened almost two years ago yet nothing concrete has been done to put that Northern Fisheries Development Corporation in place.

I and others submitted that the easiest, simplest and most effective way to put in place the Northern Fisheries Development Corporation was to set up a subsidiary corporation under the Saltfish Corporation. After all, if we already have a wheel there is no need to invent one. However, there were others who said there were other alternatives. If there are other alternatives, I have not seen them put on paper. I have seen no other proposal that I can compare with a subsidiary of the Saltfish Corporation. My proposal still is that both governments would act to set up the Northern Fisheries Development Corporation, something to which they both agreed, through the Saltfish Corporation, an already existing mechanism. However, that has not happened.

Because this is an urgent matter I want to do what I can today. The fishermen of the northern peninsula and the Labrador coast want to know where they stand and what their future will be. We have now restructured the industry. There is a major company in place. However, that major company will not look after all the little plants in Newfoundland. The fishermen in that area want to know if their future is assured. That is the urgency involved in setting up this Northern Fisheries Development Corporation. I suggest that we put it in place by this spring.

I would like to use my time in the House of Commons today to try in whatever way I can to move forward the Northern Fisheries Development Corporation. When we get to committee, I intend to move an amendment to this Bill which Your Honour might want to take under advisement; I have the amendment with me. It simply indicates that Bill C-170 should be amended by adding thereto the following Clause 2, that the Saltfish Act is further amended as follows, and then it deals with amendments to the Saltfish Act which would indeed allow the Saltfish Corporation to deal in fresh fish. That is essentially what it would do. That would open up the way to creating a subsidiary corporation under the Saltfish Corporation which would become the Northern Fisheries Development Corporation.

The Minister of Fisheries is present today and I hope that he will put his views on the record as well. I know that he sees the wisdom of moving ahead with the Northern Fisheries Development Corporation as was agreed in the past. At least I hope he does see that wisdom, and that he will put his views on the record. If he agrees with moving forward with that particular development corporation, I hope he will give us his views on how we might most speedily and effectively do it in order to have it in place for this spring.

I have proposed a course of action and I intend today to push it forward. However, I would be interested in knowing the views of the Minister of Fisheries. I hope that he concurs with this course of action and that he will consult with his provincial counterparts who are now all of one congregation. I hope he will consult with them and attempt to expedite an agreement which will put in place the Northern Fisheries Development Corporation before next spring. If he does, I will give him credit for doing so. He will fulfil my expectations of a westerner who has come to Atlantic Canada, has seen from a pure perspective what is needed and has done the job. I know the Minister has the spirit and the capacity to act. What I want to know is, will he act?

• (1230)

Mr. Deputy Speaker: Are there questions or comments on the speech of the Hon. Member? If not, is the House ready for the question?

Some Hon. Members: Question.

Mr. Fraser: Mr. Speaker, I—

Mr. Deputy Speaker: Does the Hon. Minister wish to ask a question or does he wish to speak on debate? I want to ensure the House is aware that if the Minister speaks, it will conclude the debate.

Mr. Fraser: Yes, Mr. Speaker, I am aware of that. I have spoken and I am not rising to speak again. However, I would ask for the unanimous consent of the House to move the Bill into Committee of the Whole and have the Bill considered at all stages.

Mr. Deputy Speaker: Is that agreed?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: Mr. Fraser, seconded by Mr. Layton, moves that Bill C-6, an Act to amend the Saltfish Act, be read a second time and, by unanimous consent, referred to a Committee of the Whole. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into Committee thereon, Mr. Danis in the chair.

The Chairman: Order. House in Committee of the Whole on Bill C-6, an Act to amend the Saltfish Act. Shall Clause 1 carry?

On Clause 1—*Limitation*

Mr. Rompkey: Mr. Chairman, as I mentioned in my remarks, I propose to move an amendment. Therefore I move, seconded by the Hon. Member for Gander-Twillingate:

That Bill C-6 be amended by adding thereto the following Clause 2.

2. The Saltfish Act is further amended as follows:

"The definition fish in Section 2 of the Saltfish Act is repealed and the following substituted therefor:

'fish' means, except in Section 7.1, fish of the cod family (Gadidae);".

The said Act is further amended by adding thereto, immediately after Section 7 thereof, the following section:

Additional powers

"7.1 (1) The Corporation may

(a) own or operate, alone or together with one or more persons, facilities for the processing, storage or transportation of fish in those parts of the Great Northern Peninsula of Newfoundland and the Quebec north shore of the Gulf of St. Lawrence that are north of the fiftieth degree of north latitude, and in Labrador; (b) harvest fish destined for processing at a facility referred to in paragraph (a) and own or operate vessels or equipment for the harvesting of such fish;

(c) market fish processed in the area described in paragraph (a); and

(d) carry on, for any purpose, in respect of any fish processed at a facility referred to in paragraph (a) or harvested or marketed pursuant to this subsection, the activities that it has the power to carry on under Section 7 or 8.

Definition of "fish"

(2) For the purposes of subsection (1), fish includes shellfish, crustaceans, marine animals and the eggs, spawn, spat and juvenile stages of fish, shellfish, crustaceans and marine animals."

The said Act is further amended by adding thereto, immediately after Section 15 thereof, the following section:

Moneys

"15.1 Notwithstanding subsection 15(1), sums required for the purposes of Section 7.1 shall be paid out of such moneys as may be appropriated by Parliament for that purpose."

The Chairman: The Chair rules that the amendment of the Hon. Member is out of order, as the Chair believes it is an attempt to amend the whole Act and we are dealing specifically with Section 17.2 of the Act. The Chair would like to read Citation 773(1) of Beauchesne to clarify the ruling. It reads as follows:

(1) An amendment is out of order if it is irrelevant to the bill, beyond its scope or governed by or dependent upon amendments already negatived.

The Chair feels that the amendment is beyond the scope of the law as it presently stands and therefore rules the amendment out of order.

Mr. Rompkey: Mr. Chairman, I appreciate that ruling and obviously the House must abide by it. I simply want to say to the Minister that the amendment has been ruled out of order because it is beyond the scope of the Bill. However, it is not beyond the scope of the Minister.

Having exhausted whatever parliamentary vehicles are available to me, I will now throw myself on the mercy of the Minister, and throw the fishermen of northern Newfoundland and Labrador on the mercy of the Minister. The group of people who live in that area are among the most disadvantaged in Canada. They have one of the greatest resources off their shores. They are looking to the Minister for leadership and support in putting in place a corporation which they very much desire, need and deserve. I hope that the Minister will give us some indication that he will proceed speedily in order that the Northern Fisheries Development Corporation will be in place by next spring.

Mr. Fraser: Mr. Chairman, I do want to reply to the Hon. Member for Grand Falls-White Bay-Labrador. I would make it very clear to him and to the committee that I understand the purpose of the amendment which he has proposed. Regrettably, it is not in order, as Mr. Chairman has ruled, but I understand the purpose of and the reasons for that amendment. I am sympathetic to it. I would ask the Hon. Member, who has served with distinction in this House both as a Private Member and as a Minister, to meet with me to discuss the matter further. I hope that an appropriate response will be forthcoming. I thank the Hon. Member very much.

• (1240)

Mr. Deputy Speaker: Shall Clause 1 carry?

Some Hon. Members: Agreed.

Clause 1 agreed to.

Mr. Deputy Speaker: Shall the title carry?

Some Hon. Members: Agreed.

Title agreed to.

Bill reported, read the third time and passed.

* * *

BORROWING AUTHORITY ACT, 1984-85 (No. 2)

MEASURE TO ENACT

The House resumed from Friday, November 30, consideration of the motion of Mrs. McDougall that Bill C-11, an Act to provide borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs; and the amendment thereto of Mr. Riis (p. 694).

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, I rise in debate on Bill C-11, an Act to provide borrowing authority for billions and billions of dollars, not just for the needs of the current year but for the following year. This Bill has aroused a strong reaction from our Party which has resulted in an amendment by the Hon. Member for Kamloops-Shuswap (Mr. Riis) which points to the inappropriateness of this action taken by the present Government. In the same way, it was inappropriate two years ago as was pointed out by the then Official Opposition.

In considering the foolishness of the Government in asking for authority to borrow for the following year, I would like to explore the concerns about the deficit which were put before us by the Government. I would like to refer in particular to some of the questions involving the size of the deficit, the way in which that deficit is growing and the Government's inability to deal with it.

Earlier in the life of this Parliament we heard a statement on the economic situation of our country. The importance of dealing with the deficit to which this borrowing authority now addresses itself was stressed. We were told in the Throne Speech that the deficit had to be dealt with. This was the first concern of the Government. There was no dispute about the importance of dealing with the deficit and the fact that it was the highest priority of the Government. However, there has certainly been some disagreement among commentators on our economic situation as to whether we must immediately find ways of reducing the deficit or whether we should be preoccupied, as was suggested by the Conservatives during the election campaign, with getting people back to work. I believe that the top priority should be working towards a full employment situation. Instead, we are now seeing a preoccupation with the deficit, as stressed in the Speech from the Throne and laid before us in the economic statement of the Minister of Finance (Mr. Wilson). That seems to be the main challenge and basis for action on the part of the Government.

What seems to me to be very strange is that while the deficit has been pointed to as the greatest problem which faces us—and it is recognized that the deficit has grown over some period of time—there has been no real consideration of why we are in the situation in which we find ourselves. The Speech from the Throne and the economic statement which followed, although they can be pointed to for encouragement and inspiration if not for actual reality, are statements which simply failed to explore the reasons the deficit has grown to its present dimension. The Business Council on National Issues produced a document in August which addressed the federal deficit. It laid out some options for expenditure reduction. It is quite remarkable that although there are the same assertions in the document about the size of the deficit, there is no explanation of why the deficit has reached the state it has.

The Canadian Real Estate Association indicated on November 5—coincidentally with the convening of this Parliament—a more careful consideration of the existence of a deficit. The statement is entitled "The Deficit Albatros: The Realities of Forming the Next Budget". There is a bit more care taken here in exploring the situation in which we find ourselves. However, the fact remains that while it is recognized that the deficit has been growing since the middle 1970s, reaching much higher levels in 1981 and 1982 because of the recession, there is again no real consideration of why that is the case.

What distresses me is that the Government produces statements such as the Speech from the Throne and the economic statement, then goes on to explore the matter in "A New Direction for Canada, an Agenda for Economic Renewal", but there is still that lack of analysis as to why the situation has developed as it has. We just see a description of our situation, a description of what is regarded as the national plight and the potential disaster for certain areas, indicating the prospect, for example, that if government deficits remain large, interest rates will remain high. Surely the forces which act upon Canadian interest rates are much less the Canadian deficit than certain activities in the United States with its enormous deficit. The United States is going through higher economic activity than is true of this country and the Federal Reserve Board has followed the policies which are carried out in the United States in order to finance its deficit and to compensate for other areas of economic weakness. When those are the factors which keep interest rates high, it seems open to debate that the Canadian deficit has those effects.

But we fail to ask ourselves why over the past ten years the Canadian federal Government, and other governments as well, have run the sorts of deficits they have, and what the national policies have been which have created the situation. That fact opens in my mind the possibility that the new Government, for all of its intentions to change the situation, will in fact maintain this sad reality of deficits, unemployment and slow economic activity, and will not accomplish anything which will give us the kind of country which we want and which we were promised during the election campaign.

• (1250)

By contrast, in a document entitled "Government Limited" published by the Canadian Centre for Policy Alternatives, I

find the kind of analysis that is so totally lacking in government statements. I find a careful consideration of how from the middle 1970s government deficits in Canada began to grow. We are reminded that it was in the Budget of 1975 that the then Minister of Finance, now the Right Hon. Leader of the Official Opposition (Mr. Turner), made a couple of careful decisions. He asserted that the federal Government was becoming too large a factor in the Canadian economy and he was going to do what he could to ensure the role of government did not continue to expand in the same way. There were, of course, tax concessions to business which were designed, it was thought, to produce investment and expand business activity. If on the one hand the Government held back and on the other hand business expanded, surely we would have an improved economic situation.

I remind everyone that corporate and individual tax breaks had begun two or three years earlier, but in effect it was from that point in the middle of the 1970s that the deficit began to grow. That is the striking thing. If one considers the statistics of all governments in Canada, not just the federal Government which serves in so many ways as financier of last resort, if I can use that phrase, particularly in areas of social services, then the really quite astounding thing is this. When the Conservatives last governed for any length of time in the days of the Right Hon. Member from Prince Albert, the Government of Canada ran some substantial deficits. I do not intend to get into the question of what sort of economic mistakes at that time created the situation, but my constituents certainly have not forgotten that the Diefenbaker days were bad days for many Canadians. With that and the Bennett record, to go back even further, Conservatives ought to be very certain that this Government does not renew memories of what Conservatives do when they are in government.

More particularly, Mr. Speaker, if one looks at the tables of surpluses or deficits in total government operations in Canada, it is quite remarkable that from about 1964 through 1974 total government operations were in balance. A surplus was being run in government, be it federal, provincial or municipal. It is only from that point in 1975, when these policy decisions of the federal Government were beginning to take effect, that we find deficits beginning to grow. Of course, they began very rapidly to rise up into the billions of dollars with the effect that we are well aware of now. Incidentally, it is worth considering carefully how large this deficit really is. If one deflates it to 1971 dollars and compares the 1946-47 situation after the war with the situation of the 1970s and into the 1980s, the deficit is not necessarily the ponderous weight that some of the business rhetoric would have us believe. It is not necessarily a destroyer of economic activity in this country.

To return to the point, Mr. Speaker, exactly why have government deficits grown as they have? Why does the government of the day think it necessary to borrow not just billions of dollars for this year but billions of dollars for next year in order to provide for its financial needs into the fiscal year 1985-86? Surely it is because, not having analysed the situation and come to a clear understanding of why deficits have grown, this Government wants to be prepared for any eventuality. It wants to be prepared for the possibility that, in spite of the best attempts to hold back on spending, the deficits will continue to grow.

That, of course, takes us back to the decision in 1975 concerning corporate and individual tax concessions, all of them designed to encourage investment. They had begun to take effect and there was clearly a marked decline in revenues to government. One cause of the deficit is to be found right there. The discussions in government about this problem have been largely, not entirely but largely, silent on that particular reality.

There has been a remarkable consistency between the Conservative and Liberal governments in pursuing, as I believe, those misguided policies, and the question is the extent to which those particular policies have in fact created the deficit. I concede that in these last days there has been some indication from the Minister of Finance that there will be a reconsideration in this area, and I trust that Private Members on the government side will keep the pressure on their Cabinet colleagues to ensure that that really happens and that they do not knuckle under to the pressure that will surely come from business interests to avoid paying all the taxes they should.

In any case, Mr. Speaker, it has always seemed to me that there is no way you can encourage business investment to any extent if there is not enough economic activity in the country to justify the establishment of new productive facilities. As long as economic activity in the country is as slow as it is, as long as Canadians do not have the money to buy goods to the extent they should, there is no real reason for investment and it is just throwing tax money away and weakening the Government's ability to deal with the situation if we remain caught in those policies.

On the other side, Mr. Speaker, we have something about which the Government has said a good deal, something of which we desperately need careful reconsideration. I suggest that we need a fundamental reconsideration of the decision to try and reduce the role of government in the economy. That is an ideological position. You may well say that our ideology is the contrary, to make government grow. But we do not want to do that just for the sake of doing it. Rather, we use government as an instrument in order to meet social needs.

When I hear of a list of 450 people in Thunder Bay who cannot afford housing and who want to get into social, low rent housing, and then I hear a government that for its own ideological reasons is cutting back efforts to ensure that kind of housing is provided, then I see a kind of ideological lunacy here that says that government must not do these things. Business confidence will grow when government restrains itself. I say that is stupidity. When the needs of the Canadian people are met, when those housing needs particularly are recognized and governments do what is necessary to ensure the construction of that housing, then I see an incentive to investment. I see a demand for construction and an increase in economic activity.

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

S.O. 21

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

PENSION REFORM

AREAS OF PROVINCIAL CONSENSUS

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, 10 years ago the federal and provincial Governments began the process of reviewing the pension systems not only in the private sector but in the public sector as well. During those 10 years there have been several commissions on the subject. There has been a parliamentary task force. There have been individual task forces set up by the federal Government and, in some cases, by provincial Governments.

A year ago, after the parliamentary task force had met and presented its viewpoints to the Government, there seemed to be a degree of consensus in the country on the way in which we should undertake pension reform. However, since that time there have been delaying tactics which we did not envisage at the beginning. That led to a provincial conference in June of last year at which the provincial Ministers responsible for pension reform reviewed the various scenarios. On November 1 and 2 they met with their officials, and yesterday the Ministers met again in Toronto.

There are areas in which a consensus has been reached. Those areas include eligibility criteria for full-time and part-time workers, minimum employer contributions, pre-retirement and post-retirement survivor benefits, among many. In addition, the Treasurer of the Province of Ontario, Larry Grossman, has indicated that in the event that total consensus cannot be arrived at by February—

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

* * *

THE ADMINISTRATION

CRITICISM OF GOVERNMENT ACTIONS

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, considering that the new Conservative Government is a corporately-oriented Government, we felt it appropriate that a quarterly report be presented.

A statement released by Brian Mulroney in Halifax on August 2, 1984, said: "A P.C. Government will set up an industry-government panel to produce a new and positive role for Canertech to play in advancing renewable energy and conservation." Canertech is now being wound up.

In the election it was promised, in reply to a Friends of the Earth questionnaire that "a P.C. Government will promote a phased and orderly completion of the National Parks system." The economic statement cut $19.5 million from planned spending in the National Parks.

In the election the Conservatives promised to "establish a new Department of Forestry at the federal level". That was in the P.C. Campaign Handbook, at page 49. Rather than create a separate Department, a junior Minister has been appointed in the Department of Agriculture.

In the election the Conservatives promised to rebate fuel taxes to farmers. They have done so, but only for three years.

The Conservatives promised to give the Auditor General Cabinet documents relating to Petro-Canada's takeover of Petrofina. They are now continuing Liberal stonewalling.

The Conservatives promised open government, and then announced a communications management strategy which places new restrictions on the right of public servants to talk to the public, the media, and Members of Parliament.

The Conservatives opposed the 1 per cent increase in the federal sales tax announced in the last Budget, and then implemented the tax increase themselves.

In the election the Minister of Energy, Mines and Resources (Miss Carney) promised federal funding for a natural gas pipeline to Vancouver Island. She now says no money is available.

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[*Translation*]

COMMUNICATIONS

ANXIETY OF FRANCO-MANITOBAN COMMUNITY OVER CBC BUDGETARY CUT-BACKS

Mr. Leo Duguay (St. Boniface): Mr. Speaker, my constituents in St. Boniface reacted very favourably to the economic and financial message presented in the House on November 8 of this year.

However, I would like to point out that the Franco-Manitoban community is concerned about the proposed budgetary cutbacks for the Canadian Broadcasting Corporation.

The CBC's French network is the only national network serving Francophone communities outside Quebec. Local and regional programming is absolutely essential for the people of St. Boniface and for all Franco-Manitobans.

Local TV programs on CBWFT take up less than five hours per week, so that any cuts would be disastrous.

The CBC must provide a national service that meets the needs of all Canadians. Any reduction in local programming would only further increase the number of Quebec-oriented programs.

I might add that the service we have now is already at a basic minimum. I would therefore urge the Minister responsible for Communications to do everything in his power to maintain present regional production.

* * *

[*English*]

THE LATE HON. GEORGE R. PEARKES

SUGGESTED COMMEMORATION IN NAMING OF NATIONAL DEFENCE HEADQUARTERS

Mr. Dan McKenzie (Winnipeg-Assiniboine): Mr. Speaker, I rise to encourage the House to recognize, in a tangible way, the contribution to Canada of a most honourable gentleman, the late George R. Pearkes. General Pearkes served Canada well in the two world wars, earning the highest military decoration, the Victoria Cross. The Hon. George Pearkes was a distinguished Member of Parliament and Minister of National Defence. He later became Lieutenant-Governor of British Columbia.

May I suggest that we memorialize this fine gentleman, recently deceased, by naming the twin towers located at 101 Colonel By Drive, Ottawa, "The Major General George R. Pearkes, V.C. Building". These twin towers are at present referred to as National Defence headquarters, a misnomer, as the Defence headquarters is spread through a number of buildings in the national capital region. It would seem both opportune and appropriate to provide a more descriptive title for the towers. It would also be an opportunity to pay tribute to a distinguished Canadian soldier.

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CANADIAN BROADCASTING CORPORATION

CAPE BRETON REGIONAL PROGRAMMING

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, as a result of the economic statement of the Minister of Finance, the proposed cut-backs at the CBC station in my constituency are of great concern to myself, as well as to the majority of people I represent, not only because of the reduction in service but indeed because of the loss of jobs.

CBC Cape Breton is, and always has been, a great supporter of our culture and customs and has, more than any of the other electronic media, promoted the uniqueness of our area. Locally produced programs such as "Talent Cape Breton", "Island Echoes", a program which promotes the ancient Gaelic language, and "Fresh Air", are virtually the only such programs dedicated to the promotion and preservation of our local musicians and their talents.

S.O. 21

Presently, Mr. Speaker, we have only one hour a day of local television programming, "Cape Breton Report". That deals with local issues such as sports, weather, and news. It is all we have left and it should not and must not be cut back, because it is the only real service for those communities. If we are to keep our identity as Canadians and Cape Bretoners in this great country, we must be permitted to keep our local CBC productions whole. I urge the Minister of Communications to reverse this decision on behalf of the people of that area.

* * *

THE ADMINISTRATION

CRITICISM OF GOVERNMENT ACTIONS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, to continue the quarterly report on the Government's activities, the Conservatives promised to establish review boards to mediate between farmers and their creditors. No action has been taken, even though farm bankruptcies are at an all-time high. The Conservatives promised major new spending initiatives in the area of research and development, yet cut $107.2 million from federal research grants.

The Conservatives told the Co-op Housing Foundation of Canada that they were committed to strengthening Canada's co-op housing program. The subsequent economic statement cut nearly $10 million from the program. The Conservatives told the *Catholic Register* that "we will increase Canada's contribution to official development assistance to .7 per cent of our GNP by 1990." They eliminated this target in the economic statement.

The Conservatives specifically told the National Radio Producers' Association that "we are committed to maintaining the level of funding for cultural agencies, including the CBC". They also told La Fédération des Franco-Colombiens that they hoped to see the CBC expand its service in French for French Canadians outside Quebec. They cut funding to CBC by $75 million.

The Conservatives told the Canadian Council for Children and Youth that they supported a House of Commons report calling for the phase-out of lead in gasoline. There was no action. They also told the Family Service Centre that their Party supported the recent amendments to the Canada Labour Code providing for unpaid parental leave following the expiration of maternity leave. They have since delayed that. In fact, Mr. Speaker, the quarterly—

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

S.O. 21

[*Translation*]

TOURISM

REGIONAL TOURIST DEVELOPMENT—THE LAURENTIANS

Mr. Fernand Ladouceur (Labelle): Mr. Speaker, I have a few comments to make on the development of the regional tourist industry.

As the House is probably aware, the riding of Labelle is blessed with abundant resources in this sector, so that tourism contributes very significantly to local incomes and job creation. In the Laurentians, the tourist industry alone generates over $250 million in income and helps create over 15,000 jobs. The people in my riding and the main agencies involved in promoting tourism in the Laurentians, both regionally, nationally and throughout the North American continent, were delighted to hear that a new Ministry of State for Tourism had been created, and they were particularly pleased with the Government's emphasis on an industry which, on a nationwide basis, generates about $18 billion in revenue and helps to create over 600,000 jobs.

Mr. Speaker, the tourist industry is unusually sensitive to a number of factors. Now that the Hon. Minister of State for Tourism has announced an aggressive promotion and marketing policy, and considering the new climate of detente in federal-provincial relations, I hope that, first of all, these policies will be able to provide conditions for harmonious growth and management and enhance this sector's stability, and second—

Mr. Speaker: I am sorry I have to interrupt the Hon. Member, but his time has expired. The Hon. Member for Fundy-Royal.

* * *

● (1410)

[*English*]

SHIPBUILDING

CALL FOR POLICIES TO ASSIST INDUSTRY

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, Canadian shipyards are in serious trouble. Work orders from the private sector are going off-shore and unemployment still remains high.

A significant problem for the industry is a number of loopholes left open by the previous administration. These loopholes allow foreign shipyards to continue to provide equipment to Canadian companies that could, and should, be made in Canada.

Private sector demand for Canadian built ships and equipment must increase before shipbuilding, ship repair, and allied industries can expect to see rejuvenation. This can be aided by the closure of several loopholes that operate to discourage the private sector from placing orders in Canadian yards.

I would urge the Minister responsible for shipbuilding to act on policy that would provide financial assistance for petroleum exploration activity only to companies that build equipment in Canada or maximize Canadian content; double the temporary entry duty rate to one-sixtieth a month; include duty on fishing vessels 100 feet or longer, and provide concessionary financing to domestic shipowners.

The industry was heartened by the P.C. commitment to revive shipbuilding as a major economic factor. I am confident the Government's efforts to ensure national renewal will put in place factors that will encourage our shipbuilding industry and create long-term employment. However, I would ask that these measures be implemented with speed to prevent the further loss of work.

* * *

THE ADMINISTRATION

GOVERNMENT APPOINTMENTS

Mr. John V. Nunziata (York South-Weston): Mr. Speaker, let it not be said that the Conservative Government does not keep its promises. The man said: "I had a choice, I had a choice. I could have said no but I said yes. The devil is making me do it".

The man said: "Oh, there will be jobs for Liberals and New Democrats too, but only after I've been Prime Minister for 15 years and I can't find a single living, breathing Tory to appoint".

The man said: "Let's face it. There's no whore like a old whore. If I were in his position, I would have been right in there with my nose in the public trough just like the rest of them".

After some token non-partisan appointments to quell criticism, the Prime Minister (Mr. Mulroney) and his cohorts are totally immersed in the trough, fulfilling the nose-grinding duty he campaigned against during the election. This Government and this Prime Minister are drenched in hypocrisy.

He told the Canadian public that what the Liberals had done was wrong. Well, Mr. Speaker, it was wrong then, and it is wrong now. The pork barrelling should stop, but it hasn't. The list of Tories nosing in on the action grows daily: Ron Huntington, former Tory Member of Parliament, now Chairman of Canada Ports Corporation; Pierre Boutin, Mulroney associate and bag-man, now Chairman of the National Arts Centre; Huguette Pageau, wife of a long-time Mulroney supporter, now a citizenship judge; Jean Pigott, former Tory Member of Parliament, now President of the National Capital Commission—

Mr. Speaker: Order, please. I must advise the Hon. Member that his time has expired. The Hon. Member for Mississauga South (Mr. Blenkarn).

GOVERNMENT EXPENDITURES

OFFICE EXPENDITURES OF FORMER MINISTER OF TRANSPORT

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the details of the waste and maladministration of the former Liberal Government are now appearing. Today's report of the over-indulgence, the horrendous staffing practices, the lack of any sense of frugality shown by the former Minister of Transport the present Member of Parliament for Winnipeg-Fort Garry (Mr. Axworthy), shows clearly how the former Government ran the finances of Canada into their present sorry state. No wonder, Mr. Speaker, the House is asked for over $23 billion in borrowing authority.

The former Minister of Transport had an overly fat budget for his personal office. But $1.2 million was not enough for him, and in five and a half months he not only spent his entire year's budget, but over $860,000 on top.

He squandered public money for no reason other than to try to advance his personal image, secure his personal re-election, and protect, nurture, and provide cushy jobs for Liberals.

This Parliament ought to commence an inquiry into that abuse of public funds by the former Minister so that the public will be fully apprised of how his country was managed. There should be provision whereby Ministers who abuse the public trust personally repay the Government money lost and wasted. Parliament will now be called upon to supply a supplementary appropriation to cover the former Minister's profligacy—

Mr. Speaker: Order, please. The Hon. Member's time has expired.

ORAL QUESTION PERIOD

[*English*]

SOCIAL SECURITY

USE OF POSSIBLE SAVINGS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a question for the Right Hon. Prime Minister. I do not know whether he was able to catch the 6 a.m. radio news today.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): I thought I would, while the CBC is still able to provide the news.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): The Minister of National Health and Welfare, when asked whether the savings from a review of social programs would be used to reduce the deficit, told the CBC:

We have not discounted any options.

The Prime Minister will recall that in an interview with a reporter for *The Toronto Star* on November 17 he was asked the same question, namely, would savings accruing from reducing social programs be used to reduce the deficit?

No, absolutely not. Absolutely not.

Would the Prime Minister be good enough to explain to the House the contradiction between what the Minister of National Health and Welfare said on CBC radio this morning and what the right hon. gentleman told *The Toronto Star* reporter?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I did hear the news at six this morning.

Mr. Deans: You were on your way in.

Mr. Mulroney: I was in my jacuzzi, listening to it.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Mulroney: And then, just to be sure I had heard right, I turned on my satellite.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Mulroney: There, indeed, was the Minister of Health in living colour—in the jacuzzi!

Some Hon. Members: Oh, oh!

Mr. Mulroney: I heard the thoughtful statement of the Minister of National Health and Welfare. He said nothing inconsistent at all with the view that I expressed in Toronto, and a view that the Hon. Member for Sudbury expressed some sympathy for, namely, that we were ready to review some of these aspects to find out whether we could not make a better utilization of public funds, in other words, to direct those funds to those people in our society who needed them most. I do not see anything inconsistent between the statement of my hon. friend, the Minister of Health, and the general view that I expressed as supported by the Minister of Finance.

STATEMENT MADE BY MINISTER OF NATIONAL HEALTH AND WELFARE

Right Hon. John N. Turner (Leader of the Opposition): I submit, Mr. Speaker, to the right hon. gentleman, that the statement which the Minister of Health made is directly contradictory to the interview which the right hon. gentleman gave to *The Toronto Star* reporter.

In that same interview he said the money so found by a review of the social programs would be, as he said this afternoon, redirected to the needy. When that same question was put to the Minister of Health in the committee yesterday by the Hon. Member for Sudbury, the Minister said:

No, I think our imagination is a little more fertile than that.

I am saying to the right hon. gentleman that there are contradictions appearing in the Government's stance, and that I think he perhaps owes it to Parliament to clarify the situation and to say who is speaking for the Government.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the view I expressed was on behalf of the Government. What my friend, the Minister of Health, was doing was exploring options, which is a good idea, in the expression of a national debate in which we hope all Members of the House will become engaged. It was a thoughtful expression of opinion and not at all inconsistent with the broad thrust of what we are trying to accomplish. I do not think there is any doubt but that our principal hope is to redirect, if we can, and if it meets with the favour of the House and broad public support in the country, some of our scarce assets to helping those who need them most.

[*Translation*]

GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I hope the Prime Minister is going to review his Ministers' statements, because it might . . . My question is as follows: When is he going to admit that his own Ministers are confusing and upsetting Canadians by their contradictory statements about Canada's social security system?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, a few weeks ago I heard the Right Hon. Member say on television that he was prepared to review universality. What he said was entirely in agreement with a statement made by the Member for Sudbury, who said more or less the same thing, while other Members of his caucus were saying the exact opposite. We are just saying that there is considerable debate on the issue in this country, and we are seeking opinions from all Canadians on this matter. We hope to be able to allocate more funds to the neediest in our society, but it will depend on the outcome of the debate.

* * *

● (1420)

[*English*]

THE ECONOMY

ECONOMIC STATEMENT—GOVERNMENT PROJECTIONS

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, my question is directed to the Minister of Finance. Would he tell us whether he is aware of any reason, which has not been disclosed either to the House or to the Canadian public, to alter the economic projections for the Canadian economy that were set out in some detail in his mini budget of November 8?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, no, I don't know of any reasons to alter those projections. They will stand. If the Hon. Member looks at some of the recent releases by other economists, he will find that the projections are well within the consensus range of leading economists in Canada.

ISSUANCE OF GOVERNMENT BONDS

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, if that is the case, how can the Minister of Finance justify this week's $1.2 billion issue of Canada bonds—obligations of the Government of Canada—with four maturities through to the year 2005, non-callable, and with interest rates far in excess of anything projected in the mini budget, which was 6.5 per cent from 1986 to 1990? We have ranges going up to 12 per cent for the latter part of that issue. That is a tremendous waste of taxpayers' money, if he really has confidence in the numbers which he gave us on November 8.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, if the Hon. Member looks at the broad range of the debt management program of the Government, which is necessitated by the huge borrowing requirements left by the previous Government, he will understand that a range of securities has to be offered at any one time. I would point out to him that some 56 per cent of the outstanding securities of the Government of Canada are in Treasury bills and in Canada Savings Bonds. Therefore, they are very sensitive to the changing nature of interest rates. We will benefit in a very major way if we are able to get interest rates down, and that is what we intend to do.

* * *

AUDITOR GENERAL

PETRO-CANADA PURCHASE OF PETROFINA—REQUEST FOR CABINET DOCUMENTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. It arises out of something which she said in the House yesterday. I want to give her the opportunity to correct what I think she will have decided was an error. When she was asked about providing information to the Auditor General, she said:

> —the Auditor General wants from me what the law does not permit me to give, that is, access to other Cabinet Ministers' material.

I should like the Minister to tell the House what law she was referring to, or will she take the occasion to correct what she said?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, there is nothing to correct in this matter because I was referring to a convention which has the force of law—

Some Hon. Members: Oh, oh!

Miss Carney: —and which has been used in the parliamentary system for many, many years. It was the convention that I addressed.

Mr. Broadbent: Perhaps the Minister could consult either of the gentlemen sitting in front of her, who, I think, have had some legal training, presumably passed the courses, and therefore know that there is a distinction between a law and a convention.

MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, is the Minister telling the House that, in her judgment, it was only a convention which stopped her from passing on the material that the Auditor General requested?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, may I remind the Hon. Member that a former Leader of our Party took a convention to the Supreme Court of Canada for a ruling on the Constitution.

Mr. Broadbent: To see if it was law.

Miss Carney: I can only repeat what I told the House yesterday. As a Minister of the Crown I am advised by our legal advisers that I cannot have access to my predecessors' files, as much as I would love to have them. The other point is that I do not have the files. The information the Auditor General is seeking is not in my files.

Mr. Broadbent: The Minister could get some more advice from the Prime Minister. She would discover that other conventions were taken to the Supreme Court of Canada and it was decided that they were merely conventions, not laws. There is a distinction.

CONVENTION GOVERNING CABINET DOCUMENTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I will turn to the Prime Minister himself instead of going about it indirectly. What is at stake in part in this issue is indeed a convention, not a law, which was established by a Cabinet itself at one time, and therefore can be changed by a Cabinet. Considering that the Prime Minister promised—

Mr. Speaker: With great respect, it is time for the question.

Mr. Broadbent: —change, and considering that he had a choice when he became Minister, will he change this convention and provide the information which the Auditor General ought to get?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we are going to have to start charging for all this legal advice. The fact of the matter is that my hon. friend, if I may say this with respect, is cavorting a little here. He knows full well that he and my right hon. friend, the Leader of the Opposition, and myself, will be meeting in about half an hour to attempt to find a solution to this problem.

I said yesterday that it appeared, inadvertently or otherwise, that there was a bit of a collision between the rights of Parliament and certain privileges of the executive. In my judgment, in that kind of confrontation Parliament should always prevail.

Mr. Broadbent: I will remind you.

Mr. Mulroney: What we will try to do, being respectful of traditions which have existed under the British parliamentary system for many years, is find a forum which, hopefully, will allow us to respect the necessary degree of confidentiality at Cabinet meetings and discussions and to provide the Auditor General and Members of the House with all available information to enable the Auditor General to make a good value judgment.

* * *

ENVIRONMENTAL AFFAIRS

GREAT LAKES CHEMICAL POLLUTION—REQUEST THAT MINISTER MEET UNITED STATES OFFICIAL

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the Great Lakes supply water to millions of Canadians and Americans. Last week the Ontario Minister of the Environment was quoted as saying that if pollution continued unabated or increased, "We can have environmental catastrophe, no question about that".

The Canada-United States environmental study which was just released showed that 1.5 tonnes of potentially dangerous chemicals were oozing into the Niagara River daily. Does the Minister of the Environment have plans to convene a meeting with the new head of the EPA and, if so, when will the meeting take place so that this very important matter can be raised?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I can assure my hon. friend that I am giving the issue of water quality in the Great Lakes all my attention, and that in the months and weeks to come, I shall be giving it at least as much attention and energy as did my hon. friend when he was Minister of the Environment.

[*English*]

PROPOSAL MADE BY CANADIAN REPRESENTATIVES

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the Hon. Minister knows that the Canadian side of the joint committee recommended a clean-up of the Niagara River. This recommendation was turned down.

Some Hon. Members: Question.

Mr. Caccia: Therefore I would like to ask the Hon. Minister—

Mr. Speaker: With great respect to the Hon. Member, when the Speaker rises it is normal to sit. I ask the Member, please, to put his question.

Mr. Caccia: Mr. Speaker, I was ready to ask my question. Therefore I understood your rising to remind me of that necessity, and I was ready to do so.

Some Hon. Members: Order.

Mr. Caccia: What initiative does the Hon. Minister have in mind to pursue and promote the proposal advanced by the Canadian side of the joint commission, which was turned down by the U.S. side?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, it was not a case of the two Canadian recommendations not being accepted. The U.S. side wanted more extensive studies on pollutants in the Great Lakes which do not originate from the Niagara River only, and we shall continue to press for preparing an action plan as soon as possible.

* * *

• (1430)

[*English*]

ABORIGINAL RIGHTS

REVIEW OF NATIVE CLAIMS POLICY—EXTINGUISHMENT REQUIREMENT

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, my question is for the Minister of Indian Affairs and Northern Development. The Minister is not in the House at the moment.

An Hon. Member: Here he comes.

Mr. Penner: I welcome the Minister back from his travels across the country.

The Minister has promised a full review of the native claims policy. It is long overdue, and I welcome it. Will the Minister give the House a firm undertaking that in that review he will eliminate the unacceptable and perhaps unconstitutional requirement of extinguishment, whereby a native group negotiating a claim must surrender all of its residual aboriginal rights in settling a claim and not just those mentioned in the agreement?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I thank the Hon. Member for his question and remind him that the parliamentary task force respecting indian self-government made a similar recommendation. In my consultations with various Indian communities, I indicated that I would undertake a review of Indian land claims, particularly onthe question of extinguishment. That is still the position of the Government. We will continue to review the land claims with a particular eye to the policy of extinguishment.

ROLE OF DEPARTMENT OF JUSTICE

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, my supplementary is addressed to the Minister of Justice. In the past the sticking point in getting rid of this odious extinguishment policy has been the Department of Justice. Does the Minister agree that this extinguishment policy should go, and will he work in co-operation with the Minister of Indian Affairs to abolish it once and for all so that we can have a decent, respectable, just, native claims policy?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, we are working as hard as we can to get rid of most of the odious practices that were left by the last regime. There are very many odious practices. We will attempt to reach some accommodation with the aboriginal peoples on that question.

As the hon. gentleman knows, if you pay a consideration, you have to get some consideration in return. If you are going to pay for certain rights to be surrendered, there has to be some finality to the process. That concept has to be observed somewhere along the line, and we must remember that the provincial Governments are also involved. We are certainly prepared to try to work this matter out. We will be meeting with the representatives of the aboriginal people on December 18 and 19. That will be one of the matters discussed.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF SASKATCHEWAN MINISTER OF EDUCATION AND MINISTER RESPONSIBLE FOR STATUS OF WOMEN

Mr. Speaker: May I interrupt the proceedings to advise the House of the presence in our galleries today of the Hon. Patricia Smith, Minister of Education and Minister responsible for the Status of Women, of the Province of Saskatchewan.

Some Hon. Members: Hear, hear!

* * *

AUDITOR GENERAL

PETRO-CANADA PURCHASE OF PETROFINA—DEPARTMENTAL FILES

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is for the Minister of Energy, Mines and Resources. Is the Minister aware that, according to the latest edition of the cabinet paper system of the Privy Council Office, there are three types of documents, the first being a discussion paper, the analysis and background papers, the second type being the memo to Cabinet from the Minister, and the third type being

the record of the Cabinet decision? Is the Minister telling this House that her Department does not have in its files the background papers, that is, the discussion papers with regard to the take-over of Petrofina by Petro-Canada?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, that is exactly what I am telling the House.

LOCATION OF FILES

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, according to the same document, those files do not have to be destroyed. They can be kept. Has the Minister given notice, or has notice been given in her Department, that those files have been taken out of her Department? Has she given notice to the Privy Council Office?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the Hon. Member is being extraordinarily obtuse about this. My Department was not asked for information or support from the previous administration on this issue. They were not asked to deal with this issue. Petro-Canada was the agent in this whole affair. My officials have assured me that my Department does not have that information.

* * *

NUCLEAR ARMAMENTS

UNITED NATIONS VOTE ON NUCLEAR FREEZE PROPOSAL—CANADIAN POSITION

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, I have a question for the Secretary of State for External Affairs who will know that six of the fifteen NATO nations and two of the three ANZUS partners either voted yes to the nuclear freeze in the UN First Committee or abstained on that vote, thereby rendering ridiculous the Minister's arguments for our voting against the freeze. Will the Minister now free himself from the Pentagon and its control, and instruct Canada's Ambassador for Disarmament at the UN to join Greece, Denmark, Australia and others at the vote in the UN next week, and vote yes to a nuclear freeze?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, in deciding Canadian foreign policy I pay as much attention to the Pentagon as I do to the Hon. Member.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): I listen to them both in the interests of some balance. The answer to the Hon. Member's question is that the Government of Canada does not intend to change its vote on that declaratory motion in the United Nations.

POSSIBLE REPRESENTATIONS TO UNITED STATES AND SOVIET UNION

Ms. Pauline Jewett (New Westminster-Coquitlam): The Minister's answer that we shan't change our vote and join our friends at the United Nations is most disappointing.

Mr. Speaker, I would like to pursue another comment that the Minister made.

Mr. Speaker: Order. With great respect, the Chair is trying to make it clear that the purpose of supplementary questions is to ask questions and not to make statements. Does the Hon. Member have a question?

Ms. Jewett: When the Minister is talking with the United States and the Soviet Union, when he discusses ceasing the deployment of cruise missiles, will he tell them that Canada, wanting credence on this matter, will itself cease to test the cruise missile?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, there are really two questions here. I have made it clear in the House that this Government does not intend to take unilateral actions that we believe would reduce significantly our influence within the North Atlantic Alliance which, among other things, is very important to our being effective on questions of arms control and disarmament. The second question has to do with communications. I was requested by the Hon. Member for Winnipeg-Fort Garry to pass on representations to the Soviet Union and the United States in preparation for the very welcome discussions at Geneva. We are still in the process of considering what, if anything, should go into that representation. As soon as that decision has been taken, I will advise the House.

* * *

[*Translation*]

ENVIRONMENTAL AFFAIRS

ACID RAIN—ROUYN-NORANDA REGION—GOVERNMENT POSITION

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, my question is directed to the Hon. Minister of the Environment.

The riding I represent in this House, and more specifically the Rouyn-Noranda region, has a serious pollution and acid rain problem caused by Noranda Mines. Could the Minister inform the House whether she intends to take any specific action in the near future to improve the quality of life of my fellow citizens?

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I am pleased to inform my hon. friend that I had a meeting on the subject yesterday with the Quebec Minister of the Environment, and I will be meeting the presidents of the smelting companies tomorrow evening in Montreal, including the president of Noranda Mines.

Oral Questions

[*English*]

GENERAL AGREEMENT ON TARIFFS AND TRADE

STEEL LABELLING PROVISIONS OF UNITED STATES

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Prime Minister. I know he will be aware of the situation because I wrote to him about it last October, although he has not seen fit to reply. Does the Prime Minister agree with the Minister for International Trade that the steel labelling provisions of the U.S. Trade and Tariff Act, which could cost hundreds of Canadian jobs, or that it is a violation of GATT?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the matter is open to discussion and debate. We are advancing Canadian interests in Washington and elsewhere with vigour and, I hope, with great success.

● (1440)

REQUEST FOR RETALIATION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, given that since the election of this Government more than 2,000 employees of the Steel Company of Canada have either been laid off or have received lay-off notices because of a downturn in the steel industry, will the Prime Minister guarantee to the House that he will proceed with retaliatory measures if the U.S. legislation is not changed, or will his bowing to the U.S. President force Canadian steelworkers to scrape the bottom of the barrel when it comes to jobs?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, one thing that I can guarantee my hon. friend that we will not do is indulge in retaliatory rhetoric such as the kind that we hear from her, which does nothing.

Some Hon. Members: Hear, hear!

Ms. Copps: Two thousand jobs is not retaliatory rhetoric, Mr. Prime Minister.

Mr. Mulroney: I think my hon. friend has forgotten that she is no longer in Queen's Park.

Some Hon. Members: Oh, oh!

Mr. Mulroney: We are delighted to have her here. I just want to say that we believe that by putting the case firmly and effectively, we can create new jobs and arrest those lay-offs to which she refers. She has our full support in that initiative.

* * *

UNEMPLOYMENT INSURANCE

JURISDICTIONAL QUERY

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. Has the Minister recommended to the task force on government reorganization that the Unemployment Insurance Program be transferred to the jurisdiction of the Department of Finance?

Hon. Flora MacDonald (Minister of Employment and Immigration): No, Mr. Speaker.

STATEMENT ATTRIBUTED TO MINISTER

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, if that is the case, can the Minister tell the House why, on October 30, while speaking to a training group in Kingston, she suggested that that is so? Is it because she wants to get rid of a hot potato portfolio, or was she simply suffering from loose lips?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I must say that that discussion in Kingston centered on how we could improve training programs for people, and it focused particularly on how human resource development could be expanded and encouraged. One of the things that was discussed at that time was how better usage could be made of the Unemployment Insurance Fund in this regard.

* * *

GOVERNMENT EXPENDITURES

OFFICE EXPENDITURES OF FORMER MINISTER OF TRANSPORT

Mr. Leo Duguay (St. Boniface): Mr. Speaker, my question is directed to the President of the Treasury Board. Today's *Globe and Mail* contains an article entitled "The Axworthy empire". In a six-month period prior to the election, this empire spent almost $900,000 more than its excessive yearly budget of $1.2 million. Can the President of the Treasury Board reassure the people of Canada that this self-serving empire building will not be tolerated?

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, we were obviously quite concerned by the very high costs of ministerial offices, including that of the previous Minister of Transport. Among others, in the Ministry of Indian Affairs expenditures were about $2 million, and expenditures in the Ministry of Employment and Immigration were above $3.5 million. There was obviously a need to bring in measures, which we did, to ensure that there would be strict control over the budgets of ministerial offices in the future. This will reduce the spending in that area in the year to come. I will table the document.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

ST. LAWRENCE SEAWAY

SYSTEM BLOCKAGE—REQUEST FOR INDEPENDENT INQUIRY

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is directed to the Minister of Transport and concerns the continuing shutdown of the St. Lawrence Seaway system. As the Minister knows, the weather is not co-operating with attempts to get the Seaway system re-opened by December 7. In fact today, with high winds and low visibility, work is stopped and equipment is on stand-by. In view of that shutdown at Valleyfield, and in view of the fact that a very similar but unreported incident occurred at Sault Ste Marie a month previous to the Valleyfield shutdown, will the Minister agree to have an independent commission of inquiry examine that 40-year-old system, to restore public confidence in Canada's Seaway?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I can confirm that work has been delayed due to the excessive winds on site. The equipment and men are standing by and waiting for the winds to subside. As I have said in earlier responses to questions put by the Hon. Member, we are putting forth our very best efforts to get the system operational again and, of course, we will be undertaking to take all steps necessary to ensure that breakdowns of a similar nature do not occur in the future.

INTERNATIONAL REACTION

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my supplementary question is directed to the Secretary of State for External Affairs. In view of the fact that alternate routes to the Seaway system are available, is the Minister concerned about Canada's international reputation, given the fact that the Seaway, an important economic generator, will be impacted negatively unless something is done by the Government to demonstrate that the Seaway system is in fact dependable?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as the Hon. Minister of Transport has indicated, we are facing an unanticipated and serious accident. I believe that international opinion, like opinion in Canada is greatly encouraged by the high priority the Minister of Transport has given the accident and the great dispatch with which he is proceeding to repair the damage.

* * *

INCOME TAX

RATES CHARGED BY DISCOUNTERS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, almost 400,000 Canadians who were entitled to income tax refunds received money in advance by going to discounters who charged 15 per cent per rebate, making an annual interest rate of 180 per cent, because people could not wait to receive the money in the usual fashion. Most of these are low-income people. Has the Minister given consideration to putting an end to the scam that is being perpetrated on these low-income people?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, I want to thank my hon. friend for raising the issue. In fact, the demand for the services of discounters has more than doubled since 1982. We are keeping a close watch on the procedures being followed, and if there is any infrigement of the law, we shall act accordingly.

[*English*]

CHEQUE-CASHING SCAM

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I wonder if the Minister is aware of a new fast growing scam, the cheque-cashing scam, in which people are charged a rate of 6 per cent for cashing a government cheque. The Government of Quebec has banned the operation of that kind of business. Would the Minister give consideration to having the federal Government put in place a similar policy?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Mr. Speaker, my department is monitoring the situation and plans to intervene if there is any further infringement of federal statutes.

* * *

[*English*]

FORESTRY

JACKPINE BUDWORM INFESTATION

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is directed to the Minister of State for Forestry, but in his absence I will direct it to the Acting Minister of State for Forestry. In view of the threat to the economic life of many communities in northern Ontario due to the infestation of jackpine budworm and the apparent reluctance of the Ontario Government to act, will the Minister urge his provincial counterpart to take the necessary steps so that an effective control program can be put in place by next spring?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, today the Minister is attending a meeting dealing with conservation of our forests. I will certainly bring the matter to his attention so that he may take notice of the Hon. Member's question upon his return.

REQUEST FOR AUTHORIZATION TO USE INSECTICIDE

Mr. Maurice Foster (Algoma): Mr. Speaker, I put my question to the Hon. Minister because, since the Minister of Agriculture has been away for over a week now, he is often the Acting Minister of Agriculture. Will the Minister undertake to urge that the biological insecticide BT be authorized for use on

an emergency basis, so that this program of control can be put in place next spring?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, might I say that the Government puts a high priority on the forests of the country. That is why a separate Ministerial responsibility was created. I will certainly take the question as notice, and I will see that the Minister is made aware of it upon his return.

* * *

● (1450)

EXTERNAL AFFAIRS

CANADA-UNITED KINGDOM DISCUSSIONS—PLIGHT OF BRITISH PENSIONERS

Mr. Neil Young (Beaches): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. He is scheduled to visit the United Kingdom in the next several weeks for bilateral discussions with that Government. Could he advise the House whether he intends to give top priority in those discussions to the plight of some 41,000 U.K. citizens who now reside in Canada, who receive a U.K. pension, but who do not receive cost of living increases from that Government? If he does intend to raise that, will he give it a high priority?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I know that matter has been of great and continuing concern to the Hon. Member, as it has to several Members on all sides of the House. I do intend to raise it in my discussions in London, and I will give it a high priority.

* * *

TRADE

EXPORTATION OF ELECTRICITY

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. We will know that various areas of Canada have exported electricity to the United States and that other areas want to export electricity to the U.S. Could he tell the House if he supports the sale of electricity to the U.S. not simply to New England but as well to the Midwest? Could he give the House some indication of the policy of the Government in this regard?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I am sure the Hon. Member is aware that the sale and generation of electricity is essentially a provincial matter. If he has some actual knowledge as to a province which is interested in selling electricity to the United States, of course we would be very interested in hearing the details.

Mr. Rompkey: Mr. Speaker, I am sure there is adequate evidence on the record, but I would be glad to tell the Minister that my province, for one, wants to sell electricity.

MINISTER'S POSITION

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, has the Minister met with his counterparts or is he going to be meeting with them? In addition, can he tell us through what mechanism he will support the sale of electricity to the United States?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, as the Hon. Member knows from his time as a Minister of the Crown, if he wanted to do something with respect to the sale of electricity during that five-year period perhaps he could have taken some action. I can only repeat the answer which I gave to the first question. Give us the details and we will be more than pleased to work with any province, including the province of the Hon. Member, in trying to sell electricity into whatever market where they feel they can sell it.

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FOREIGN INVESTMENT REVIEW AGENCY

PLANNED SHUTDOWN OF BLACK & DECKER PLANT AT BARRIE, ONT.

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is also directed to the Minister of Regional Industrial Expansion. Black & Decker has just announced that its world profits rose by 116 per cent this year. Could the Minister now report back to the House on the undertaking which he made last week, which was to consult FIRA about the planned shutdown of the Black & Decker plant in Barrie? Would he assure the House that the information which was reviewed was correct and accurate?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Yes, Mr. Speaker, I have had discussions with FIRA. As a result of those discussions I have asked that certain of the Black & Decker officials come in and go over the various undertakings and explain why they feel certain projections have not materialized and why it was necessary to close down the Barrie factory.

Mr. Langdon: Mr. Speaker, I am very pleased to hear that this close investigation is taking place.

REVIEW OF TAKE-OVERS

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, will the Minister commit himself to keeping the review of indirect take-overs of this kind in the FIRA Act in the future? In addition, will he permit unions and local communities to have access to the information that is given by companies in their undertakings to FIRA in cases such as this?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in answer to the first part of the Hon. Member's question, I would ask him to be a little more patient. He will shortly see the Bill in its entirety.

In answer to the second part of his question I can only indicate that the previous Government developed the precedent of not making available any of the information with respect to undertakings unless the party involved agreed to such a disclosure. I am now looking at that situation to determine whether it must be followed. Again, I will advise the House when I have something further to say, perhaps during the debate on the revisions to FIRA.

* * *

CRIMINAL CODE

IMPAIRED DRIVING AMENDMENTS

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Minister of Justice. The Minister knows that Christmas is coming and that the Christmas Party season has already begun. When he was in Newfoundland he indicated that he was intending to bring forward tough legislation to deal with drunk driving, before New Year's. The former Government had legislation before the House on that subject. Is the Minister going to bring that legislation forward? Will he give the House time to consider it properly before New Year's?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am certainly prepared to admit that Christmas is coming, and I thank the hon. gentleman for tipping me off.

I hope that before the middle of December the Criminal Code amendments will be before the House. I cannot tell the hon. gentleman exactly on what day. The draftsmen are busy working on not just the amendments which relate to impaired driving, but on other matters as well. If the House is interested, there should be time to consider it adequately before Christmas. That is my hope.

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ENVIRONMENTAL AFFAIRS

HERRING GULL EGG PROGRAM

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my question is addressed to the Minister of the Environment. In view of the concern expressed by many Canadians over the last two weeks about cut-backs in environmental monitoring, and in view of the report which was released last week that highlighted the problems of pollution in the Great Lakes and the Niagara River, could she tell the House whether she is reconsidering the decision to cancel the Herring Gull Egg Program? Is she prepared to tell the House now if she will do the better thing and reinstate that program?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, as far as the Herring Gull Egg Monitoring Program is concerned, I am consulting with various authorities to assess the scope of this program, and I might refer the Hon. Member to a reply I gave in the House a few weeks ago. However, if the fact that we are considering cutting this program poses a threat to the health of Canadians, the research program or our international agreements, I am prepared to reconsider.

[*English*]

MINISTER'S RECONSIDERATION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, could the Minister tell the House how long this reconsideration process will take? When can we expect to hear from her on whether she will stick by the cancellation of that program or whether she will do the better thing and reinstate it?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I shall make a decision within the next few weeks.

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PORNOGRAPHY

PENTHOUSE MAGAZINE—GOVERNMENT POSITION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, my question is directed to the Minister of National Revenue.

Since the Minister is responsible for customs and excise, could he inform the House whether officials of his Department banned the importation into Canada of the January 1985 issue of *Penthouse*, or if it is because of inadequate controls at the border that, today, the Minister has been forced to instruct distributors to keep the January issue in their warehouses?

[*English*]

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, first I would like to thank the Hon. Member for her question. When we had the chance to look at the January issue of *Penthouse,* I was very concerned about one of the pictorials which was in it. As a result I asked for a legal opinion from my Department as to whether it would be possible to prevent importation of that issue as we did in the case of the December issue. The legal opinion I received from the Department was that it was not possible to do so.

As a consequence we held up the importation of the issue at the border while we requested a second legal opinion from the Department of Justice. The second legal opinion was similar to the first, that is, it is far from clear that, if we were to ban importation, we would be able to succeed in the courts.

Point of Order—Mr. Blenkarn

● (1500)

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Monday, December 3, 1984, meet the requirements of the Standing Orders as to form.

* * *

POINT OF ORDER

PROCEDURE RESPECTING TABLING OF DOCUMENTS

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I rise on a point of order. In replying to the Hon. Member for Saint-Boniface (Mr. Duguay), the President of the Treasury Board (Mr. de Cotret) made certain comments and read from certain documents. Would he now be required to table those, as he offered to do in the House?

Mr. Speaker: I take it the Hon. Member is making an allegation that a Minister referred to documents, or cited or quoted from them. I will check the "blues" and determine whether there is a procedural requirement on that matter.

Mr. Blenkarn: Mr. Speaker—

Mr. Speaker: Ministers have the right as Ministers to table documents under "Tabling of Documents". The Hon. Member is rising on a point of order, I presume, to ask the Speaker whether there is a procedural requirement imposed upon the Minister as a result of his reference during Question Period. The answer is that the Speaker would have to check the "blues" in order to determine whether in fact the documents were cited or quoted. He would then have to determine whether the rules with regard to that matter apply to Question Period.

As I have indicated in a previous ruling, if the Minister chooses of his own volition to table the document under "Tabling of Documents", that is his freedom. At the moment the point of order has been raised and I must reserve on the point of order.

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, perhaps my hearing of the point of order with respect to the tabling of that document was somewhat different from yours. I understood it to be a request of the Minister to table the document to which he was referring.

Mr. Blenkarn: Right on!

Mr. Hnatyshyn: The Hon. Member says "Right on".

Mr. Speaker: With due respect, it cannot be a point of order if it is a request to the Minister. The point of order which I heard was, did the Minister have an obligation to table as a result of quoting from the document? I presume that is the only point of order which could relate to the matter.

Mr. Hnatyshyn: Mr. Speaker, I take it that our rules say that during the course of Question Period it is not possible for Ministers to table documents.

Mr. Speaker: I am sorry, I have indicated I will reserve on the point of order raised. That is normally the practice of the Speaker with regard to a point of order related to some comment regarding citing or quoting. The Speaker is also indicating to the House, as is his obligation, that should the Minister have documents which the Minister wishes to table of his own volition, there is a procedure in the rules for that. I believe the Hon. House Leader knows that as well and we will get to it.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

VETERANS AFFAIRS—FIRST REPORT OF STANDING COMMITTEE

Mr. Jack Shields (Athabasca): Mr. Speaker, I have the honour to present the first report of the Standing Committee on Veterans Affairs, in both official languages.

REGIONAL DEVELOPMENT—FIRST REPORT OF STANDING COMMITTEE

Mr. Murray Cardiff (Huron-Bruce): Mr. Speaker, I have the honour to present the first report of the Standing Committee on Regional Development, in both official languages.

EXTERNAL AFFAIRS AND NATIONAL DEFENCE—FIRST REPORT OF STANDING COMMITTEE

Mr. William C. Winegard (Guelph): Mr. Speaker, I have the honour to present the first report of the Standing Committee on External Affairs and National Defence, in both official languages.

NATURAL RESOURCES AND PUBLIC WORKS—FIRST REPORT OF STANDING COMMITTEE

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, I have the honour to present the first report of the Standing Committee on National Resources and Public Works, in both official languages.

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

GOVERNMENT EXPENDITURES

TABLING OF EXPENDITURES AND BUDGETS OF MINISTERIAL OFFICERS

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, I would like to table the document to which I referred earlier with respect to the expenditures and budgets of officers of Ministers and officers of Ministers of State, for the period 1980-81 to 1984-85.

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PETITIONS

WORLD PEACE AND DISARMAMENT

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, it is my duty and honour to present a petition signed by residents of the City of Prince George who share a common concern over the issue of world peace and disarmament.

The petitioners applaud the Government for the appointment of an ambassador for peace and disarmament and express the hope that Parliament will resolve to work towards specific goals: to end the testing of the Cruise missile in Canada; to declare Canada a nuclear weapons-free zone; to have Canada support no first-use of nuclear weapons policy at NATO; and finally, to support a vote in the United Nations for a multilateral nuclear weapons freeze.

INSTALLATION OF POST OFFICE BOXES

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, I rise to present a petition signed by 29 residents of my constituency. They are most unhappy with the Canada Post Corporation. For 14 months they have been attempting to have post boxes installed, if only at the end of their block. The next block over there are 30 boxes, plus 30 extra. Therefore, I present their petition and pray that the Government will do its duty.

CANADIAN WILDLIFE SERVICE CUT-BACKS

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I have the honour to present a petition from the people of the Town of Sackville in which they express their concern and objection to cuts which have been announced to the Canadian Wildlife Service, especially the cut to that service in Sackville, New Brunswick.

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QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, I am

delighted to announce that the following questions will be answered today: Nos. 22 and 87.

[*Text*]

DEPARTMENT OF REGIONAL INDUSTRIAL EXPANSION LAWYERS

Question No. 22—**Mr. Howie:**

How many lawyers are employed by the Department of Regional Industrial Expansion?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): There are eight lawyers assigned to the Department from the Department of Justice.

CANADIAN LONG BASELINE ARRAY

Question No. 87—**Mr. Nickerson:**

What progress is being made towards the establishment of the Canadian Long Baseline Array?

Hon. Thomas Siddon (Minister of State for Science and Technology): The Canadian Astronomical Society, sensing that funds available for science are limited and aware of the interest in Long Baseline Interferometry which has developed in other countries, has undertaken a reassessment of the Canadian Long Baseline Array proposal which it put forward in 1982. The report of this study entitled "Collaborative Options for the Canadian Long Baseline Array" was presented to the Presidents of the National Research Council of Canada and the Natural Sciences and Engineering Research Council in August of this year.

While reaffirming its preference, based on scientific merit, for the original nine-antenna design, the Canadian Astronomical Society now proposes an optional configuration involving only four antennas. This array (referred to as CLB 4) could not operate as a stand-alone instrument for astronomy, but if used in conjunction with antennas in the United States or Europe, its performance would exceed that of the original Canadian Long Baseline Array. The four Canadian antennas could operate as a stand-alone array for geophysical studies, although collaboration would be important in this area as well.

A study to define the benefits to Canadian industry which would result from construction of the array is currently being undertaken by a committee of the Canadian Astronomical Society.

The National Research Council is awaiting the results of the study of benefits to Canadian industry before proceeding with further consideration of the project.

[*English*]

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

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

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1984-85 (No. 2)

MEASURE TO ENACT

The House resumed consideration of the motion of Mrs. McDougall that Bill C-11, an Act to provide borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs; and the amendment thereto of Mr. Riis (p. 694).

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, when we reached the luncheon adjournment earlier this afternoon I was exploring the failure of the Government to examine the reason why the deficit from which the Canadian people are suffering has developed. I indicated the way in which the deficit has grown since 1975 and suggested that in large measure decisions of past governments to encourage capital investment by various tax expenditures and other programs, and the attempt of government at the same time to reduce its role in the economic development of this country, has had the result of slowing economic activity in this country. The safety net provisions, as we euphemistically call them, tend to increase the amounts of money government has to spend. The result of these decisions, then, has been to create a higher deficit year by year.

In the few moments I have left this afternoon, I would like to explore briefly whether there is going to be any change in these matters and what sorts of changes government ought to undertake if we are ever going to have any prospect of real resolution of our deficit situation and, consequently, less need to borrow funds.

It seems to me all too doubtful that there is going to be action taken with respect to the role of government. There may be some action taken with respect to tax expenditures. There have been some indications of that and, as I said previously, I hope very much it will take place. However, it is even more true now than in the mid-1970s that government seems to be convinced that government itself is the prime operator in the economy. That thinking is, in its way, a detriment to prosperity in this country. If government meets needs and in the process is forced to borrow money, that supposedly reduces confidence. The classic result is that we begin to enter a kind of depression in which there is no shortage of human needs to be met but government refuses to assist in meeting those needs.

● (1510)

Our people long for better housing and employment. There are all sorts of economic and social needs to be met and the Government's refusal to do so means we have this incredible disparity. As long as this is the case, as long as there is not the ability to purchase goods, as long as business does not have the demand it so desperately wants to supply, there will not in fact be the confidence in the economy that is warranted. Thus the hopes that Conservatives have been expressing in one statement and another are going to fall flat and they will be back for even more money next year.

Mr. Deputy Speaker: Are there questions and comments on the Hon. Member's speech? If not, we shall resume debate.

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, I rise to speak in favour of Bill C-11, an Act to provide borrowing authority, introduced by the Minister of State for Finance (Mrs. McDougall), and to speak against the most recent amendment. This Bill means the Government is seeking authority to borrow $23.3 billion. Of that amount, $7.3 billion is for the fiscal year 1984-85, and the balance of $16 billion is for the next fiscal year, 1985-86. Of the $7.3 billion, I think it is noteworthy that $5.3 billion reflects further financial requirements resulting from the deficit inherited from the former government. The remaining $2 billion may be carried over into the fiscal year 1985-86. Of the $16 billion being borrowed for the next fiscal year, none may be carried over to the following fiscal year.

The $2 billion reserve I spoke of for this year is designed to provide flexibility in the event of large, unpredictable changes in the Government's financial requirements; for example, the foreign exchange operations to stabilize the dollar may be required. The $16 billion is expected to meet borrowing demands until next fall, and legislation will probably be introduced following the Budget next spring to cover the remaining part of the fiscal year.

As Shakespeare put it in Hamlet, Mr. Speaker: "Neither a borrower not a lender be". I think most Canadians will acknowledge the wisdom of that statement. No one wants to borrow money for the operation of a household or business or, in this case, government. But as desirable and agreeable as that statement is, I think Canadians will acknowledge just how necessary this borrowing is. The previous government left a legacy of crippling debt for Canadians and thus necessitated this borrowing Bill.

The saddest part of all this, Mr. Speaker, is that there should be no deficit. If we look at the past decade from the years 1969 to 1979, there were times of record economic growth. As some provinces have demonstrated, we have seen that by proper financial management and fiscal housekeeping a government should emerge from good economic times and a strong vibrant economy with a surplus. But this was not the case here. As one of the outgoing Ministers quite rightly put it, we have a bare cupboard. Because of this background of wasteful spending we find ourselves having to approach this House seeking authority to borrow more money.

Over the course of this debate it has been interesting to listen to the use of the word "hypocrisy". The critics have said that this debate involves hypocrisy because of this Party's opposition to borrowing Bills when it was the Official Opposition and the now Opposition's position against borrowing Bills, given the fact they were the government that incurred all of this debt. This allegation of hypocrisy comes from the third Party in this House, the Party that believes the economy will get going again if the Government puts dollars directly into the

pockets of the people. On the face of it that might sound good until one begins to examine the economic foolishness inherent in that statement. Someone has to pay for government handouts, which means taxation and deficit financing, which is what got us into the situation we are in.

This allegation of hypocrisy is interesting also because it is only half right. As we examine the statement of the financial cupboard, Mr. Speaker, we can see that this Government is left with no alternatives. However, the Official Opposition, when it was in government, did have alternatives over the decade of prosperity. It could have bequeathed to Canadians a much stronger and vibrant economy than it did. If one is to talk about hypocrisy, then indeed that is the boldest form of it.

If we look to this morning's edition of the national newspaper we can see the kind of spending that resulted in this deficit. We see the squandering by the former Minister of Transport, the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy). His government brought us to the point where one dollar in every three is needed just to service the debt. His government was spending $264 million every day or, to bring it down to something more understandable, $190,000 a minute. His government held this absolutely perverse rationale that by giving people money from the government, that would somehow solve the long-term economic problems. We have found instead a record deficit, record high interest rates and record pressures on the Canadian people. This is what we have been left, but there is hope.

I think all of us would agree, Mr. Speaker, with the hope we found in the statement by the Hon. Minister of Finance (Mr. Wilson), the hope as exemplified in what he talked about as the four positions we must take as the Government. First, we must put our own fiscal house in order and get control of government spending. Second, we must redefine the role of government as a player in the economy. Third, we must adopt policies that foster investment. Fourth, we must bring about changes in a fair, open and equitable manner.

The expenditure cuts and other measures announced by the Minister of Finance will hold next year's deficit at $34.9 billion, a level only marginally larger than this year and considerably lower than the $37 billion projected by the previous government. Canadians have seen others suffer the tragic consequences of a government that spends so much more money than it brings in, the negative economic ripple effect which has resulted in high interest rates and a lack of investor and consumer confidence. The message should be abundantly clear to all Members of this House: responsible deficit management is needed. We do not need what the third Party of this country has advocated—reckless spending.

It is for these reasons, Mr. Speaker, that we have come before this House seeking passage of Bill C-11. It is for these reasons that we are left with no other choice. Therefore, I support Bill C-11, I agree with the necessity to borrow, and I thank you for the opportunity to address this issue before the House.

Mr. Deputy Speaker: Questions and comments?

Mr. Nystrom: Mr. Speaker, this is the first time I have had a chance to listen to our new colleague from The Battlefords-Meadow Lake and I welcome him to this House. I was very interested to hear him talking so much about the deficit, about Shakespeare and all those fine words. He also talked about our Party and the deficits we would like to run.

I would like to ask him about a very real situation back home. Under the Douglas Government of the 1940s, 1950s and 1960s, the Government of Woodrow Lloyd, and on through that of Allan Blakeney, we did not have deficits in our province. In fact, two years ago when the Blakeney Government was defeated, there was no deficit in the Province of Saskatchewan. Now all of a sudden, after two years of Tory rule, there is a deficit of over $800 million in the Province of Saskatchewan. In a province of only one million people, that is a deficit of over $800 for every single man, woman and child.

• (1520)

Why would the Hon. Member for The Battlefords-Meadow Lake accuse us of being a Party which likes to run up huge debts when the record speaks so clearly? When one compares the NDP record in Saskatchewan against that of his party, it is clear that the Party of irresponsibility and deficit financing is the Party of the Hon. Member. In fact, according to the statistics I have here, the number of people on welfare in Saskatchewan has gone up in the last two and one-half years by 73 per cent. How can the Member stand in his place and say that our Party is the Party that likes to drive up government debts when indeed the record speaks clearly for itself?

Mr. Gormley: Mr. Speaker, I would like to thank the Hon. Member for Yorkton-Melville (Mr. Nystrom) for asking that question. It is an honour for me to respond to his comments. It is an opportunity I have long waited for.

Two years ago, after the prosperous decade of growth which I spoke of earlier, the Province of Alberta had untold billions of dollars. The Province of Saskatchewan came in with a balanced budget every time. A lot of us thought that was odd because if the government was indeed playing in the fair market in the real world there should be a surplus. Then we looked at the books and found that through third party lending on Crown corporations and very creative bookkeeping the state-oriented type of government which this Party advocates and has been so fond of would have bankrupted Saskatchewan. However, the interesting type of bookkeeping which we saw resulted simply in a balanced budget.

With all due respect and honour to be accorded to the new government, they have simply opened the books of the Government of Saskatchewan to look at how the New Democratic Party would run a government. What we found has resulted in an $800 million deficit. This is a warning to the people of Saskatchewan for the 1986 election and a warning to the people of Canada about what would ever happen in the country if that kind of Party even became the Official Opposition rather than simply the third party rump of Canadian politics.

Mr. de Jong: Mr. Speaker, that is a most novel suggestion from the Hon. Member. Even the Conservative Party back home does not claim that the deficit which now exists in the Province of Saskatchewan was really an NDP deficit which existed before and that only a change in the bookkeeping system has resulted in the deficit. Even the Minister of Finance in Saskatchewan is not making that claim.

I am sure the Hon. Member has received, as all Members of Parliament from Saskatchewan have, a letter from the Saskatchewan Natural History Society. In the letter they make a plea to all Saskatchewan Members of Parliament to do whatever we can and to use our good offices to attempt to persuade the Government not to cut as severely as it has the wildlife program. As they point out in the letter, they feel that the Conservative Government has unfairly burdened these agencies with excessive costs. Whereas the over-all cuts only amount to 1 per cent of the civil service, the Canadian Wildlife Service has been cut by 33 per cent.

Does the Hon. Member support the Government in these cuts, particularly in the closing of the Prairie Wildlife Interpretation Centre near Swift Current, the halt to the planned reintroduction of the swift fox, which is an endangered species, and the cancellation of the 1985 opening of the Grasslands National Park? Is the Hon. Member in favour of these cuts? Does he believe that there was not other government waste that should have been cut? Does the Hon. Member believe that these programs were really wasteful programs that should have been cut? Or, can the Hon. Member display his loyalty to the Province of Saskatchewan and our natural heritage by being honest and telling us he really does not believe these cuts were justified and there was indeed other fat that could have been cut instead?

Mr. Gormley: I would like to thank the Hon. Member for Regina East (Mr. de Jong) for his question. By way of preamble, it is interesting that in his recent householder there is a pre-occupation with Saskatchewan Government politics to such an extent that I think we may have jurisdictions rather confused with regard to which recent financial statement we are talking about. However, I will leave that as a matter for provincial debate.

I share the concern of the organization mentioned, Mr. Speaker. The answer that I gave in my correspondence was that the process of trying to control government spending is indeed a very painful one. I assured these people, as we have assured people all across the country, that sharing in government restraint is not a process which one wants to participate in but it is necessary. If we share the painful process of government restraint across all geographic regions of Canada, including our province, as Canadians we will see the benefits of this kind of government restraint with the slow winding down of the deficit. Our children will see a Canada which will be an economically better place to live in a generation from now.

Mr. de Jong: Mr. Speaker, I would like to ask the Hon. Member the question again. A straight yes or no will do. Does he not believe that cutting the Canadian Wildlife Service by 33 per cent is too severe a cut?

Mr. Gormley: Mr. Speaker, I believe that whatever cuts have occurred to the Canadian Wildlife Service are reflective of the cuts going on in many corners of the country, in many government departments, and affecting many Canadians. If Canadians have the courage, moral strength and conviction to bear down and get used to the idea of a government that is responsible with our tax dollars, we will see untold benefits in the future.

Mr. Nystrom: Mr. Speaker, my question is again with regard to the deficit. I have not heard Premier Devine or the Minister of Finance back home say that the deficit was really an NDP deficit because of the Crown corporations. What evidence can the Member give the House today about what he said? You must realize, Mr. Speaker, that our budget in the Province of Saskatchewan is only around $3 billion, so a deficit of over $800 million is extremely large. That was run up within less than two years because the new budget has yet to come down. It will probably be around $1 billion. That is one of the most astonishing increases in a deficit that any government in the country has seen in the history of Canada. What kind of evidence can he cite, or is he just trying to create some rhetoric here?

Mr. Gormley: Mr. Speaker, to keep my answer brief, I would refer the Hon. Member to the financial statement of the Saskatchewan Power Corporation, and particularly to the lending and borrowing that Sask Power did. I believe that was in the neighbourhood of $2 billion. This was ostensibly capital borrowing. I think if you were to look that up and see where that money often went in the provision of government services, it would show that the past NDP government had become masters at robbing Peter and Paul to pay someone else. If the Hon. Member would read the Sask Power Financial statement, that should bear his consideration.

Mr. Nystrom: What was the deficit of Sask Power? May I ask one more question?

Mr. Deputy Speaker: Yes, the Member for Yorkton-Melville with a very very short question, please.

Mr. Nystrom: He is talking about $2 billion. They do not spend anywhere near that much money. Following the train of thought of the Hon. Member, what was the deficit of Sask Power in 1981-82?

Mr. Gormley: When the Hon. Member for Yorkton-Melville reads the financial statement he will be able to enlighten all of us about the financial picture of Sask Power.

Mr. de Jong: You don't know.

Mr. Nystrom: He does not know.

Mr. Deputy Speaker: The period for questions and comments is now over. We shall continue with debate.

● (1530)

Mr. Ken James (Sarnia-Lambton): Mr. Speaker, while I stand today in support of Bill C-11, an Act to provide borrowing authority, presented by the Minister of State for Finance (Mrs. McDougall), I must say that I deplore the circumstances that have led us to this point. There is not one of us in this Conservative Government who would willingly lend himself or herself to the prospect of increasing the national debt and the burden on the Canadian taxpayer. We are just beginning to realize the depth of the financial hole in which we have been left by previous governments. The job of climbing back out of that hole has only just begun.

The Minister of State for Finance has asked that our borrowing power be increased by $7.3 billion for this fiscal year. That will take care of current commitments and allow for a $2 billion contingency fund that, if not needed, will be carried over into the next fiscal year. This reserve fund will allow flexibility in the event of unpredictable fluctuations in our financial requirements, such as changes in the exchange rates and the value of our Canadian dollar. Looking forward into the next year, the Minister has asked for authority to borrow $16 billion more for fiscal 1985-86.

I submit, Mr. Speaker, that this estimate of our spending needs is a sound one and the request for borrowing is born of necessity. While we are apparently still on the same Keynesian track that led us into this morass, we are not, as a Government, committed to handing out money pell-mell, as was the last administration. The course we set with the passing of this Bill, coupled with the measures set forth in the Finance Minister's economic statement, will lead us out of our debt-ridden circumstances and on to the road to fiscal recovery.

Let us look at why we are now in this state today. Let us look at what led us here. We have inherited a situation with this Government that I believe to be unique in Canadian history. We are following a dynasty of Liberalism that led this country down the garden path. In talking of economic mismanagement, I shall quote from a book entitled *Business Cycles in Canada* by Maurice Lamontagne, excerpts from which are found on pages 73-82 in the 1984 paper of the Canadian Institute for Research on Public Policy. The late Senator Maurice Lamontagne was a former Minister in the Pearson government. I quote:

> The medium-term government strategy was not clear-cut. A few specific fiscal incentives and a less effective tax cut applied to manufacturing but in 1974, a substantial increase in taxes on profits was implemented. More important, after the Canadian dollar was allowed to float in 1970, the rapid rise in the exchange rate significantly dampened the cyclical expansion in business investment by shrinking the market outlets available to Canadian industry.
>
> The coupling of structural and supply-push unemployment and inflation became the dominant phenomenon of this period.
>
> Errors in forecasting and in economic policy made by the government did not help to attenuate these undesirable trends and to achieve greater stability.
>
> Government short-term fiscal strategies were seriously mistaken throughout the period.
>
> However, the seeds of a serious disequilibrium in the government budgetary position had been planted. The government had practically lost control over its budgetary position.

Since 1967, the Liberal governments have spoken about their concern for the deficit and preached the message of restraint. In December of 1967, the then Prime Minister Lester Pearson told Canadians that the government was doing something about the deficit. He said:

> By cutting our expenses, and increasing our revenues, as a result, the next budget will be a balanced one.

That year the government spent $11 billion, and there was a net debt of $18 billion.

Two years later in August, 1969, Pierre Trudeau told Canadians that:

> We'd be on the road to financial disaster if nothing is done to bring spending under control.

Spending was $13 billion and the net debt came to $18 billion. Four years later, the present Right Hon. Leader of the Opposition (Mr. Turner) told Canadians, in his November, 1974 Budget, that:

> We must do all we can in these circumstances to restrain the growth of government expenditures.

Spending was $30 billion and the net debt jumped to $24 billion.

Let us move another four years down the road to the next Liberal Finance Minister and his November 1978 Budget, who said:

> There can be no weakening in our determination to keep expenditures under tight control.

Spending was $46 billion. The net debt up to $60 billion. Four years later in his June, 1982 Budget Allan MacEachen told the Canadian people that some say the Government:

> —should print more money. Others say it should let the deficit rip. But that would fail miserably. Inflation and unemployment would get worse. Interest rates would rise even more. Canada would price itself out of world markets. Recovery would be postponed.

That year, spending was $80 billion and the net debt had climbed to $124 billion.

This last summer the Right Hon. Leader of the Opposition told Canadians that:

> There are programs that are duplications; there are programs that are wasteful; there are programs that are no longer useful; there are programs that no longer serve a purpose; and I am going to cut that down—

This is the legacy left the Canadian people, left to this Conservative Government. After taking into account the expenditure reductions outlined in this November's economic statement, the Government will spend $100 billion this year, with a net debt by the end of the fiscal year of $191 billion.

I ask, Mr. Speaker, that you look at this record of prudence and sound fiscal judgment espoused by the Liberal government: from spending of $11 billion and a total debt of $18 billion in 1967 to the $100 billion spent this year, and the $191 billion that is net debt. This is the legacy left the Canadian people and this Conservative Government following two decades of Liberal control.

I spend a great deal of time in my riding. I feel that the duty of a Member of this Parliament is to be accessible to the people who put us here. I see a multitude of constituents

weekly and 90 per cent of them ask: "What can we do with the economy the way it is today?" They are not condemning anyone now in power; they are simply wondering what direction we must take to find the light at the end of the tunnel. They are not looking for the quick fix because they know only too well that those who say there is a fast and easy way out do not have a clue as to what they are talking about. They do not wonder how this came to pass. They see the evidence daily in the newspapers, such as, for example, today's edition of *The Globe and Mail* with its reference to the "Axworthy Empire". People are well aware of the fact that there has been mismanagement and wanton spending in the past that cannot and will not be repeated during this thirty-third Parliament.

Let me close, Mr. Speaker, with another quotation from the Right Hon. Leader of the Loyal Opposition. It reads:

> I start from the proposition that there are many things that only government can do. And the first priority is to get these right: fiscal policy, tax policy, trade policy, monetary policy. Then the government must provide a safety net for those who are unemployed, ill, aged, disadvantaged—

The last governments have failed miserably to reach even their first priority, and have worsened the situation for all those mentioned in their second.

Again, Mr. Speaker, I feel I am representative of all Conservatives sitting here today in saying we do not like the prospect of increased borrowing but recognize the necessity of such a move at this time. We as a Government have made a commitment to the Canadian people to bring their financial house back to order. By real restraint and judicious handling of the national purse strings we will realize this goal.

Mr. Deputy Speaker: Are there questions or comments?

Mr. Epp (Thunder Bay-Nipigon): Mr. Speaker, I would like to make a comment and conclude with a question on the speech made by the Hon. Member for Sarnia-Lambton (Mr. James) relating to the need to borrow money. We have had a lesson in history, or at least a scanning of the record of the past. The record was provided to us in a descriptive way. There was not much analysis. My question for the Hon. Member will deal with his analysis.

• (1540)

As he did this historical scanning, I was reminded of another time some 100 or more years ago when the Liberal and Conservative Parties of the day were, by circumstances, being pressed toward a common position. After the Conservative government under Sir John A. Macdonald brought in a national policy, the Liberals resisted it at the time. The Conservatives established a 20 per cent tariff, and the Liberals had a 17.5 per cent tariff. As O. D. Skelton writing about this just before the Great War observed, the difference between protection and free trade became the difference between 20 per cent and 17.5 per cent; 2.5 per cent was sufficient.

I was struck by the fact that the Hon. Member said that a profligate government which squandered money and so on was defeated. Presumably a 4 per cent reduction in expenditure gives us a government which is responsible and prudent. If we look at the areas in which the trimming takes place, it is startling that they are the environment and others where Canadians lose important services and where there is not a great deal of fat to be wrung out.

In our day what we have in the Liberal and Conservative Parties, for all the rhetoric, is similar policies of restraint which the Liberals, as the Hon. Member documented very well, had been trying to follow. The result had not been economic success, so his constituents—and he does not want to take their comments against himself and his Government—are very anxious. In that continuity of policy we have the grave concern which I expressed that a year hence the request will be for even more borrowing authority.

In all this description of how it has become worse, what actually is wrong with the Canadian economy? What will the Government do other than give us 4 per cent less as a measure of responsibility and urge us all to tighten our belts? As I said before, Canadians have various needs which are not being met. I do not want to say yet that the Government will not do anything about it. Important programs are clearly under the knife. Time will tell whether the Government gives a damn about them. Would the Hon. Member tell us what will really be changed other than this minor 4 per cent change?

Mr. James: Mr. Speaker, I welcome the Hon. Member's question. We cannot disregard the kind of overspending of which we have seen examples. There were clear indications that many corners had to be cleaned out and that probably many programs needed to be examined by the past government. Many aspiring leadership candidates espoused that. Certainly it was a clear indication to this Government that we should look into the matter. There was another example in today's newspaper. Of course, one of our Cabinet Ministers mentioned that many other Departments had overspent. I do not think the situation is any different from that of a household or a business.

Canadians were looking for some clear signals. I think the Canadian public is already reacting to the indications of the Government by being prudent and by looking at cutting, not at spending. We cannot continue spending more than we take in. Perhaps the Hon. Member can do it, but in the long run I personally think he will run into problems, just as governments will run into problems. I think a very clear signal has gone out to the people of Canada, and they appear to be responding.

Mr. Riis: Mr. Speaker, I listened very carefully to the presentation of the Hon. Member. He mentioned that he felt quite comfortable asking the House to provide a borrowing authority for $16 billion into the next fiscal year.

I see that the Right Hon. Member for Yellowhead (Mr. Clark) is in attendance this afternoon. As Leader of his Party, he argued long and hard that this was a precedent which we ought not to consider. For example, if a government were asking for $16 billion for the next eight months and into the new fiscal year, using the same principle I suppose it could come in asking for a borrowing authority for the next two, three, five or fifteen years. We have a precedent where the

government obtains borrowing authority for the year in which it is requested. Why does the Hon. Member feel it is appropriate to go against that precedent and particularly against the argument presented by his previous Leader?

Mr. James: Mr. Speaker, it is a request for funds to carry us to the next budget. As a new Member I have been concerned about the amount of verbosity which takes place here every time a government comes in asking for borrowing authority. We ought to get down to running the country. We might want to look at some efficiencies. This is a clear example of that.

Mr. Nystrom: Mr. Speaker, two years ago on July 19, 1982, my very good friend from Yellowhead moved an amendment to a very similar Bill. I agreed with him and supported him at that time. My position is very consistent, my position is the same now. At that time his amendment read as follows:

"this House holds the opinion that the granting of an authority for the borrowing of a sum greater than that amount which is required to meet the government's needs to the end of the current fiscal year is objectionable in principle and this House therefore declines to give second reading to Bill C-125, an act to provide supplementary borrowing authority".

If the Conservative Party found it so wrong for the government of Mr. Trudeau to do that two years ago, in other words to borrow money not for the current year but for the next fiscal year, why the sudden change of heart?

Mr. James: If I were facing a government with the kind of record that government had, I might have felt very much the same. We have a new Government, a Government with responsibility and certainty.

Mr. Nystrom: I should like to ask a supplementary question. When the Right Hon. Member for Yellowhead (Mr. Clark) was Leader of the Opposition he objected to this in principle. He was not playing political games. I know him very well; he does not play political games. He was not only concerned about the record of the government at that time. He was objecting in principle to the borrowing of money for the next fiscal year when parliamentarians should have some kind of budget before them. He is a very principled man. He was objecting in principle. What has happened to those principles?

Mr. James: I do not question the Hon. Member's principles whatsoever. I am sure that he spoke with conviction.

Mr. Nystrom: He did speak with conviction.

Mr. James: And I am sure he does. I remind the Hon. Member for Yorkton-Melville (Mr. Nystrom) that there was a different government at that time. He probably had some serious concerns over the ways in which it would manage the fiscal affairs of the country.

Mr. Rodriguez: Mr. Speaker, I have a question for my friend and neighbour from Sarnia-Lambton. While the government may have changed and it may be a very different government, the principle remains the same. The principle was well elucidated by the Hon. Member for Etobicoke Centre (Mr. Wilson) when he was opposition finance critic. He is now the Minister of Finance, and I should like to quote what he said about that principle. He said:

The first amendment we offered was to decline second reading of this bill.

This is when he spoke on the amendment of the Right Hon. Member for Yellowhead (Mr. Clark). He continued:

There is a well established principle that Parliament only provides sufficient borrowing authority to a government to allow it to finance its operations within the current fiscal year.

He clearly outlined that principle. It supersedes any government which sits on that side of the House, whether it be Liberal, Conservative, NDP or whatever.

Would the Hon. Member please explain why the principle, to which his Party held as the ideal a year ago, has become a principle upon which it is prepared to trample now that it has become the Government?

● (1550)

Mr. James: Mr. Speaker, we are looking to a new budget in a few months. This Government has a conviction and follows the principle of getting on with accomplishing things that will turn the economy around and do what Canadians are looking to have done. There is an efficiency in what we are doing.

Mr. Deputy Speaker: We shall now resume debate.

Mr. Dan Heap (Spadina): Mr. Speaker, I am glad to have the opportunity to speak against this borrowing Bill and in support of the amendment moved by my colleague. It is the same amendment that was moved by the Right Hon. Member for Yellowhead (Mr. Clark) when he was Leader of the Opposition. In the very same words, our amendment states:

"that this House holds the opinion that the granting of an authority for the borrowing of a sum greater than the amount which is required to meet the government's needs to the end of the current fiscal year is objectionable in principle—

The Right Hon. Member does not say that it is the government that is objectionable. He says the borrowing is objectionable in principle. This is what we say. It continues:

—and this House therefore declines to give second reading to Bill C-11, an Act to provide borrowing authority".

The Hon. Member for Sarnia-Lambton (Mr. James), in answer to our questions about the principle, repeatedly said, in effect, "Trust me. Trust my Leader. What is wrong for the Liberals to do is right for the Conservatives because the Conservatives have good intentions". He implies that the Liberals had bad intentions, the Conservatives have good intentions. The principles of both the Right Hon. Member for Yellowhead and the Minister of Finance (Mr. Wilson) disappeared on election day.

What was a matter of principle before September 4 is no longer a matter of principle for the members of the Conservative Party. They are willing to do anything to advance purposes which they claim are good. Unfortunately, they do not tell us in any clear way what those purposes are that are worth $16 billion. They tell us they will create more jobs. All they have done is to lay off people. They tell us they are going to reform the tax system. All they have done is to make the tax

system worse by loading more taxes this fall on to low and middle income people without touching with one finger the loopholes that are making the rich richer and the poor poorer. They have not told us one word about what they will do with the money to be borrowed for fiscal 1985-86. They refuse to tell us what they want to do with $16 billion in a fiscal year that has not yet started.

We agree with the principle they expressed a couple of years ago. We regret that they have sold their principle down the river. They sold it for a piece of opportunism in the conduct of the government which the people entrusted to them. Perhaps the people believed that the Prime Minister (Mr. Mulroney), the Minister of Finance and the Secretary of State for External Affairs held those principles. They now find they held those principles only until election day and they are now expended.

What is at stake here is a different principle entirely. What is being operated on is a different principle, the principle of making the rich richer and the poor poorer. This Bill adds $23 billion to the debt. That debt has to be paid by working people and small business people.

The Hon. Member for The Battlefords-Meadow Lake (Mr. Gormley) said nobody likes to be a borrower or a lender. He is half right, nobody likes to be a borrower. There are people who just love to be lenders. They become rich. They become billionaires because they are in a position to lend and to charge any interest rate they can force out of the borrowers. The members of the Conservative Party are in league with those lenders. It is the pleasure of the lenders and of this Government to lay still further debts on the people of Canada, for the most part without telling them what they are going to do with the money.

We do not object to the money they are asking for in order to finish fiscal year 1984-85 or even the $2 billion they want because they are not sure they can count correctly and do not know how much money they will have to pay public servants. They are not sure how much they can chop off public servants' wages or other budgets they administer, so they want $5.3 billion plus an extra $2 billion.

We are not arguing with that. We want to focus on the main point. They ask for $16 billion for the coming year without one word of explanation as to what they will do with it. If that passes, and they have a majority, they can do anything they please. This Parliament will not be able to hold them accountable in any effective way.

This flies directly in the face of the teaching given to this country approximately two years ago by the Bishops of the Roman Catholic Church when they put forward two basic principles of Christian teaching that ought to be taken into very serious consideration by the Government of this country and by Members of Parliament. One of their principles was what they called the preferential option for the poor. They warned that if we feed the rich first, the poor get left out and the country is in trouble, whereas if we make sure that the poor get fed, the rich get fed as well. This wisdom has been brought forward for centuries. It is urged upon us not only by the Bishops of the Roman Catholic Church but by other Christians and leaders of other religions as well.

Their second principle is the priority of labour over capital. That does not mean a choice as between the Canadian Labour Congress and the Canadian Manufacturers' Association. It means a much more basic principle, namely that the work we do today, our live labour, whatever kind of labour we do, must make use of the work we did yesterday or a century ago, which is dead labour, the capital, the tools that we have created in the past which we can use in the present. Our present work must dominate the use of those tools. Those tools must not dominate our present work.

This borrowing Bill enslaves us to the past. It makes the poor poorer in order to make the rich richer. I want to give a few illustrations. Contrary to the Prime Minister's promise to make the tax system fairer, which he has the opportunity to do this month but refuses to do, he promises it will happen some time in the new year, in the sweet bye and bye. What he has done and is doing now is primarily to tax low income people. There is a sales tax which he and his colleagues ridiculed and abhorred when in Opposition. They then changed their principle, turning it upside down on election day. A billion dollars or more a year is to be taken primarily from the pockets of those who can least afford it. Cuts were announced at the beginning of November, $48 million out of a social program which was already nowhere near meeting the needs of the country either for housing or for useful employment. People have been cut from the unemployment insurance rolls by doing what was advocated not only by the former Liberal government but by the Conservative Opposition. People who have taken early retirement, people who have built up pensions and people who have negotiated severance pay are now to lose out on their unemployment insurance benefits because of this Government. To make sure that these people lose out, the Government is hiring 700 snoopers. The Government is taking several hundred people away from the business of counselling workers who are looking for new jobs and has put them into the business of harassing workers to find excuses to cancel their unemployment insurance benefits.

• (1600)

The same Government, without any legal authorization from Parliament, has publicly offered to provide publicly-funded services from the National Revenue Department to help businesses find still more loopholes in the tax structure so that they can pay still less tax. The amount of corporate tax paid has declined sharply in the last several years as personal income tax has risen. The Government will make the amount of corporate tax paid decline still further.

Mr. Blenkarn: Where did you get that idea?

Mr. Heap: Where did I get that idea? I got that idea from the admissions made by the Minister of National Revenue (Mr. Beatty) in answer to a question put by the Opposition. He said, in a statement made in the City of Toronto, that the tax officials will now freely, at public expense and not at

cocktail parties after work, tell corporations upon request how they can avoid taxation.

In the last seven years, according to the Economic Council of Canada, there has been $100 billion worth of tax expenditures and forgone revenues under the previous government. This Government is continuing that policy and intensifying it. If that $100 billion had been collected, our deficit would be insignificant. The deficit about which the last government howled and about which the present Government howls would vanish if those revenues had been collected. They should have been collected primarily from the big corporations and the high-income individuals of the country.

In order to try to persuade the public to forget the promises made by the Prime Minister, the Prime Minister has taken on the mantle and stepped into the shoes of the previous Prime Minister, the Right Hon. Pierre Trudeau. The new "Mr. Trudeau" who now sits across from us on the right-hand side of the Chair now says that the deficit is the only problem. He says: "Pay off the deficit at the expense of low-income people and the country will prosper". Those are the same words we heard from his predecessor. The promise is no longer "jobs, jobs, jobs", a promise upon which the Prime Minister was elected. The promise now is "soak the poor".

Seen as a percentage of the Gross National Product, the deficit ought not to be used as the fabricated bogyman that Hon. Members opposite like to use. As a percentage of the Gross National Product, the deficit is smaller than it was during some of the years when Canada thrived after World War II. The deficit is simply being used to cover the rip-off of working people, small business people and farmers.

This is not the change Canadians voted for but is more of the same. The only thing that has changed is that the Conservatives now sit on the right-hand side of the Chair rather than the left-hand side of the Chair. There has been no other basic change of direction. Beyond that, the Conservative Government has intensified the very faults it liked to criticize when it was in Opposition, as shown by the complete sell-out of principle as I have described it in the motion for amendment that is before us.

We have a long history of this kind of policy. The Canadian people have suffered for a long time. This suffering in the main part goes back at least nine years and in some parts even a little further. The erosion of unemployment insurance benefits by policy occurred for several years under the previous government and is continued by this Government. The erosion in the support of post-secondary education occurred under the previous government and will clearly remain no better and perhaps even worse under this Government. The erosion of social housing occurred under the previous government and a further $9.6 million has been cut by this Government.

The erosion of the public health system occurred under the previous Liberal government in connivance with the Conservative governments of many provinces of Canada. We have every reason to believe that that erosion is to continue because we cannot get straight answers from the Prime Minister and his colleagues on the question of universality. One day they are for it, another day they are against it. They say that they are for it except for certain things. They want to find some ingenious system for preventing a banker who earns $.5 million a year from collecting old age pension benefits. They want people to forget that we have a system for doing that, and that is, the income tax system. This could be done if the present Government were willing to live up to the promises it made last summer.

There is the further erosion of the living standards of working people, small business people and farmers, which has occurred because of the interest system. In the last 15 years, interest payments as a share of the Gross Domestic Product have more than doubled. During the same 15 years, 1966 to 1981, wages as a share of the Gross Domestic Product grew by only 14 per cent. However, the share of interest payments grew by 140 per cent, which is 10 times as much as the share of wages grew. Nothing is being done by this Government to control interest rates just as nothing was done by the last government to control interest rates.

The tools for controlling interest rates are at hand. At one time, those tools were used. Some of us who have grey hair can remember the days when mortgages had, by law, a 6 per cent ceiling. That happened in years when Canada was very prosperous. It can happen again and it would make Canada more prosperous. The lenders who love to lend money at extortionate rates might not be prosperous, but they form a tiny minority of parasites that we do not need to serve as the Government serves them now.

As I said, the main fault with the Bill that we are opposing is that it requests to borrow for the year 1985-86 without proper authority. It is flying in the face of the principle and tradition of Parliament that the Party opposite claimed two years ago and until September 4 to support. No private borrower would be able to get away with something like that. If one were to go to a bank manager and say: "Lend me some money. I will not tell you what I will do with it, just trust me", the bank manager would laugh. The friends of the bankers who sit opposite expect us to take them seriously and to tell our constituents that these are honourable gentlemen who will use the money honestly. They have not given us one reason to believe that they will use the money honestly.

The Government is doing the same thing as R. B. Bennett did when he turned the five-year depression into a 10-year depression using the same policies that the Government is using now. He soaked the poor, increased interest payments, increased the taxes on the poor and made sure that the investors got the gravy. That is how R. B. Bennett undertook to save Canada in the years 1930 to 1935. It took another five years for Canada to find its way out of the hole into which he put the country. I hope the Government will be warned by the example of R. B. Bennett. If not, I hope the people of Canada will take the Government in hand to make sure it does not lead us into 10 years of misery.

● (1610)

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

Mr. Nickerson: Mr. Speaker, I have one question for the Hon. Member for Spadina (Mr. Heap). It has been quite properly brought to our attention that the Bill we have before us is divided into two parts. Part I deals with the request for borrowing authority within the present fiscal year, and Part II deals with borrowing authority for the next fiscal year.

Am I correct in assuming that the New Democratic Party has no objection to Part I of the Bill? If the Bill consisted solely of Part I, would NDP members have no objection to the request for $7.3 billion in borrowing authority, with an amount of $2 billion continuing on to the new year?

Mr. Heap: Mr. Speaker, I am grateful to the Hon. Member for his question. Yes, we would not object to that. We would support the Bill if it were asking for money which was required only for this fiscal year. That point has already been made. Presumably the Hon. Member just came into the House. It is the same point our House Leader attempted to make in negotiations with the government House Leader. If the Government is asking only for the money it needs in this fiscal year, there is no problem. We object to the request for $16 billion for next year, in advance, without any planning, budgeting or accounting.

If Members opposite would instruct their House Leader to agree to the request and split the Bill—a request which the Government made when it was in Opposition—there would be no problem.

Mr. Nickerson: Mr. Speaker, am I to gather from those remarks that if the Bill were split and reintroduced as only Part I, the New Democratic Party would be prepared to allow the Bill to pass without further debate? Is that correct?

Mr. Heap: Yes.

Mr. Blenkarn: Mr. Speaker, the amendment before us deals with a complaint that the Bill has a second part to it, which is to borrow $16 billion for the next fiscal year. The House would have to pass a Bill in this fiscal year for the next fiscal year, otherwise the country would have no borrowing authority to start the next fiscal year.

In view of the fact that there has been a financial statement before the House for some time, would it not seem reasonable to the Hon. Member that this should be treated as a different condition than one which existed in the past, and that the Government should be permitted some borrowing authority for the next fiscal year so that it would not find itself totally out of borrowing authority on April 1?

Mr. Heap: Mr. Speaker, I would like to make two points. First, supposing that the Hon. Member for Mississauga South (Mr. Blenkarn) is serious in what he said, he cannot seriously claim that the financial statement gives us any projection for fiscal year 1985-86. It talks only about the period ending in March, 1985. We are not disputing that. However, there has been absolute refusal to give the House a projection beyond the end of March.

On my second point, I will quote the Minister of Finance when he was the opposition critic. He said:

> There is a well established principle that Parliament only provides sufficient borrowing authority to a government to allow it to finance its operations within the current fiscal year.

The Government has said that it has not had time to do its arithmetic for the 1985-86 fiscal year. That is fine. Let it work during December, January, February and March. In March let it give us some figures and projections for the next year as to where it will put the money it wants to borrow. Then let it ask for borrowing authority. The Government should not ask for a blank cheque, which it refused to give when in Opposition.

Mr. Blenkarn: Mr. Speaker, the Hon. Member ought to know, if he has taken a look at the financial statement, that it clearly sets out the borrowing requirements for 1985-86. Those requirements are in excess of $29 billion. The Government has a statement for 1985-86, albeit it is not a complete and proper budget. But this Government has just taken over. Is it the view of the New Democratic Party that we should go back in history and talk about another government which had been in power for two and a half years and which came in with a borrowing authority Bill without first having presented a budget or even an estimate of expenses? Is it saying that this is the same situation? It is not.

The financial statement sets out what the likelihood is for deficits, borrowing authority and spending for next year. Surely that should be sufficient to the House. It should give the House an indication that at least $16 billion will be required for next year. Would it not be wonderful if only $16 billion were required? Surely the Hon. Member for Spadina is not so hidebound or ridiculous to suggest that we will not need to borrow at least $16 billion in the next fiscal year in view of the financial statement already presented by the Minister of Finance (Mr. Wilson).

Mr. Heap: Mr. Speaker, the Hon. Member has said that there is a $29 billion debt proposed for the coming fiscal year and has made several remarks about it. However, there is no budget and no possibility of debating a budget. We are told that there will be a budget but that it will be brought forward after we have given the Government the money with which to operate. The financial statement is utterly vague with respect to fiscal year 1985-86. If the Government seriously intends to bring forward a budget for the 1985-86 fiscal year, beginning on April 1, 1985, then there is time for it to ask for borrowing authority.

Yes, the Government will get the money once we know what it will do with it. But it is asking us for a blank cheque. The Government says it has not had time, and yet it has December, January, February and March in which to put those figures together and tell us what it wants to do with the money.

Mr. Blenkarn: Mr. Speaker, the Hon. Member will know that the Minister of Finance and the Prime Minister (Mr. Mulroney) have clearly said that there will be a national economic council with the first Ministers of all the provinces. He will know that the fiscal arrangements between the provinces and the federal Government must be resettled. He will know that the Estimates will be before the House before March 31. He will know that the financial statement, and the projections in the many documents that went with it, clearly set out where the Government is going and the travesty and problems it faces. The Hon. Member will know the demands which are clearly set out as being payable by the Government of Canada, and he will know that the required borrowing is very slightly in excess of half the anticipated borrowing for the next fiscal year. That is all the Minister of Finance has asked for. Surely, with those facts before him, the Hon. Member should not be so hidebound as to suggest that he has not had disclosure.

• (1620)

The Acting Speaker (Mr. Charest): I recognize the Hon. Member for Spadina (Mr. Heap), keeping in mind that the time has almost elapsed, in all fairness.

Mr. Heap: Mr. Speaker, I will simply say, "It is the highest demand of Parliament in the history of Parliament. It is unconscionable. It is improper. It cannot be supported by any thinking Member of the House". I hope the Hon. Member for Mississauga South (Mr. Blenkarn) will remember that those were his words when he sat on this side of the House.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Charest): It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Kenora-Rainy River (Mr. Parry)—Mines and Mining—Announced closing of Stelco Mine at Red Lake, Ont. (b) Assistance to miners; the Hon. Member for Swift Current-Maple Creek (Mr. Wilson)—Finance—Fuel sales tax rebate—Position of bulk fuel dealers; the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey)—Unemployment Insurance—Plight of Newfoundland fishermen not eligible for benefits. (b) Level of assistance for affected constituencies.

GOVERNMENT ORDERS

[*Translation*]

BORROWING AUTHORITY ACT, 1984-85 (No. 2)

MEASURE TO ENACT

The House resumed consideration of the motion of Mrs. McDougall that Bill C-11, an Act to provide borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs; and the amendment thereto of Mr. Riis (p. 694).

The Acting Speaker (Mr. Charest): The period for twenty-minute speeches and subsequent ten minutes of questions and comments has now expired. We shall now proceed with ten-minute speeches, without questions or comments.

[*English*]

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, the Government talks of creating an atmosphere of confidence in which business can operate. This atmosphere of confidence, Mr. Speaker, which it plans to generate in the private sector will, we are told, solve the country's problems. The Government will not create any private sector confidence with Bills like the one we are debating here. No business would even think of going to the bank and asking for a major loan without telling the bank what it is for. Yet this is just what the Conservatives would have us do. Despite all their rhetoric on fiscal responsibility, they want to borrow $16 billion for the next fiscal year. If the Government is trying to create a credible image for the private sector to see, it should avoid doing what it is doing now. It is behaving in a financially irresponsible manner.

This loan which the Government is asking for is irresponsible. If some businessman in my constituency dared to ask his bank manager for a substantial loan without explaining what the money was for and without demonstrating how the debt would be financed, the bank manager would throw him out. I am warning the Government that it is making a mistake in trying to pursue this dangerous course of action.

I know that a small business could not borrow in the foolish way the Government is proposing. How can the Government create anything but distrust and lack of confidence in that most crucial and vital sector of our economy, small business, if it behaves in the kind of irresponsible fashion which no small-businessman would even consider?

The Minister of Finance (Mr. Wilson) would have us borrow $16 billion without any indication of how the debt will be financed. What good manager would go to the bank for a loan without knowing what revenues would finance the carrying charges? This, Mr. Speaker, is what the Conservatives are trying to do. They are trying hard to manage the flow of information. But if the Minister of Finance himself does not know how he is going to finance the loan, then he is no better at managing borrowing authority than he was at managing information flow in the hotel lobby in Winnipeg.

[*Translation*]

Mr. Speaker, if the Government wants the permission of the House to borrow $16 billion for the fiscal year ending on March 31, 1986, let it first bring down its Budget, and then we can consider a request for borrowing authority.

Does the Government have any respect for the democratically elected representatives of Canadians? Does the Government have any respect for Parliament?

Mr. Speaker, they are so arrogant they introduced Bill C-11 without tabling either a Budget or interim supply for the period from April 1, 1985 to March 31, 1986.

Mr. Speaker, that is the least we should expect of a Government that claims to be open. Actually, they are more pretentious than they are open, because only yesterday, in the House, Government Members . . . In fact, the Hon. Member for Gatineau (Mrs. Mailly), in quoting from the December 1, 1984 edition of *The Globe and Mail*, claimed that the economic situation had picked up during the third quarter of the year, unfortunately leaving out the next paragraph:

[*English*]

While the federal agency said this growth took place mainly in July, when the Liberals were in power—

[*Translation*]

Right after that, Mr. Speaker, the Hon. Member for Châteauguay (Mr. Lopez) asked me to tell the House which jobs were lost.

Mr. Speaker, I would ask the Hon. Member for Châteauguay to read the "Expenditure and Program Review", tabled in the House on November 8 of this year by the Hon. President of the Treasury Board (Mr. de Cotret).

The other weekend I met one of my constituents who worked for VIA Rail, and he told me that as soon as the cutbacks were announced, 59 of his fellow workers were to be laid off the next morning.

Only last Sunday I was at a meeting of the Coopérative d'Habitation Vierge Altagrâce, whose members are originally from Haiti. They were concerned about this Government's cutbacks. The community really needs this housing co-operative to provide accommodation for its members who live in substandard housing. Now that the project is about to become operational, the Government cuts.

What do Government Members have to say about cuts totalling $29.4 million in Residential Rehabilitation Assistance Programs? How many thousands of jobs have been cut? Only the Hon. Minister of Finance (Mr. Wilson) knows the exact answer, Mr. Speaker, because he has the projections, but he has refused to table them in the House.

Those were two examples, Mr. Speaker, of this Government's arrogance.

[*English*]

This sort of behaviour can do nothing but discredit the present Government in the eyes of the hard working Canadian business people. What we are asking for is not a lot in exchange for $16 billion—actually closer to $18 billion if the $2 billion carry-over slush fund is included. All we ask for is a budget to establish the Government's credibility which is in question. It cannot be given *carte blanche* when it has not proven itself. The Government has a lot to do before it can win the trust of this House.

All we are asking the Government to do is to observe sound business practice. Deficit financing is acceptable under some circumstances, but only if the pertinent facts and figures are known. We want this factual information and we want it on the record. We want the facts and figures on what the $16 billion loan is for and how it is going to be repaid.

• (1630)

The Government should come to its senses and accept the amendment of the Hon. Member for Kamloops-Shuswap (Mr. Riis). When the Government has presented a budget, it can come back to this House and ask for $16 billion if it needs it.

[*Translation*]

Mr. Speaker, the Government had promised that it would administer the country in a businesslike manner. No businessman will apply for a loan unless he knows exactly why, and no bank would lend him money. Therefore, Mr. Speaker, the Government must bring in a budget before proceeding with Bill C-11 if it wants to inspire confidence in business circles.

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I should like to say a few words about Bill C-11.

[*English*]

It is very interesting to see, after being here a number of years, that when a different Party takes office, the more things change, the more they remain the same. You would never dream there has been a change of government when you look at this Bill. I remember so well two years ago when the Trudeau government came to the House to borrow money and we had this highly principled amendment by the then Leader of the Opposition, the Hon. member for Yellowhead (Mr. Clark). He said that it was a terrible thing to do, against the practices of parliamentary procedure, and it was taking all kinds of power away from the Parliament of Canada. All of a sudden, that same Party forms a government and it is doing exactly the same thing that Mr. Trudeau did year in and year out.

Mr. Dick: Is this debate or a question?

Mr. Nystrom: This is debate.

Mr. Dick: He is the guy you are asking the question of.

Mr. Nystrom: I am not asking him a question. I have been recognized to participate in this debate, and you would know that if you followed what happens in the House a little bit.

Mr. Rodriguez: He did not pay attention last Friday.

Mr. Dick: I did so.

Mr. Nystrom: In that debate years ago they made argument after argument as to why that Bill was so horrible. We heard argument after argument from the Hon. Member for Mississauga South (Mr. Blenkarn), if I can get his attention down there on the far side of the House.

Mr. Rodriguez: He has a short attention span.

Mr. Nystrom: He was so incensed that the Government wanted to borrow some $29.5 billion. That was horrible.

Mr. Dick: We are not.

Mr. Nystrom: He says, "We are not". I do not know what he means when he says they are not borrowing a large amount of money. The Government is borrowing $23.3 billion.

Mr. Dick: That is less.

Mr. Nystrom: That is an awful lot of money to Members on this side of the House. Two years ago the Hon. Member for Mississauga South said the following about that, if we can get his attention once more. He said:

> The amount of this Bill, Sir, strikes a new level in borrowing demand. This Government is coming to the House and asking that the House approve its going to the markets for $29.5 billion of authority.

Mr. Blenkarn: That is right.

Mr. Nystrom: He said:

> That is $10 billion higher than any other previous demand. It is the highest demand on Parliament in the history of Parliament. It is unconscionable. It is improper. It cannot be supported by any thinking Member of the House.

Mr. Murphy: He stopped thinking.

Mr. Nystrom: Then do you know what he said, Mr. Speaker? He said:

> This House should rise up, Sir, and demand an end to this, not only on behalf of us as Hon. Members and of our constituents, but on behalf of our children, our children's children and our children's children yet unborn or even thought of.

Some Hon. Members: Hear, hear!

Mr. Dick: A good speech.

Mr. Nystrom: Scandalous.

Mr. Blenkarn: It was.

Mr. Nystrom: Two years later what do we have? We have Mr. Trudeau reincarnated. We have a new Prime Minister who is doing exactly the same thing. No wonder the people of this country are so cynical about the political process. The Party in Opposition says one thing, it goes to the people of the country and says one thing, and then when it comes into government it does exactly the opposite. The Government is doing exactly what it promised it would not do and what it criticized the Liberal Party for doing two years ago. I do not think that is very principled at all.

The Government is borrowing $7.3 billion for this fiscal year. I can accept that. But it is also trying to borrow $16 billion for fiscal year 1985-86, and I cannot accept that. I have not seen a budget, and I have not seen any precedent for this except for one two years ago in 1982. At that time we had the amendment of the Leader of the Opposition which said that this House holds the opinion that the granting of an authority for borrowing a sum of money other than the amount required to meet the Government's needs to the end of the current fiscal year is objectionable in principle. Those were the words of the Leader of the Opposition. If it was objectionable in principle in 1982, the same in 1983, then is it wrong in December, 1984? To me a principle is a principle, and if it is wrong in 1982 or 1983, then surely to goodness it is wrong on December 4, 1984.

I really wonder what the Tories are doing in this House in trampling on our rights as parliamentarians. If the former Member for Prince Albert, John Diefenbaker, were here, I am sure he would be scandalized but what he sees in this House today. A lack of accountability by the Government which wants a blank cheque. There are a lot of poor farmers in my riding and they cannot go to the Farm Credit Corporation and ask for a blank cheque for the next 10 years. They cannot do that. They have a tough enough time getting money for their farm operations if they present a detailed and well thought out plan to the FCC, let alone ask for thousands of dollars to do something in the future even though they are not sure what it will be. Yet that is what the Government of Canada is asking for. I think that is trampling on the rights of Parliament. Parliamentarians should have a right to say whether or not a certain program is good or bad and should be funded.

The purpose for which we were elected is to decide how to spend the taxpayers' money. But what I see happening across the way with this new Government really makes me very angry and I do not intend to sit silently by and let it borrow all kinds of money for goodness knows what in 1985-86. I wish some of those Members, like the Hon. Member for Mississauga South who was so angry two years ago, would rise up on their hind legs and express some of the same outrage and anger he expressed when he sat here in the House just a few short months ago. If he did that, then I would know he was a very principled man and has the courage of his convictions. He would get up there and fight. I know all kinds of other Members—

[*Translation*]

I see the Hon. Member for Joliette (Mr. La Salle) in the House. I remember very well that, two or three years ago, he often criticized the Trudeau government.

Mr. La Salle: I had to!

Mr. Nystrom: Yes? But now you are doing exactly what Mr. Trudeau did in the House. Here you are with a bill to borrow $23 billion. Mr. Trudeau did exactly the same thing in the House two years ago. At the time, Mr. Speaker, the Hon. Member for Joliette vented his frustration and shouted in the House: It is a bad government! This country needs a change,

we must change the situation for our people! But now, after September 4, they are behaving just like Mr. Trudeau used to do. This government is not being altogether honest with the people of Canada.

[*English*]

I wish some of these people across the way who got up and showed outrage a few years ago would get up now and say the same thing to the new Prime Minister (Mr. Mulroney). If they do not do it now, that Prime Minister is going to create an empire in the PMO and the PCO. He will create an empire that makes the empire of the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) look pretty small in comparison. The only way for them to stop is for them to get up in this House and put a stop to it. They have the majority of Members.

• (1640)

I wonder what they are going to use this money for, Mr. Speaker. I have had the opportunity to watch first-hand a Conservative Government in my province for the last few years. As I said earlier in the House today, when it took office in April of 1982 there was a surplus in the Saskatchewan treasury of over $100 million. After two years there is a deficit of over $800,000 because of the incompetence of that particular government. The unemployment rate has gone up from 4 per cent to 8 per cent, which is one of the most rapid increases in any part of Canada. The number of people on welfare in my province has gone up by 73 per cent in the last two and a half years.

The Government across the way is borrowing money for the same kinds of programs and purposes as the Government of Saskatchewan and the Government of British Columbia did. They say that confidence, the private sector, and business will do it. Grant Devine says the same thing in Saskatchewan. He says they are open for business and will allow the private sector to do it. They will create all kinds of jobs. Exactly the opposite has happened, Mr. Speaker, and that is another reason why the House should say no to allowing the Government across the way to borrow some $23.3 billion, which is going to put debt upon debt upon the people of Canada in the years ahead.

The Acting Speaker (Mr. Charest): Before giving the floor to another speaker, I would like to remind the Hon. Member for Yorkton-Melville (Mr. Nystrom) that I inadvertently let him cite a speech made by another Member of the House. There was a decision reported on July 28, 1979 which stated that it is not in order for a Member to obtain or quote during the current sitting the official record of the remarks of any other Member. I would just like to remind the House of that decision.

[*Translation*]

Mr. Vincent Della Noce (Duvernay): Mr. Speaker, this being my first speech in the House of Commons, I would like to start by thanking my constituents in the riding of Duvernay for sending me to Ottawa to represent them. I promise to do everything in my power to honour the trust they have placed in me. I also wish to say a word of thanks to my colleagues in the House, who were most generous with their help and advice from the first day I started my new life as a Parliamentarian.

Mr. Speaker, the riding of Duvernay is the eastern part of the City of Laval and today encompasses an area with a population of over 108,000. Duvernay has a large francophone majority, 89 per cent, while 7 per cent of the population are English-speaking and 4 per cent represent the various ethnic communities. The riding is a veritable paradise for people who like peace and quiet. As far as the economy is concerned, there is a good business environment with the following main industries: manufacturing, construction and the petro-chemical sector. I may add for the information of the House that today, five correctional centres are located in the riding, and even more important, there is a training centre for correctional centre staff, the only francophone centre in Canada.

As a new Member of Parliament I would like to take advantage of the occasion of my maiden speech in the House to say that I fully realize I have yet a great deal to learn, while sharing with my colleagues the business of Parliament and the responsibilities we have to the people we represent here in Parliament.

Mr. Speaker, as a newcomer to Parliament, I have not only a great deal to learn, but also much to offer in the way of experience and my perception of the economic problems facing this country today. Speaking with the people of Duvernay who have entrusted me with the difficult task of speaking for my constituents and explaining their needs before this national forum, I have a deep sense of my responsibility in meeting their expectations and helping them to put the economy of our country back on the right course.

One could compare Canada's distressing economic situation to what happens when we want to renovate an old house. Before you can renovate or expand, you first have to remove any rot from the beams and reinforce the frame. Our Government has made a firm resolve not to act hastily, to ensure that both the economy and the Government will be operating effectively in the interests of all Canadians. I am therefore very happy to be part of a team that is determined to bring this country's horrific deficit under control.

I would like to add, as the only Italian Member of the Government, that I am proud to represent in this House both the riding of Duvernay and the entire Italian community. Even as a junior Member of Parliament who may not have a great deal of impact on Government decision-making, I am confident, after many conversations with my colleagues, that I will be able to explain satisfactorily the problems of my riding and to act as my constituents' spokesman in the House of Commons.

Mr. Speaker, today is the first time I have spoken to Bill C-11, an Act to provide borrowing authority. I am pleased with this opportunity to say a few words about the reasons for tabling this Bill. I would like to mention briefly some of the premises that form the basis for my comments today. I would

like to speak to the Bill presented by my colleague, the Hon. Minister of State for Finance (Mrs. McDougall), in my capacity of entrepreneur representing small- and medium-sized businesses.

It is actually somewhat against our principles to support the Bill before the House, because in our opinion, there is a crucial and almost direct link between reducing the deficit and sound management of the Canadian economy in general. However, considering our goal of economic renewal, I wish to express my support for this Bill. No obstacle is as impressive, almost insurmountable and threatening as this federal deficit!

The Bill before the House is aimed at giving the Government an additional borrowing authority of $7.3 billion for fiscal 1984-85, of which $2 billion may be carried forward to fiscal 1985-86. The reserve of $2 billion is intended to cover unpredictable changes in financial requirements. But why has the national deficit suddenly become an important priority on the list of our national policies? After all, we all know that a deficit for a given year is not necessarily a major problem.

However, Canadians are beginning to understand that in recent years, the previous Government registered deficits in years of growth as well as during recession periods. The accumulated deficits have, over the years, generated a cumulative debt of alarming proportions.

This year, the public debt will reach $190 billion, which works out to the equivalent of an individual debt of $24,000 for each Canadian family. Because of this disastrous economic liability we inherited from the previous Government, today we must put the national economy back on course by restoring the confidence of consumers, business and entrepreneurs who are anxious to see a return to responsible management of the country's economy. We do not like borrowing, and as far as that goes, we do not really like the Bill before the House today. However, we are faced with a dilemma. The previous legislation has already given the Government a borrowing authority of $24.5 billion. However, to ensure the proper functioning of our economy, we must go ahead and ask, through Bill C-11, for a total borrowing authority of $31.85 billion.

• (1650)

A maximum borrowing authority of $16 billion is provided for the 1985-86 fiscal year without possibility of carrying it over to 1986-87, and as the Minister of State has noted, the Bill introduced in this House should enable the Government to meet its borrowing needs until next fall. Later on, a Bill should be introduced after the budget is brought down next spring to cover borrowing needs for the rest of the 1985-86 fiscal year.

Of course, some people might be shocked at the contents of this Bill, but we have no choice: if we had not taken this action, we would very soon have been deeper in debt. To improve borrowing management, to restore a sense of responsibility and active participation in the operation of our economy and to provide some financial stability, we must support the solution provided by the legislation itself. By its very nature, this Bill constitutes a kind of incentive which will allow us to break the vicious circle of indebtedness; the loss of confidence of consumers and investors has already cost us a lot during the last few years, especially where stable employment is concerned.

The deficit is eroding the very foundation of our economy. It is only by reinforcing the framework of our economy that we can restore business confidence. We need positive investors. We must give them back the motivation to undertake new economic ventures in a true spirit of competition.

Mr. Speaker, the last years of the previous Government are a typical example of a system which I think works like the well-known story about the antelope and the lion. When the lion wants to eat, it runs after the antelope, but when it comes back without having caught the antelope, it does not ask for a grant to tie it down.

I shall close with these words, Mr. Speaker, as the time allotted me has run out.

Mr. Maurice Tremblay (Lotbinière): Mr. Speaker, I thank you very much for giving me this opportunity to say what I think about Bill C-11 to provide borrowing authority, but before I do that, I should like to commend my colleague from Duvernay (Mr. Della Noce) for his brilliant statement, particularly since it was his maiden speech.

Mr. Speaker, I am sure you will not hold it against me if I go into the background of Bill C-11. Previous speakers have already eloquently said everything that needed to be said, and then some. However, I think it is important, and that is the purpose of my contribution, to emphasize one aspect which is half way between what the Opposition is blaming us for and what we are proposing.

For at least two or two and a half months now, we have been told again and again that Canadians wanted the change of government we had promised during the election campaign. The key word was "jobs, jobs, jobs", and now we are being censured because of the cutbacks. Well, it is true that giving jobs to Canadians will be quite a departure from the former administration, but one thing they seem to forget is that we have promised jobs and, true enough, jobs there will be. But how are we going to do that? Basically, the Opposition is blaming us probably because we are not using the same means they did.

Surely, Mr. Speaker, you will agree that if we were to use the same means, we would obviously reach the same point as the former government—a shameful deficit and an intolerable unemployment rate.

We never said to the people that we had a magic formula, a wonder recipe for creating jobs. We did say quite clearly that we would improve the economic and social climate through a

policy of reconciliation and consultation with the various levels of government. And already we have seen tangible results of that consultation and reconciliation process.

Mr. Speaker, this august body stands as evidence of the fact that, not only throughout Canada but especially in Quebec, we have managed to achieve what some people thought was impossible: we were able to have more than 57 Conservative Members elected in the Province of Quebec. Why? Because we consulted one another, each of us in his or her riding, throughout Canada, but particularly in Quebec where I know what is going on, we consulted one another, we all worked together towards a common objective. Many people think that it was a miracle. Well, Mr. Speaker, it was not a miracle, but the result of joint efforts among the various talents we had at our disposal. There you are. That is exactly what we are suggesting to the Canadian people. We want to promote a climate of dialogue with the various levels of government in Canada.

Mr. Speaker, I am quite surprised to see once again that the Opposition, particularly the Official Opposition, is raking us over the coals about the cutbacks. Indeed, Mr. Speaker, that was part and parcel of that climate of consultation. We simply had to divorce ourselves from the previous administration, its wasteful ways and its shameless patronage.

As an individual and as a representative of a riding, I am not overly enthusiastic about those cutbacks, particularly when I am directly affected. That is understandable. But when I keep in mind the ultimate objective of this exercise, I am even prepared to vote today on the basic principle of this Bill, since it will eventually help us give Canadians what they expect from us.

As to the other Opposition, the New Democratic Party, they keep on raising objections very forcefully but all in all, they are simply in favour of virtue. I am also in favour of virtue, except that in their case—and I do not know whether they are listening—the problem is that they have no definition of virtue. They always say where they stand once the train has gone by: if it is good, I am all for it, if it is not good, I am against it. But that, always after the fact. Before, we have no idea where they stand. Criticizing seems to be their *raison d'être*.

Mr. Speaker, sensible Canadians—they make up the majority in this country—had their say on September 4, and the results are there to see.

• (1700)

[*English*]

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

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

The Acting Speaker (Mr. Charest): Shall all orders and items preceding No. 27 stand by unanimous consent?

Some Hon. Members: Agreed.

* * *

INDIAN AFFAIRS

ADVISABILITY OF PROMOTING INDIAN SELF-GOVERNMENT

Mr. Keith Penner (Cochrane-Superior) moved:

That, in the opinion of this House, the government should consider the advisability of promoting Indian self-government by:

1. Announcing support for an affirmative policy of constitutional recognition of aboriginal self-government;

2. Pursuing actively, a bilateral process of discussion with representatives of first nations on such issues as self-government, natives claims and the elimination of the extinguishment policy; and

3. Introducing legislation to recognize first nations self-government which should be developed by means of a joint process and utilization of the Standing Committee on Indian Affairs and Northern Development.

He said: Mr. Speaker, I believe that most Canadians would be dismayed and perhaps even outraged if they knew fully that there is a significant group of people in our country calling for emancipation. As difficult as it may be for us to believe, there is a group of people wanting to be decolonized.

The Minister of Indian Affairs and Northern Development (Mr. Crombie) said it very well in committee this morning when he indicated that there is a group of people in Canada who have a sense of powerlessness because they virtually have no control over the most important decisions affecting their daily lives. I am talking about more than a quarter of a million people who are living in Canada and who are weary beyond words of having us standing on their toes. Small nations of people, people who describe themselves as Canada's First Nations, can no longer bear the burden of having us on their backs. The Indian people of Canada want to have their right to self-government, their right to self-determination, recognized in the Constitution of Canada. There is a great need for the federal Government at the next two constitutional conferences between the spring of 1985 and 1987 to be a very strong advocate for Indian people as they seek to have this right defined and entrenched in our Constitution.

I do not think they are asking for too much. For a very long time Indian people have disputed the right of the Government of Canada to run their lives. However, it is only very recently that this situation has begun to receive the public attention it deserves. Their claim to self-government is historically based. Before European settlers arrived on these shores, there were numerous Indian First Nations which were governing themselves quite adequately. They had their own economies, cultures and languages; they traded with one another.

The Indian Act of 1876 eroded and undermined these traditional Indian governments in Canada. They were replaced with a form of government which we in our wisdom thought was appropriate for them. We called these new forms of government band councils. These band councils never had any real power. Little chores were delegated to them from time to time, but they never had any real power. All decision-making remained with the government of Canada through the Department of Indian Affairs.

In the mid-1960s it looked as if some enlightenment had arrived in the mind of the government of Canada because it started a new policy called devolution in which it transferred, as was said, responsibilities to Indian communities. Let me examine what that really was. It increased the flow of funds, fairly significantly I should add, and asked band councils to administer certain programs. However, they were never given any decision-making power. They could not participate in the way budgets were derived. They could not participate in the programs developed on their behalf. They were only administrative arms of the government of Canada. I may say that in most cases they administered very well and did so very cheaply on behalf of the government of Canada. All of that has to come to an end because we know how unsuccessful it has been.

Social statistics in Indian communities are a national disgrace. They are appalling, whether we are talking about housing, education, health or any area vital to everyone's daily life. I will not take the time of the House to repeat those statistics. I have done it in the past and they are available. For example, they are available in a public document prepared by the government in 1980 entitled *Indian Conditions*. So dismal is the record of the government of Canada in directing and controlling the lives of these people that now they are saying, "Give the responsibility back to us; let us manage, control and direct our own affairs; bring to an end this domination and manipulation which has been going on for so many years".

There should not be any misunderstanding in the minds of Members of the House. There is nothing here which is not perfectly legitimate, fair and reasonable. Let it not be thought by any Hon. Member that this is a call for absolute sovereignty or that this is somehow thinly disguised separation. Not at all, not at all.

Indian people are asking to be within the confines and the limits of the Canadian Confederation. Indian people are not asking to be excluded from our Confederation; they are asking to be allowed in. There may be some people in this House and in other parts of the country who will resent these claims for self-determination. This subject is open to misinterpretation, misunderstanding and even ridicule.

Speaking of the relationship between the government of Canada and the Indian people, I should like to quote a statement by Dr. Lloyd Barber of Saskatchewan who once said:

> I suppose we tend to react like somebody who has been standing on the other fellow's toes for so long that we are indignant when he wants to pull his foot out.

Nearly 100 years ago Leo Tolstoy put it this way:

> I sit on a man's back choking him and making him carry me and yet assure myself and others that I am sorry for him and wish to lighten his load by all possible means—except by getting off his back.

Did Hon. Members know, for example, that these artificial governments which we invented and imposed upon Indian people, these chiefs and councils, spend 75 per cent of their time dealing with the administrative overburden imposed upon them by the Department of Indian Affairs? They have been elected in a democratic fashion the same as all Hon. Members of the House were elected. Yet the chiefs and councils have virtually no time to serve the people who elected them and to be accountable to them.

Indian people want the right to govern themselves recognized in the Constitution of Canada. They also want to be recognized by way of statute in this House. They want a self-government Bill that will replace this outmoded and antiquated Indian Act by which we now govern Indian people. Indian government in this country will be distinct. It is not to be confused with provincial governments. It is not municipal government. It is distinct. It is different. It will take many different forms because there is a tremendously rich diversity within the Indian community of Canada. Some forms of government will be tradional, like the potlatch. It is ludicrous to recall a time when the potlatch was actually outlawed. RCMP officers swooped down on a potlatch, arrested people, confiscated relics and objects of art. That is part of our glorious history.

• (1710)

These individual Indian governments will be distinct. Some forms will be suprisingly innovative and modern. I invite Hon. Members to attend on some occasion in the near future an Assembly of the First Nations. It is a parliament like ours. They have a Speaker. Delegates are elected. It is amazing how the order of business is conducted, that with a very large assembly, Members listen to what the others say and try to reach a consensus. When you compare their parliament and ours, what a shame ours is. We appear immature compared to the way their parliament functions.

Whatever form Indian government takes, it must be indigenous government. It cannot be something imposed, such as band government. The powers that these indigenous governments exercise are inherent powers. They belong to them. They are not powers that can be derived from some other level of government whose origins date only to the arrival of Europeans on this shore.

Following recognition by way of the Constitution and by way of statute, which I hope we will pass in this House, there will have to be some protracted and difficult negotiations to define the jurisdiction of these people. The Indian people are quite willing to enter into this bilateral process of government to work out what their jurisdiction will be, but they do not want to proceed by way of consultation.

If Hon. Members have reserves in their constituencies and they visit them from time to time, if I am not being arrogant in

doing so, may I counsel them to avoid the word "consultation". That word has become so badly tainted in the relationship between the government of Canada and Indian people that it is no longer an acceptable word. In the past, consultation meant a few little discussions after the decision was made. They knew all the time it was a unilateral, imposed decision. They want genuine negotations to determine exactly the jurisdiction that will be exercised by these distinct governments in Canada.

We had such a Bill in the last Parliament, Bill C-52. It was an Indian self-government Bill, but what an inadequate, flawed Bill it was. It was totally unacceptable.

An Hon. Member: It was a Liberal Bill.

Mr. Penner: I do not think it was very liberal at all. It was an illiberal Bill. It did the same thing that has been done for so long in the past. That Bill was not developed by way of joint process. It was developed in the usual way, unilaterally, with a few telephone calls and a bit of conversation from time to time. It was not developed bilaterally as the special committee said it should be.

I would like to see that Bill referred to the Standing Committee on Indian Affairs and Northern Development, but not at second reading stage which would lock us into a clause by clause study. The subject matter could be referred to the standing committee under our new and very able Chairman, the Hon. Member for Wetaskiwin (Mr. Schellenberger). If we had that Bill in its subject matter form and had the resources to call upon, I believe we could submit for consideration to this House a vastly improved Bill, one that would be acceptable.

I have been talking about legislation. I want to interject very quickly that legislation will not be a substitute for recognition of the right to Indian self-government within the Constitution of Canada. It is merely a step along the way.

Before concluding and allowing other Hon. Members to express their views to the House, my motion also includes reference to the native claims policy. This morning in committee, the Minister indicated that he was going to undertake a full-scale review of that policy. That is long overdue. In reply to a question I put to him in the House today, the Minister stated that part of that review will look very carefully at what is known as the extinguishment requirement.

I wish to take a moment to tell Hon. Members about the extinguishment requirement and see whether they believe that it actually exists. This is how it works. If a native group has a legitimate claim that has been accepted by the government of Canada and enters into negotiations to reach a settlement and a new agreement, at the time that agreement is signed all residual aboriginal rights must be surrendered. The other party to the agreement, the government of Canada, surrenders nothing except what is in the agreement. The other party must surrender everything.

Whoever heard of an agreement like that? Obviously that which is in the agreement must be surrendered. If it is the amount of land or compensation, there has to be a quit claim on that. It cannot be re-opened. To have all other aboriginal rights surrendered is unreasonable and unacceptable. I believe it is also unconstitutional. Some day that will have to be tested in a court of law.

This policy of extinguishment must go. In his answer today, the Minister of Indian Affairs and Northern Development indicated that he is prepared to lead the way in getting rid of it. He will have some problems. He will have problems with the Minister of Justice (Mr. Crosbie), not because the Minister is an unreasonable man but because this policy somehow got entrenched in the dark corridors of the Department of Justice and it is now believed to be right.

The former Minister of Justice gave me a letter dictated to him by his officials. They were adamant that there could be no movement at all on the extinguishment policy. Today I listened to the Minister of Justice who replied in a confused, half-hearted way. There were more hedges in his answer than in an English country garden.

I conclude by asking whether the Parliament Secretary will give careful consideration to not talking out this motion this afternoon. I ask that he consider having the subject matter of this motion referred to the standing committee. In doing that, there will be no commitment by the Government. Let the standing committee use this motion to do a number of helpful things. This morning in committee, the Minister indicated that he wants to work with the committee, to take it into his confidence. He does not want to use us in some manipulative way. He wants us to be part of the process in developing an Indian policy of which the country can be proud. Here is an opportunity for the Parliamentary Secretary to have a few of his Members make some comments, and before six o'clock agree that the motion not be talked out but be referred to the committee. Other Members will then have an opportunity to express their views in committee and we can carry on for some period of time by looking at these very important, sensitive and difficult issues.

● (1720)

Mr. Girve Fretz (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I listened with intent interest to the speech delivered by the Hon. Member for Cochrane-Superior (Mr. Penner). Many of us know the Hon. Member. Those of us who have been Members of previous Parliaments and have worked with him on Indian affairs and on the special task force on Indian self-government know that he has earned a reputation which is perhaps second to none for his regard for the Indian people and for the justice he wishes for them. I commend the Hon. Member for Cochrane-Superior for the general thrust of his motion.

The report of the Special Parliamentary Committee on Indian Self-Government, which was tabled in the House a little over a year ago, has come to be known as the Penner report after the Hon. Member who just spoke. He and all members of this special parliamentary committee are to be commended for the manner in which they approached the

committee's mandate and for the provoking, detailed report which they produced.

In attempting to ensure that Canada's relationship to the Indian First Nations is one of honour and decency, the Hon. Member and his committee have done a great service to all Canadians. By recommending a new relationship which combines historic precedents with current realities, the special committee has set forth a vision for a future in which other governments in Canada might relate to Indian First Nation governments in a spirit of mutual accommodation.

The relationship between the Indian First Nations and the Canadian government is indeed unsatisfactory. Far-reaching change is needed. I think we all agree that an entirely new relationship must somehow be established. It seems to be obvious and indeed reasonable that the people of Indian First Nations must be able to control their own affairs in a manner which respects their diversity, rights and traditions.

We on this side of the House support the concept of a new relationship between the federal government and Indian First Nations. An essential element of the new relationship is the recognition of Indian self-government. This would be beneficial to Canada. The current dependency cycle in which the Indian people and Canada are caught must end. If the communities have the power to determine their own destinies within the Canadian Confederation, they and all of Canada will be strengthened.

The current legal assumptions are not an adequate basis for the new relationship. Now that aboriginal and treaty rights have constitutional protection, Canada requires a new legal framework to ensure that the rights and well-being of the Indian First Nations are protected. Canada must re-order its legal system to accommodate First Nation governments.

Consultations and constitutional discussions have been put under way to determine how self-government can be recognized in Canadian law and how self-government is to be dealt with in the Canadian Constitution. I know the Hon. Member believes that Indian self-government must be specifically stated and entrenched in the Constitution of Canada and that constitutional amendment is the surest way to achieve a permanent and fundamental change in the relationship between Indian First Nations and the federal government. Be that as it may, any such basic change must be carefully considered and accepted by Canadian society at large.

One of the processes through which self-government might be achieved would be bilateral discussions and agreements made within the context of current laws and constitutional arrangements. The multilateral or constitutional amendment process gives provinces an opportunity to co-operate with the federal government in a joint program and policy to advance self-government among Indian peoples in their own communities and on their own lands.

The Royal Proclamation of 1763 which is acknowledged in the Constitution of Canada provided the first basis for recognition of Indian governments and a direct link between First Nations and the Crown. It established a means through which the federal government could enter into treaties and agreements. This arrangement can be used again to enter into agreements with the Indian First Nations so that there will be no confusion with the jurisdiction exercised by the various levels of government.

One thing is obvious to me, Mr. Speaker. The Indian Act is not an acceptable blueprint for self-government. Even if it were to be amended, the Indian Act is not acceptable. Any legislative framework in the area of Indian self-government must be flexible enough to allow for all the governmental arrangements that will be proposed by Indian First Nations.

I am sure a wide variety of Indian governmental styles will emerge, depending upon culture, location, size and the wishes of the people involved. As well, the development of Indian First Nation governments will be sure to proceed at different paces. Needs will change and forms of government will change as well. Such diversity, changes and varying paces are to be welcomed and indeed are to be accommodated.

On an interim basis, pending constitutional change, the federal Government has the option to introduce new legislation which would enhance constitutional entrenchment and which would then reaffirm the special relationship of the federal Government with the First Nations. Through this legislation, the federal Government could then affirm the maximum amount of self-government which it can within its current powers. This possible option is one for which consultations with many sectors are taking place and will continue to take place. The widest possible consultations and participation are necessary if such fundamental legislation is to be developed.

Before colonization, Indian peoples had governments which were accountable to them. This principle has been disrupted by the Indian Act. We support the principle of arrangements which allow Indian people to maintain governments accountable to them. In some instances, joint control will be desirable where First Nation, provincial or federal jurisdictions might overlap. With attitudes of mutual accommodation, sensitivity and respect on the part of provincial and federal governments, I think agreements on how the jurisdictions could best be jointly exercised would be possible. Such agreements would ensure a workable sharing of power and responsibility.

The Minister of Indian Affairs and Northern Development (Mr. Crombie) is beginning to engage in a serious review in which the Indian First Nations will be involved. This is a review of all existing policies of his Department so that policies may be changed to enhance self-government. He will ensure that only initiatives which lead in the direction of increased self-government are acceptable. This transition process is immediate and will be ongoing. It will be a visible indication of the serious wish of the federal Government to respect a relationship of mutual accommodation.

Recent court decisions have caused a re-examination of federal responsibilities including the degree of obligation of the federal government's specific duty to promote the interests of Indian First Nations. We recognize that there are competing interests. Perhaps there is a specific duty of the Minister to protect the rights of First Nations against encroachment of

other interests. Perhaps his responsibility must be to act on behalf of the federal Government so that its agreements with the First Nations will be honoured. He might be the first recourse of First Nations for action in remedying problems in their relationship with Canada. All of these concepts are now under review by the Minister.

• (1730)

The Government recognizes that there are Indian persons who may not be members of Indian First Nations or who live away from their First Nations lands who continue to have special needs. This is particularly true of those Indian people who live in cities. In this discussion on self-government, I would like to mention that our Government reaffirms its willingness to work with Indian people, Indian First Nations governments, provincial governments and organizations toward arrangements that respect the rights and aspirations of such people so that they may benefit equally with others in the Canadian society in which they live.

The Indian First Nations have shared with Canada the resources of this great and bountiful land. We believe there is a special obligation on the federal Government to ensure that First Nations have the power to plan and implement economic ventures on the community level in whatever forms may seem appropriate to the people of the First Nations. We are moving to adopt those policies and to make them operative. The federal Government will adopt policies which will see that an adequate land and resource base is restored in a manner which does not prejudice the rights and interests of third parties nor the rights of the provinces. Claims for past wrongs must be fairly settled. These are measures the Government is taking so that Indian First Nations will be able to help build the economic bases which are needed if they are to prosper with the rest of Canada.

We note with concern that recent federal initiatives in this regard have been inadequate, as was indicated by the previous speaker. They have been inadequate and inappropriate. They neither serve First Nations nor Canada.

We cannot speak of Indian dependence without noting that Indian First Nations have been denied sufficient resources to maintain themselves for well over a century. As a result, serious deficiencies of community infrastructure exist which we would like to see corrected so that community infrastructure can be improved to a level equal to that of the surrounding communities, but according to priorities, policies and planning established by each Indian First Nation. We will not confuse funding for these purposes with economic development.

What about fiscal arrangements for self-government? We recognize that Indian First Nations require a financial underpinning in a manner which is in harmony with and reinforcing of self-government. The current method of federal funding is totally unsatisfactory and new fiscal arrangements are required. The Minister of Indian Affairs and Northern Development has recently announced that he is exploring a means of introducing block-funding to Indian governments which are held accountable by their people. Such new funding arrangements for Indian First Nation governments will enable them to decide how best to meet their people's needs, to set their priorities and to make their own policies. The people of each Indian First Nation will then be able to assume the responsibility of ensuring that these powers are exercised responsibly.

The present duplication, wasteful budgeting and accountability requirements which sap a large percentage of funds allocated by Parliament to benefit the Indian First Nations will no longer be required when ministerial accountability is eliminated in favour of the accountability of Indian governments to their own people. We are exploring a system of direct transfer payments in which Parliament would be asked to take the responsibility for allocation by grants as the means of funding. Eventually, we can see the day when each Indian First Nation will have its own assured sources of income as a result of a control of land and resources, resource revenue-sharing, income from investment and economic activity. Until then, interim grants are necessary and justified. We are seeking a way of funding which would allow each First Nation to chose the mechanisms through which it would provide services to its people.

We must find a way, in these times of restraint and fiscal responsibility, to provide a level of funding sufficient so that First Nation governments can provide levels of services on a par with others in Canada, which will allow them to become healthy and productive communities. This can be done only when funds can be expended in accord with their own values and under their own control. This is imperative.

We believe that Indian First Nations which have not yet established sufficient political infrastructure or mechanisms for self-government but which wish to participate in the new arrangements should be able to do so by arranging for a third party to provide services on a contract basis. In some cases these services might come from a provincial government or from the private sector. By moving to these new fiscal arrangements, the federal Government is not only enhancing Indian self-government, but it is reducing unnecessary administrative costs and providing for the best use of scarce funds.

It is a special relationship. The federal Government is moving in these directions not only because it seems to be the right and just thing to do, but because the special relationship between the Crown and the Indian First Nations can best be honoured by enhancing the recognition of Indian First Nations self-government and by providing the resources to make it work. We believe that by moving in these directions the Government will strengthen a relationship with the First Nations which is in compliance with international standards and within the spirit and intent of the original special relationship which was established by our ancestors and the Crown.

In conclusion, there certainly will be areas in which we will be urged to move more rapidly. There can be no doubt about that. There will be those who feel that we are not going far enough. These are uncharted grounds, both for us and for Indian people. There are vast areas which require clarification and others which require fine-tuning. By following the guidelines already set out by the distinguished Hon. Member who

presented the motion and the special committee which he chaired, the Government is demonstrating its commitment to the spirit of this motion.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I would first like to express my appreciation to the Hon. Member for Cochrane-Superior (Mr. Penner) for bringing this motion forward. I think that three parts of the motion are consistent with the report on First Nations self-government which was unanimously approved by Members of all three Parties in the last Parliament.

● (1740)

I was interested in listening to the Parliamentary Secretary, the Hon. Member for Erie (Mr. Fretz), who made a number of suggestions and proposals upon which, he said, the Government would be acting. I simply urge him and his Government to act upon those proposals as soon as possible and to lay them on the table so that the standing committee and the Indian people themselves can examine them and make suggestions and criticims. Then we can get this whole process in place as early as possible. The Hon. Member knows, as we all do, Mr. Speaker, of the urgency of this situation.

There is a general consensus on what needs to be done which is recognized by all people who have looked at this situation. We realize that the present system is not working. It is certainly not working for the Indian people who have been caught in a downward spiral of poverty and dependence. They have been subject to the discrimination and restrictions of the Indian Act. It is not working for the Canadian taxpayer either. We have seen some attempts over the last 110 years to 115 years to force Indian people and Indian communities and governments into a preconceived mould. These attempts have been expensive failures. They have not worked. If they have not completely destroyed the Indian governments which existed prior to the establishment of the Dominion of Canada, they have certainly prevented these Indian governments from functioning in an effective way; they have prevented Indian governments from effectively meeting the needs of their people; and they have prevented Indian governments from helping to keep their people abreast of the needs of the 20th century. They have worked in a very negative manner indeed.

Indian people do not want to become assimilated and have been willing to pay the price of poverty rather than to become assimilated. They do not want to see their nations reduced to the status of municipalities. Therefore, Mr. Speaker, now is the time for action. I was disappointed that there was no reference in the Throne Speech to any action with regard to First Nations government, but I was very pleased to hear what the Hon. Parliamentary Secretary had to say and we hope that the Government will act on those proposals in this section of Parliament.

The previous government acted to the extent of appointing a special committee. After that committee made its report, the government then moved very slowly. Finally, in the dying days of the last Parliament, the government brought in Bill C-52, but it was brought in so late that it was never debated in the House, never referred to committee and, therefore, there was no opportunity for the committee to hear Indian witnesses or make any general examination of any shortcomings or strengths the Bill might have had.

Roberta Jamieson, the liaison member for the Assembly of First Nations, examined the Bill and developed a critique of it. I would like to quote some of her comments because I believe it is important to have on the record the perspective of one person who was very close to this situation as a member of an Indian First Nation. Miss Jamieson said, and I quote:

> C-52 speaks of "special responsibility to Indian peoples", but does not speak of special relationship with Indian governments. The new status for which some bands might be eligible is more corporate than political in nature, and it is acquired from the federal government.
>
> In the Bill, the federal government has been careful to protect its own interests and to protect itself from possible liabilities. In doing so, it has weakened the already weak protection of First Nation interests available under the Indian Act.
>
> There is no recognition of the inherent right of First Nation self-government, nor is there in the Preamble any commitment to seek entrenchment through the constitutional process nor commitment to seek to establish a distinct order of First Nation government. Bill C-52 is not related to nor does it enhance constitutional entrenchment.
>
> Approved bands would have more powers under the legislation than are now available to band councils. But these powers must be exercised within contribution agreements, and the federal government may withdraw its recognition at any time, or be put under a federal administrator, Any law made by an Indian government can be cancelled by the federal government at its discretion.
>
> The federal government maintains total authority over what is acceptable and what is not.
>
> In short, the Bill provides a complex system of cosmetic changes in which the federal government maintains the power and control in the hands of the Minister and the Cabinet.
>
> Bill C-52 continues legislating over Indians and Indian lands. In fact, it seems to ignore the fact that the Canadian Constitution recognizes that aboriginal rights limits Parliament's powers.
>
> No proposal is made for the kind of dramatic change in federal government machinery necessary to allow First Nations to deal with the Canadian government on a government-to-government basis. It does not even establish a new Ministry—everything is left to Indian Affairs. Nor is there any indication Indian Affairs will ever be reduced in size. The new legislation would require increases in the bureaucracy to administer it.
>
> Bill C-52 does not call for revision of the land claims process. No mention is made of accelerated settlement of long-standing grievances, and the concept of "extinguishment" remains as a pillar of federal policy.
>
> No real changes in fiscal arrangements are proposed. Only modifications in current arrangements are suggested. Indian governments will simultaneously have to be accountable to their own people while continuing to be accountable to the Minister for all funds spent and for performance of its governmental functions.

Obviously, Mr. Speaker, there are a great many flaws in Bill C-52 and it is not satisfactory. We look forward to something better from the present Government. In that connection, I was pleased to hear the Hon. Member for Erie say that there is going to be the widest possible participation and consultation with Indian leaders. I would urge the Government to bring in funding for the Assembly of First Nations—the funding has expired at the end of the second quarter—so that Indian First Nations can continue with the process of developing their Indian self-government proposals. If there is going to be the widest possible participation, then it is absolutely essential that Indian peoples be funded so that they can participate in a reasonable and responsible manner.

The motion as introduced by the Hon. Member for Cochrane-Superior has three parts. The first part calls for government support for an affirmative policy of constitutional recognition of aboriginal self-government. This coming spring we have another of the constitutional conferences involving the federal and provincial governments. Indian people all across Canada have been very suspicious of the process which involves the provinces. Until now they have only been involved with the federal government. They are suspicious of provincial involvement and have been very disappointed with the results so far. Part of the reason is that the previous government did not take a sufficiently outspoken attitude toward the whole question of the entrenchment of aboriginal rights. The previous government was prepared to sit back until the very last moment when it suddenly decided that it was going to support the concept of aboriginal rights.

What the Indian people, as well as other aboriginal people, would like from the present Government, Mr. Speaker, is that it become an outspoken advocate of aboriginal rights and that it recognize the right to self-government now. There will then be time to mould a consensus involving the Canadian people so that at the time of the constitutional conference the provinces will not be able to say, "Well, we have not had time to consider this. Our people are not prepared", and that sort of thing. We would like to see the Government take an active advocacy role on behalf of First Nation's government.

Second, the motion calls for a bilateral process. There are already many areas where the federal Government and Indian First Nations can negotiate so that Indian First Nations will have much more power under the present system. Certainly the improvements to the land claims process are of the ultimate importance and priority here. Then there is the whole question of introducing legislation, and I urge the Government to do that now.

• (1750)

It is important for all Members of this House and the Canadian people generally to recognize that the situation of aboriginal peoples in Canada is changing. First we had constitutional recognition. Second, we are beginning to get some court decisions which recognize the fundamental nature of aboriginal title. Perhaps the most important of those decisions was handed down in Vancouver just last month. It said that the interest of Indian people in their lands is a pre-existing right, not created by royal proclamation, by Section 18(1) of the Indian Act or by any other executive order or legislative provision. These rights existed before the Royal Proclamation of 1763 which simply recognized those rights. It is important for the Canadian people to begin to recognize the fundamental nature of those rights and to do justice to them. We do not do justice when we continue to insist upon an extinguishment clause, which is really like telling people: I will agree with you that I owe you money if you will agree that I can keep it. That is what we insist on when we demand that Indian people have an extinguishment clause in every kind of land claims agreement that is signed.

There is a general consensus among all people who have looked at this that the present system is not working, that the direction in which Canada and this Government must go is that of the right of aboriginal peoples to govern themselves. Along with that right there must be a granting of the necessary funding so that it is not a meaningless ritual. There must be the provision of an adequate basis, and consensus already exists among people who have looked at this question.

I urge any Members who do not agree with that consensus to study our report. The consensus exists, the time for action is now, and I urge the Government not to talk out this motion but to refer it and its subject matter to the Standing Committee on Indian Affairs and Northern Development so that we can continue to make some progress. I underline the need for the Government to continue to make funding available to Indian peoples so that they can make progress on this subject also.

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I fully support this motion but because it is getting near six o'clock I will sit down and ask you to put the question.

Mr. Stan Schellenberger (Wetaskiwin): Mr. Speaker, I want to congratulate the Hon. Member for Cochrane-Superior (Mr. Penner) for bringing forward this motion. He will note that because we debate this issue so little in this House, when a motion comes forward there are many Members who want to participate in the debate. I guess that is a problem we faced during the last number of years. Legislation on this issue has not been forthcoming and, as a result, few Members have an opportunity to discuss the issues in the House of Commons, other than in committee. That is why it has been so important in the past that the Standing Committee on Indian Affairs and Northern Development has taken up the cause of the Indian people in various ways and has been very successful in putting forward ideas and suggestions which may be helpful.

I know that it has been the experience of many of us on that committee over the years that there are many varied and different interests of Indian people across this country and it is very difficult for any Minister or any government to bring forward a piece of legislation which will fit every Indian band or Indian self-governing organization in the country. The desires and aspirations of the Indian people of British Columbia are so different from those of the Indian people of Nova Scotia that when the Bill on self-government was brought forward, immediately Indian nations from across the country had many disagreements with the terms. That is why I am encouraged by the Hon. Member's suggestion that the committee take up the subject matter of this legislation and use it as the basis for our discussions so that the legislation is good for the whole of the nation.

The bilateral process has, Mr. Speaker, in my opinion been essential. I could never understand how we got involved in a constitutional process of attempting to entrench various aspects of the Indian way of life when many of the provinces are not comfortable with the terms that Indian people have

using for the last number of years, such as "Indian nation", or with the attempt to eliminate the extinguishment policy. That is why they have been demanding specifics. They do not want problems resulting from entrenchment.

Again, Mr. Speaker, I congratulate the Hon. Member for bringing forward the motion. I hope the committee can take up the work, and I look forward to working with him and other Members as we hopefully continue to foster the work of this Parliament and the Indian people across the country.

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, it gives me a great deal of pleasure to congratulate the Hon. Member for Cochrane-Superior (Mr. Penner) on introducing his motion today. I also congratulate other Members who have worked long and hard over a number of years on this very important report. I had the opportunity a year ago to take part in this committee which travelled to parts of my riding in northern Ontario and to listen to different band members from northwestern Ontario and hear their concerns regarding self-government, dealing with government, and their day-to-day problems.

The Parliamentary Secretary announced today some of the areas which the Government and the Minister are prepared to deal with, such as Indian self-government and the day-to-day problems from coast-to-coast that we have to deal with.

• (1800)

The Acting Speaker (Mr. Charest): Order. The hour provided for consideration of private Members' business has now expired.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

MINES AND MINING—ANNOUNCED CLOSING OF STELCO MINE AT RED LAKE, ONT. (B) ASSISTANCE TO MINERS

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, on November 16 I directed a question to the Hon. Minister of State for Mines (Mr. Layton) concerning the closure of the Griffith Mine located between Ear Falls and Red Lake, Ontario. It was with regard to the 283 jobs, almost one-quarter of the areas workforce, which would be lost should Stelco go through with its intention of closing this mine in April of 1985. I rise today to basically get an update from the Parliamentary Secretary and to offer him an opportunity to read into the record some of the initiatives and moves that his ministry has taken in the meantime.

Specifically, I would like the House to be informed about what discussions have taken place with Stelco and what they have revealed. I am assuming that there has been discussion at the ministerial level with the Minister of Regional Industrial Expansion (Mr. Sinclair) who was responsible for the ILAP Program, and also with the Minister of Employment and Immigration (Miss MacDonald) who, if the mine in question does close, will be charged with the responsibility of delivering the adjustment programs that will be necessary. I have the assurance of the Minister of State for Mines that the area would qualify for these programs, at least on a "level of assistance similar to that given mines recently closed in Quebec".

In the economic statement the Minister of Finance (Mr. Wilson) announced that there would be special consideration for single industry towns that were closed down. In his original answer the Minister of State for Mines said that the Government is "ready to assist them to the fullest possible extent with existing programs".

Could the Parliamentary Secretary bring us up to date on discussions with the provincial Ministers concerned, particularly the Ministers of Northern Affairs and of Labour? Have there been any exploratory discussions along the lines of determining a bad ministry and appointing a federal-provincial co-ordinator? Has there been any work done with Stelco in exploring the possibility of obtaining alternative customers? I have in mind the Ipsco plant in Regina, Saskatchewan and the Manitoba rolling mills plant? Would the Parliamentary Secretary take this opportunity to bring us up to date on federal Government initiatives?

Mr. F. Oberle (Parliamentary Secretary to Minister of State (Mines)): Mr. Speaker, I would first like to express to the Hon. Member my appreciation for giving us ample notice of his question and for accommodating the Minister in the sense that we are not prepared last week or the week before to respond in greater detail to the question, simply because the Minister was absent from the city.

The Hon. Member is aware of most of the information that I can give him tonight. As he knows, in a press release dated November 15, Stelco announced that the Griffith mine located between Ear Falls and Red Lake, Ontario, would close permanently as of April, 1985. There will be a displacement of up to 282 jobs in that area. Whenever anything like that happens it is very critical and serious. I want to assure the Hon. Member that this announcement arrived here at a vital moment and was taken very seriously.

• (1805)

Yes, there has been dialogue with the company. There have been efforts and examinations into the potential for new customers for the type of product which the mine produces. Unfortunately, it is of a type and a quality that does not lend itself, in present market conditions, to be sold elsewhere.

This mine is the highest cost iron ore mine in Canada, if not one of the highest cost mines in the world. It is a very low

volume mine. In other words, there is a lack of economy of scale to consider further operations. It has not been the judgment of any previous government to develop long-term policies with regard to closures of mines. That is the nature of a mining venture. Mining ventures are not only subject to the cyclical nature of that particular industry, but are subject also to the phasing out of an ore body or the volume in the mine.

I can give the Hon. Member the assurance that the Minister has discussed the situation with his counterparts in Cabinet. Every existing program, including enriched ILAP, will be made available to the area. These are training programs, manpower relocation and so on. There have been discussions with provincial counterparts. I cannot tell the Hon. Member which ministry will be the lead agency to service the communities, but everything possible has been done.

In addition to that, the Minister is committed as is the Government to work most expeditiously to develop more long-term policy that would address itself to this general situation; naturally not to this problem because it is an immediate problem and we can only use the existing facilities that we inherited when the Government took office on September 4. There will be very expeditious movement toward a long-term policy that will plan the phasing out of a mine at the inception of a mining venture. That is a critical development involving not only federal and provincial governments and their agencies but industry and unions as well. I want to assure the Hon. Member that everything possible is being done.

The Acting Speaker (Mr. Charest): Order, please, the Hon. Member for Swift Current-Maple Creek (Mr. Wilson).

FINANCE—FUEL SALES TAX REBATE—POSITION OF BULK FUEL DEALERS

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker this is further to my question raised November 29 concerning rebate of sales tax on farm fuels. I would direct my remarks to the Parliamentary Secretary to the Minister of Finance (Mr. Lanthier). Let me say first that this Government is to be congratulated for moving quickly to fulfil another major promise to provide fuel tax relief to hard-hit primary producers such as farmers, fishermen, miners, and laggers.

I note that Bill C-12, to amend the Excise Tax Act, was read for the first time November 26. Hopefully it will move to second and third reading soon. The amendments will provide for a rebate of sales tax of 3 cents per litre on gas and diesel fuels used in off-highway primary production. As well, the producer will be exempt from the recent 1.8 cent per litre increase in the petroleum compensation charge. Thus the total rebate will be 3 cents plus 1.8 cents, for a total of 4.8 cents per litre or almost 22 cents per gallon, effective December 1, 1984.

● (1810)

Unfortunately there are several problems associated with the rebate. Notwithstanding a communique concerning the program issued yesterday by the Hon. Minister of National Revenue (Mr. Beatty), there appears to be confusion about application and, even worse, the possibility of discrimination against a large number of bulk fuel dealers.

Since my riding in southwestern Saskatchewan is largely agricultural, I will use the farm community as an example. The sale tax is essentially a refinery tax, and it is payable at the time of sale by the manufacturer. Some bulk fuel dealers—and these are the dealers in villages, towns and cities who retail to the farmer, notably Imperial, Shell, Texaco and Petro-Canada who hold fuel on consignment from headquarters—have an inventory free of sales tax. In effect they are agents of the refinery. They will be in a position to give an immediate sales tax rebate of 22 cents per gallon to their customers.

On the other hand, many bulk fuel dealers have purchased their inventory for resale. I am told that these dealers include Gulf and Husky as well as all co-operatives and independents. These dealers hold inventory on which sales tax has already been paid. Therefore, in order to reimburse themselves they must pass the tax on to the farmer.

I should like to examine the producer end for a moment. The rules appear to say that the farmer is to secure a bulk fuel permit from Revenue Canada and present it to his dealer. If the dealer has tax free inventory, obviously the rebate benefit of 22 cents per gallon will be given immediately at the time of the sale. However, if the dealer has tax paid inventory, then he must collect the 22 cents from the farmer and tell him to remit an application form along with purchase invoices to Revenue Canada for a rebate.

The average farmer purchases some 10,000 gallons or 45,000 litres per year of farm gas and diesel fuel. The rebate will mean something in the order of $2,200 annually. Let me assure the House that most farmers will be inclined to go for their fuel where they can get it for 22 cents per gallon less up front. They do not want to mess around with the forms and the usual government delays. I see the potential sales of those dealers with tax paid inventory being very seriously affected, through no fault of their own. We realize the difficulties in administration owing to the nature of the tax at the refinery level, and because the rebate is going to only a certain segment of the population. Nevertheless, there appears to be no reason to discriminate against certain dealers.

There appear to be two possible solutions. The first would be to require all dealers to collect the tax. All producers would then submit their invoices and application forms for rebate. Such an application form could be combined with the existing application for the 1.5 cent per litre excise tax refund. Producers could then apply on the same form for all three rebates—the three cents per litre on the sales tax, the 1.8 cent per litre on the petroleum compensation charge and the 1.5 cent per litre excise tax, for a grand total of 6.3 cents per litre, or something in the order of 28 cents per gallon.

The second alternative would be to permit those dealers holding tax paid fuel inventory to give the rebate to their qualified customers over the counter and then seek refund from the Government of the sales tax not collected. If this alternative were selected, the dealers would have to be assured

of speedy reimbursement, perhaps through a system of revolving credits.

Another possibility which may occur to the bureaucrats is to resort to coloured fuel to distinguish inventory available to primary producers from that available to the general public. Bulk dealers, who have only so many compartments in their delivery trucks and limited holding space, unanimously beg the Government not to resort to the use of dyes.

In conclusion, I trust the foregoing has explained the potential problem faced by many bulk fuel dealers. The rebates are to take effect from December 1. It is now December 4. Of course the amendments are not yet law; there is still time to rectify the problem. I raise it now in the hope that remedial action can be taken. The producers and dealers need a rebate system that is fair to all and simple to administer.

• (1815)

I again congratulate the Government on instituting a system which will provide much needed relief. At the same time, I ask the Parliamentary Secretary to comment on whether a solution to this apparent problem is at hand.

[*Translation*]

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, on my first appearance on the "late show", I have been asked to talk about rebates, and I will try to do so with all the dignity this requires.

In fact, we are concerned here with a fuel sales tax rebate and the differences existing in the position of bulk fuel dealers.

The Member for Swift Current-Maple Creek (Mr. Wilson) has expressed some valid concerns with respect to the fuel sales tax rebate program announced in the Government's economic message on November 8 of this year. He observed, quite rightly, that some dealers have tax-free inventory while others have tax-paid inventory. The former are therefore free to offer a direct rebate, while the second group's customers must apply especially for the rebate.

The simple solution would be to demand that all people benefiting from the rebate submit claims. We realize that this procedure will not be attractive to farmers, who would probably prefer to do without the administrative red-tape. On the other hand, they are familiar with the practice because it has existed for a number of years in connection with the one and a half cent excise tax rebate per litre of gas.

Another more complex solution might be to allow retailers to claim the rebate on behalf of the primary producers in the case of bulk sales. Retailers would then be required to provide names, sales permit numbers, sales volume and proof that the rebate was indeed credited to the client. This solution, however, does pose a few problems.

First of all, it would impose an additional administrative burden which some retailers would certainly not be willing to take on. Second, identifying clearly what constitutes a bulk sale might also be a major problem. Third, since the claiming party is not the actual recipient of the rebate, there is a risk of a tax "leak"—no pun intended—which might take on increasing proportions. Finally, retailers electing to submit claims on behalf of their customers would have to wait some time before receiving the funds claimed from Revenue Canada.

The Government is now consulting with the fuel sector, and we are confident that a solution satisfactory to all parties concerned will emerge from these consultations, which are being held as part of the regular policy of this Government.

[*English*]

UNEMPLOYMENT INSURANCE—PLIGHT OF NEWFOUNDLAND FISHERMEN NOT ELIGIBLE FOR BENEFITS. (B) LEVEL OF ASSISTANCE FOR AFFECTED CONSTITUENCIES

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, I rise on a subject that came up in the House today. As some Members will know, the Minister announced today a $6 million program for fishermen and plant workers who were affected by the inshore fishing season this year. That is welcome news. I congratulate the Minister on it, but I would say to her that it is too late. I wish she had agreed to the request we made some six weeks ago.

I raised a question in this House, as did my colleague, the Hon. Member for Gander-Twillingate (Mr. Baker). We wrote and spoke to the Minister pointing out the seriousness of the situation. We tried to help the Minister to understand, as I am sure the Minister of Fisheries and Oceans (Mr. Fraser) did, that fishermen and plant workers have no recourse; there is no safety net, no alternative. If the fish do not come ashore because of ice, dirty water or whatever, there is no recourse. The system is built in such a way that the welfare system will not support them adequately. There is no alternative for fishermen and plant workers caught in that situation.

If one responds at the proper time, such as in October, one can work out projects that will be beneficial to the community. As it now stands, it will take about another week to identify where the fishermen and plant workers are who are affected. We will then have to hastily design projects which will last until the end of March. You can repair some gear and do some inside work, but you cannot build a slipway or repair a wharf in the winter. Nor can you fix a stage. These are things that cannot be done when frost and snow is on the ground. Bear in mind, Mr. Speaker, that most of the fishermen affected here are on the northeast coast of Newfoundland and the coast of Labrador.

• (1820)

I welcome the news, but I say to the Minister that it is too late. In September and October we told her that she should act then. She insisted on waiting for the end of the fishing season. Sure, the fishing season is not legitimately over until November-December, but the reality for many communities is that it finishes as of September.

I welcome the news but I would urge the Minister to act quickly next year, or the next time this happens. Please God that it will not happen next year. I believe it is an act of God. If it does happen next year I would urge the Minister and the Government to take speedy measures, bearing in mind that we are dealing with disadvantaged people who suffer through no fault of their own, and to whom there is no recourse or alternative. An *ex gratia* payment is the only alternative. I welcome the Minister's announcement today. I simply wish she had made it six weeks ago.

[*Translation*]

Mr. Jean-Guy Hudon (Parliamentary Secretary to Minister of Employment and Immigration): As my colleague pointed out, Mr. Speaker, the Minister of Employment and Immigration (Miss MacDonald) has already said that we are monitoring the fishing situation very closely. Fisheries and Oceans Canada have advised us that, according to recent data, roughly 1,100 Newfoundland fishermen might have enough weeks of insurable employment to be eligible for unemployment insurance benefits this winter. That figure has been confirmed by the United Fishermen and Food Workers Union.

We have also been advised that most fishermen along the coast of Labrador might be eligible for unemployment insurance benefits and that the situation in the south-east region has improved since Fisheries and Oceans Canada have authorized higher herring quotas.

The special fund mentioned by the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey) was in fact a subsidy to provide assistance to fishermen in areas where during the normal fishing season, fishing is restricted because of icing conditions. Last spring, the ice remained longer than expected, which left the fishermen in many communities without work and without income, the winter period of unemployment insurance benefits having expired. This special initiative was taken by Employment and Immigration Canada, but the money did not come from the Unemployment Insurance Fund.

The Minister recognizes the importance of short-term job creation programs for people in the fishing industry who are not eligible for unemployment insurance benefits. I am therefore happy to inform you that the Minister of Employment and Immigration has allocated another $6 million to the Canada Works Program to provide assistance to fishermen and processing plant workers who are suffering because of the plight of the fishing industry. The Minister has already provided that information to the Hon. Member, in a letter he may not have had the chance to read.

I would also like to inform the House that we are in the process of amending the National Employment Service regulations with respect to the referral of applicants for Canada Works Projects. Such an amendment will ensure throughout Canada that any fisherman or fish processing plant worker who has not qualified for unemployment insurance will be referred as a priority for projects approved under the Program.

Finally, Mr. Speaker, I would like to stress once again that we are closely monitoring and that we will keep monitoring the situation in the fishing industry, and that the Minister has taken firm steps to improve that difficult situation. I can also assure the House that problems related to fisheries will be discussed during the talks to be held with the provinces on the Government's overall directions in the area of job creation and training.

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

At 6.25 the House adjourned.

HOUSE OF COMMONS

Wednesday, December 5, 1984

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

ENVIRONMENTAL AFFAIRS

CANADIAN WILDLIFE SERVICE

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, by the thousands, Canadians have expressed their shock and dismay about the proposed cuts in environmental and wildlife research activities. Highly trained biologists, zoologists, and specialists in a variety of disciplines, are about to lose their jobs. Their only prospects seem to be south of the border because provincial Governments are not prepared to absorb them, nor is the private sector.

A better understanding of the role of wildlife in the ecosystem is an essential and never ending process. The Minister of the Environment (Mrs. Blais-Grenier) must understand that wildlife research and activities mean more than human health. In addition, the announced cuts have dealt a heavy blow to the morale of people within her Department. She must fight for the preservation of the Canadian Wildlife Service at its present strength before the announcement of cuts.

Today, in a letter by author Farley Mowat and the President of the Public Service of Canada, Jack Donegani, to the Prime Minister (Mr. Mulroney), they urge him to reconsider the cuts in the Canadian Wildlife Service. We on this side of the House again urge the Minister of the Environment to fight for the Canadian Wildlife Service, reject the cuts, and restore confidence in her Department, by her employees—

Mr. Speaker: I must inform the Hon. Member that his time has expired.

* * *

THE ECONOMY

INVESTOR CONFIDENCE

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, the Minister of Finance (Mr. Wilson) has made it quite clear that the rationale behind all the cut-backs and tax increases in his economic statement is to increase investor confidence in Canada.

The Canadian investment community has now had ample opportunity to witness the new Government in operation and to assess its supposedly new approach to our economic problems. Has it responded like the Government suggested they would? Has it suddenly found renewed faith in the Canadian economy and begun to invest, and produce the tens upon tens of thousands of jobs that we were promised would be created overnight? The answer is clear, and it is no.

Just last week, for example, Great Lakes Forest Products Limited of Thunder Bay announced that it will be investing $25 million to build a newsprint mill in the United States because it has more confidence in the American economy than in Canada's. Today's *Globe and Mail* indicated that production and employment by Canadian manufacturers have taken a sharp drop. A spokesman is quoted as saying: "There sure seems to be a lack of confidence".

The Government's approach is not working because it is based on faulty assumptions. Just wanting increased investor confidence is not enough. We need concrete actions to put Canadians back to work. It is obvious that Canadian investors, as well as the Canadian public, do not have faith in the Conservative Government's approach. They do not believe, as I do not believe, that the Conservatives have any answers. Not only is the Government's honeymoon just about over, but it appears that most Canadians are ready to sue for divorce.

* * *

[*Translation*]

HUMAN RIGHTS

RIGHT TO LIFE FOR ALL

Mr. Gilles Bernier (Beauce): Mr. Speaker, I want to take this opportunity to express the satisfaction of my constituents in the riding of Beauce and that of all Canadians with respect to the positive attitude taken by the Canadian Government in providing aid to Ethiopia.

Our Government's initiative was instrumental in persuading other countries, agencies and thousands of Canadians to make a generous contribution.

Mr. Speaker, everyone understands that we should help people who are starving and many of whom are actually dying of starvation. However, I think our own attitude in this country is entirely ambiguous, in that we are not prepared to protect the right to life of defenceless creatures. This is a shameful injustice, Mr. Speaker.

We do not want to let old people, men, women and children die in Ethiopia, and our actions are laudable. But why do we let our own children be killed, in a civilized country?

We are willing to protect and to help people in need, but why do we let our own children be killed by abortionists who operate freely without any scruples?

Finally, Mr. Speaker, as a Member of this House, I still fail to understand how we can make such admirable efforts to feed the hungry of the world and at the same time let others kill those who have a right to be born.

* * *

[*English*]

BANK OF CANADA

CAFETERIA MEAL PRICES

Mr. John A. MacDougall (Timiskaming): Mr. Speaker, at the time when the Government is attempting to lead the way in curbing excessive government spending as a result of the economic mess this Party inherited from the Liberals, I want to point out a situation I discovered within the Bank of Canada.

Currently the Ottawa office of the Bank of Canada operates a cafeteria which offers employees heavily subsidized meals. For example, from yesterday's menu patrons could order beef short ribs for 80 cents, or tuna casserole for 65 cents. Milk sells for 20 cents. A side order of vegetables or rice is 15 cents, and soft drinks are 10 cents. I support your move, Mr. Speaker, to raise prices in our restaurants and cafeterias on the Hill, and I strongly urge the Governor of the Bank of Canada to do the same. The Bank of Canada should be setting an example, not breaking the bank at the taxpayers' expense.

* * *

ATOMIC ENERGY OF CANADA LIMITED

SCIENCE EXHIBITION

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, it has been brought to my attention that Atomic Energy of Canada Limited is putting on an elaborate display today relating to all of its major activities on the pure science side, in the applied science areas, as well as information relating to the Candu reactor and, even more important, to the little known and numerous achievements that nuclear research has attained in the field of medical science. This display and public relations effort will take place at Atomic Energy of Canada Headquarters here in Ottawa, and only the Progressive Conservative Members of the House of Commons have been invited to participate.

I cannot emphasize enough the importance that the Conservative Members of the House of Commons should give to this very vital and key project in the field of the pure and applied sciences. I would impress upon each and every one of them that they should take the opportunity to attend and get the real side of the story about this great achievement in the scientific history of Canada. I have been given to understand that a similar, future display will be presented for the Liberal caucus Members and one for the NDP caucus Members.

Some Canadians do not place enough emphasis on the outstanding, positive achievements of the many brilliant and dedicated expert personnel that we have in our country. The time is long overdue when the positive side of nuclear research must be accurately, spontaneously, and credibly placed on the record for all to see, not only in our own country where we sometimes give our own people the least credit for achievement, but also—

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

* * *

ENVIRONMENTAL AFFAIRS

SUPPORT FOR REDUCED AUTOMOBILE EMISSIONS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, yesterday I appeared before an interdepartmental hearing on auto emission standards to urge them to recommend the implementation of lower, less polluting auto emission standards for this country. Reducing auto emissions to at least the American level would be a step in the right direction, not only in reducing acid rain but also in enabling us to get tough with the Americans with respect to their massive contribution to acid rain. Reducing Canadian automobile emissions would help restore the credibility on this issue that was lost through previous Liberal inaction in this area.

• (1410)

The Government must also act in those areas where it itself has damaged the ability of Canada to advocate with integrity that the Americans be more sensitive to acid rain and other environmental problems; by re-instating the herring gull egg program which monitors toxins in the Great Lakes, and by reversing cuts in wildlife services, some of which affect international agreements and concerns like the future of the porcupine caribou herd in the Yukon.

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[*Translation*]

EMPLOYMENT

UTILIZATION OF LAPRADE FUND

Mr. Pierre H. Vincent (Parliamentary Secretary to Minister of National Revenue and Canada Post): Mr. Speaker, the Trois-Rivières riding which I have the honour to represent in the House is one of those that have been affected by the notorious and dismal affair of the Laprade Fund. I use the expression "dismal affair" because the previous government never fulfilled its commitments in this regard. We all know

that the money earmarked for the Laprade plant project that never materialized was supposed to be spent in the affected ridings to create permanent jobs, mostly in the energy sector.

Mr. Speaker, the previous government, not content with failing to fulfil its promises, made a farce out of the Laprade Fund by distributing right and left, here and there and everywhere in a wanton fashion subsidies which have never created permanent jobs of any sort.

Mr. Speaker, I cannot find words strong enough to describe the stupidity of the previous government in this affair, and my constituents are well aware that the members of that government are now trying to wash their hands of the whole mess as they sit on benches opposite. Yet, Mr. Speaker, I suggest that for my constituents it is better that way.

* * *

[*English*]

ABORTION

APPEAL AGAINST ACQUITTAL

Mr. Gordon Taylor (Bow River): Mr. Speaker, Canadians are law-abiding people and expect our courts and juries to uphold the law of the land. Yet in Toronto a jury acquitted Dr. Morgentaler, who admitted he broke Canada's laws and would continue to do so. A father who breaks the law by stealing bread to feed his hungry children is sent to jail, but in this case we have a jury acquitting a man who denies life to unborn babies. The fact that he has broken the law many times should not now make it right and proper. These juries are saying: "Break the law often and it is okay". If one believes the law is wrong, he has every right to work for a change but, until it is changed, it should be obeyed. Any other philosophy will bring chaos to the country.

Morgentaler's lawyer appears to justify breaking the law by saying: "... the right to control one's body is essential ... ". Right on, Mr. Lawyer, but that control should happen before the act of intercourse, not by killing the child after he or she is conceived. I congratulate the Government of Ontario for appealing this case, and I hope the appeal court makes it abundantly clear that the laws of Canada must be obeyed by all, including Dr. Morgentaler.

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POLITICAL PARTIES

NEWFOUNDLAND POLL FAVOURING LIBERAL PARTY

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I would borrow a phrase from President Reagan by saying that we will soon be able to consign those kinds of dinosaurs to the ash bin of history.

Some Hon. Members: Oh, oh!

Mr. Tobin: I rise today to tell the House that the rebuilding of the Liberal Party of Canada has already begun under our most distinguished and right hon. Leader (Mr. Turner). On Monday a major poll conducted by Eastcan Research of Halifax was released and showed that the Liberal Party of Newfoundland now stands at 48 per cent in the polls while the governing Tories stand at 42 per cent. This poll shows what Newfoundlanders think of the Tory way of doing things, both in the Province of Newfoundland and here in Ottawa. Newfoundlanders and Labradorians have recognized the age-old maxim of our grandfathers: Tory times are indeed hard times.

May I offer a word of advice to the Prime Minister (Mr. Mulroney)? He should listen less to the applause of the mindless 211 cheerleaders he brought with him to the House of Commons, and pay more attention to the voices of the people of Canada who are upset at the double-cross that was perpetrated on them by a Prime Minister who promised compassion and gave them a cold shoulder, who promised to listen and gave them a closed door, and who paraded himself as the voice of ordinary Canadians, but who, in only a few months, has forgotten where those Canadians live and who they are.

• (1415)

ORAL QUESTION PERIOD

[*English*]

THE ECONOMY

INVESTOR CONFIDENCE

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, in the absence of the Minister of Finance I would like to address my question to the Prime Minister, who has just entered the House. I am tempted to note that the Minister of Finance is so afraid of losing his briefs that he is costing the Canadian taxpayers their shirts.

He confirmed in the House yesterday that we would see interest rates of 6.5 per cent. At the same time, in the same week, he authorized a long-term 20-year bond issue at 12 per cent that will cost Canadian taxpayers millions and millions of unnecessary dollars, if his forecast is correct.

How can the Government instil the sense of investor confidence in the private sector that it seeks if it issues a forecast which is completely imcompatible with the bond issue authorized earlier this week?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think that this Government instills a sense of confidence, in the markets and elsewhere, by bringing the first degree of sanity into the public finances of the country that we have seen in a long, long time.

Some Hon. Members: Hear, hear!

Mr. Mulroney: One of the major offenders who sent out conflicting signals was my hon. friend when he was running for the leadership of his own Party. He contradicted official government policy. He confused a lot of people, including the delegates to the Liberal leadership convention—but not enough.

The policies of economic renewal and growth which have been set out by the new Government and by the Minister of Finance are the stuff which will inspire sound decisions and will bring back a positive investment climate which will create jobs in Canada.

Mr. Johnston: Mr. Speaker, that's no answer; it is more bafflegab of the kind we got yesterday from the Minister of Finance.

GOVERNMENT BOND ISSUE

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I would like to direct my supplementary question to the Minister of State for Finance. If there are anticipated declines in interest rates, there are ways of managing the public debt under those circumstances. Undoubtedly the Minister has heard of, or perhaps considered, indexed bonds. Why does the Government not take this opportunity to cancel the issue that was proposed this week, go back to the drawing board and come up with a flexible instrument which will send a positive signal to the private sector and will result in the saving of millions and millions of dollars for Canadian taxpayers?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I am very happy to answer the Hon. Member's question. I recall a time when the former Government issued Canada Savings Bonds at 19 per cent.

Some Hon. Members: Hear, hear!

Mrs. McDougall: We have no intention of cancelling the issue. It was appropriately priced and placed in the market. We are thoughtful when we put these issues together. As the Minister of Finance has suggested, our intent is for interest rates to come down under our administration. That has been a long time coming because of the former Government's record.

ECONOMIC STATEMENT CREDIBILITY

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I would hope that we are not going to see Ministers indulging in political arithmetic, because political arithmetic is exactly what she has just indulged in.

Is the Minister really not saying that the economic forecast was not credible, that the interest rate forecast was not credible, and that the deficit forecast was not credible? In short, is she not saying that the entire economic program as announced in the mini Budget of November 8 is not credible?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I know that many of my hon. colleagues in this House agree that indeed, the economic statement was credible. Canadian people believe it is credible. I am sorry that the Hon. Member is having difficulty finding it credible.

* * *

DISASTERS

INDIA—UNION CARBIDE INDUSTRIAL TRAGEDY IN BHOPAL

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I would like to ask a question of the Right Hon. Secretary of State for External Affairs. Canadians are horrified by the tragic accident at the Union Carbide plant in Bhopal, India. Is the Right Hon. Member in a position to inform Canadians what kind of assistance the Canadian Government is offering to our friendly allies in the Indian Government?

• (1420)

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the Government shares the horror which is expressed by the Hon. Member for Saint-Maurice. We have been, as he will understand, in active touch with Indian authorities. I am not at this stage in a position to announce the response of the Government of Canada, if, indeed, a response is appropriate in terms of aid or other assistance to the people of India.

* * *

[*Translation*]

ENVIRONMENTAL AFFAIRS

INDIAN DISASTER—MEASURES TAKEN BY GOVERNMENT

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I have a supplementary for the Minister of the Environment.

I would like to ask the Hon. Minister whether her department is now taking the necessary action to prevent such a tragedy from occurring in our own country—it appears the same company is engaged in similar activities here in Canada—and in such a way that we can guarantee Canadians that there is no possibility a tragedy of this kind will occur in this country.

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, the Commission de la santé et de la sécurité au travail du Québec is monitoring Union Carbide factories very closely on behalf of the Province of Quebec, and I am keeping in touch with provincial agencies to ensure that an accident of this kind does not happen here.

[*English*]

THE ECONOMY

PRODUCTION AND EMPLOYMENT SURVEY

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Minister of State for Finance. It concerns the November survey of the purchasing managers of Canada which shows the sharpest drop in production and employment which we have seen in the last two years. A spokesman for their association said in reference to the business community: "There sure seems to be a lack of confidence". Because of the shocking results of the survey which show this drop in production and employment, is the Minister now prepared to recommend to Cabinet a change of the policy of spending cuts and tax increases which, obviously up to this stage, has not worked?

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I do not agree with the Hon. Member that the measures we have proposed are not working, and will not work. This is a very small survey. I believe there were some 200 firms involved. As the Hon. Member knows, there are any number of surveys coming up, with any number of conclusions. Our forecasts indicate, and our information is that confidence is increasing in this country, and will continue to do so.

[*Translation*]

MEASURES TAKEN BY GOVERNMENT

Mr. Lorne Nystrom (Yorkton-Melville): I have a supplementary, Mr. Speaker.

Since business has already lost confidence in this Government's economic policies, what other measures does the Government intend to take in order to turn this trend around, if it remains as it is now?

[*English*]

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, this Government is working every day toward rebuilding confidence and employment. I might point out to the Hon. Member that, even in the survey from which he quoted, production had increased by 23 per cent.

* * *

EMPLOYMENT

SUMMER EMPLOYMENT FOR STUDENTS

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is directed to the Prime Minister. As the Prime Minister knows, on November 8 his Government cancelled the summer employment program for students, which represents a cut of $85 million in the Summer Canada Program. He should also know that in only four months, approximately on April 15, the students of Canada will be on the streets and available for work.

Many students are already looking for summer employment. Many of them are wondering how they are going to pay for next year's tuition. Will the Prime Minister assure this House that if he has any alternative program for summer employment—if he has one—he will do as was done in other years, and announce that program before this House adjourns on December 21?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Minister of Employment and Immigration has already assured the Hon. Member, and through him, the House, that the programs of the previous Government in this area were unworkable—

Some Hon. Members: Oh, oh!

Mr. Mulroney: —and considered as such by all Canadians, including the students of Canada who passed judgment on them along with the rest of the country, on September 4. We will have in place appropriate and helpful programs to deal with the requirements of students, in advance of next summer, by a long shot.

• (1425)

REQUEST FOR REINTRODUCTION OF SUMMER CANADA PROGRAM

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I have the impression the Prime Minister is telling the country and the students that he has no program for next summer. As he knows, the Minister of Employment has told us that she is launching a series of consultations with business, the provinces, and the unions. That will take three months, too late for next summer.

Mr. Speaker: Order.

Mr. Allmand: Will the Prime Minister, at least for this year, reintroduce the Summer Canada Program? Will he also table the proposals the Minister of Employment is bringing to the provinces, the unions, and the business sector, so that we can all be privy to the documents she will discuss with them?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, 10 years of silence on the Liberal benches have done wonders for his lungs, but not for his logic.

Some Hon. Members: Hear, hear!

Mr. Allmand: No action.

Mr. Deans: That is what you meant by civility.

Mr. Mulroney: The Minister will be bringing forward helpful programs designed to assist students who need these programs.

Mr. Allmand: When?

Mr. Mulroney: At the earliest possible moment pursuant to an intensive and thoughful consultation process, and in ample time to deal with the requirements of students.

Oral Questions

ENERGY

IMPACT OF MOVE TO WORLD OIL PRICES

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, will the Minister of Energy confirm the general accuracy of a report by Cyrus J. Lawrence, a prominent energy analyst from New York City, who says that the chief beneficiary of the Government's change to world oil prices will be Imperial Oil which will receive a windfall profit on its own oil of $95 million, or roughly 60 cents a share?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I would like to remind the Hon. Member that the chief beneficiary of our move to world oil prices will be the unemployed Canadians who will be back to work because of the changes that take place in energy.

REQUEST THAT WINDFALL PROFIT TAX BE INTRODUCED

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, since the ordinary Canadian will be paying this $95 million at the tank and in his heating bill, is the Minister prepared to say that she will apply a windfall profits tax to this gift of $95 million?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the purpose of going to world oil prices is to get some cash flow generated in the energy industry which will supply jobs and energy security for Canadians at a time when our foreign sources of supply are looking unstable.

* * *

EDUCATION

STUDENT LOANS PROGRAM

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, my question is for the Hon. Secretary of State whose responsibility includes student loans. He has just heard that the Conservative Government still has no program in place for employment this summer that the students know about. He also knows that 94 per cent of post-secondary graduates hold down jobs.

Can he tell us why the Government has frozen $5 million which is used for student loans, and taken a route which will most certainly add to youth unemployment instead of reducing it? Is the money going to be saved on the backs of our youth?

Hon. Walter McLean (Secretary of State): Mr. Speaker, my hon. colleague will know that there is division of opinion amongst Canadian students regarding the relative importance of additional financial support for student loans, and of incentive to create jobs. The students are concerned almost to a person that there be jobs available when they are finished university. Therefore, the result was a decision by this Government to focus on job creation and at the same time, as he knows, the assistance to students under the Canada Student Loans Program was increased by this House last year.

GOVERNMENT POSITION

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, how can the Minister sit in submissive silence while the Government freezes this additional grant of $5 million, and at the same time it plunks down $220,000 for the education of political aides? Is the education of political commissars more important than the education of young people to get a job?

Mr. Beatty: Ask Lloyd Axworthy.

Mr. Axworthy: Mine were already trained when I got them.

Hon. Walter McLean (Secretary of State): Mr. Speaker, the Hon. Member chooses to ignore the adjustments in assistance to the students which were made during the last period of time. He also chooses to ignore the fact that it was his Party which imposed six and five on the entire university community and brought about increased pressure upon the institutions and the students.

* * *

• (1430)

NUCLEAR ARMAMENTS

CRUISE MISSILE TESTING—MORATORIUM PROPOSAL

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my question is for the Secretary of State for External Affairs. On November 30 he said that he would consider proposing to the U.S. and the U.S.S.R. a ban on further Cruise missile deployment. Does the Minister's suggestion of November 30 mean that Canada will actively consider joining Belgium and other NATO advocates in calling for a moratorium on further Cruise missile deployment in Europe?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, as I have tried to make clear on two occasions in the House, we are considering whether, in light of the very encouraging initiative taken by the Soviet Union and the United States to resume discussions about nuclear arms control, there are initiatives or suggestions that it would be useful for Canada to make to both parties as a means of advancing that process. That is a matter which is still under very active consideration. I expect to be in a position to indicate whether we think it would be useful to take that kind of initiative, before the week is out. If we decide it would be useful to take initiatives of that kind, I will naturally indicate to the House the nature of any communication we would send to both parties in the context of trying to add to the success of the Geneva talks.

GOVERNMENT POLICY

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, if the Minister is not interested in joining Denmark, Greece, and other NATO partners in a nuclear freeze, and is not interested in joining the initiative which has now come from Belgium and other middle-sized NATO countries to call for a ban on deployment of Cruise missiles, how can we avoid the conclusion that he is not interested in any NATO initiatives except those that are authorized by the Pentagon?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I frankly doubt that I will ever persuade the Hon. Member, but I have some faith that the general public of Canada is far more understanding, both of the issue and the effectiveness of Canadian response.

Ms. Jewett: You don't even listen to the Canadian public.

Mr. Clark (Yellowhead): Surely there has not been a time when it would be less appropriate for the Government of Canada to act independently, in a way that may upset the agreement that has been reached between the Soviet Union and the United States to come together on talks, than it would be to do that now. It is the view of the Government that there has been a very significant move forward on the part of the Soviet Union and the United States in their agreement to come together to talk about how we can reduce nuclear arms.

Ms. Jewett: What about Belgium?

Mr. Clark (Yellowhead): We want to advance that process, not throw it off course.

Some Hon. Members: Hear, hear!

Ms. Jewett: What about Greece?

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF DISTINGUISHED VISITORS, MR. GARY FILMON AND MR. WILLIAM HUTT

Mr. Speaker: Order, please. May I interrupt the proceedings to advise Members of the presence in our gallery today of Mr. Gary Filmon, Leader of Her Majesty's Official Opposition in the Manitoba Legislature.

Some Hon. Members: Hear, hear!

Mr. Speaker: On a very special matter which is very personal and dear to myself, may I also introduce one of Canada's greatest actors, William Hutt.

Some Hon. Members: Hear, hear!

FISHERIES

GEORGES BANK BOUNDARY DECISION—POSSIBLE UNITED STATES REQUEST FOR MORATORIUM

Mr. George Henderson (Egmont): Mr. Speaker, my question is for the Right Hon. Prime Minister. It has been reported that the Reagan administration will formally request a one year moratorium on the implementation on of the Georges Bank boundary decision. The Secretary of State for External Affairs has indicated that should such a request be made it would not be accepted, but that he would renegotiate or deal with the U.S. officials should a request be made. Will the Prime Minister assure the House today that such a moratorium will not be accepted by the Government?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I thank the Hon. Member for Hamilton East for her applause. I hope that from time to time she will extend that same courtesy to her Leader.

Some Hon. Members: Hear, hear!

Mr. Clark (Yellowhead): The question raised by the Member for Egmont is very important. We have not received an official request from the Government of the United States. The position of the Government of Canada is very clear. We did not want to have this matter resolved in the courts. We preferred to have it resolved through negotiation. It went to the courts, and there has been a decision rendered by the courts which we regard as final.

Mr. Henderson: Mr. Speaker, I thank the Secretary of State for External Affairs for that answer.

REQUEST THAT PRIME MINISTER NEGOTIATE MANAGEMENT AGREEMENT

Mr. George Henderson (Egmont): Mr. Speaker, my supplementary question is for the Prime Minister. Will he use his offices to deal directly with the President of the United States and the U.S. administration in order to effect a good management and conservation agreement based on good, sound management principles in the Department of Fisheries and Oceans, which will benefit both Canadian and American fishermen?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I will certainly continue to use my good offices to advance the cause and interests of Canadian fishermen.

* * *

EXTERNAL AFFAIRS

PROPOSED SALE OF MILITARY AIRCRAFT

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is also for the Secretary of State for External Affairs. Why is it government policy at this time, in order to sweeten the deal about to be entered into between Canada and Turkey for the sale of some Buffalo STOL military aircraft, to add to it a gift

of some 20 CF-104 Starfighters, precisely when the NATO countries of Turkey and Greece are almost at the brink of going to war over the remilitarization of some of the islands in the eastern Aegean, especially when our own Canadian soldiers may be caught in the crossfire in Cyprus?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, it is my understanding that it has been the practice for some time for Canada and other NATO countries, when there is a change in the aircraft we use, to make available to other NATO countries aircraft that will no longer be in use in Canada. It is my understanding that we have made that offer to both Greece and Turkey.

TENSION BETWEEN GREECE AND TURKEY

Mr. Derek Blackburn (Brant): Mr. Speaker, I will repeat my question in a much more important way. At a time when both of those countries may very well go to war and break up the southeastern flank of NATO, why is it that Canada insists on getting involved in the sale of arms to precipitate that kind of blow-up in the eastern Mediterranean which may end the southeastern flank? It is most serious.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I find it surprising that the Hon. Member appears to have come to a sudden awareness of the tensions between Greece and Turkey.

Some Hon. Members: Oh, oh!

Mr. Clark (Yellowhead): Those have been known to most Members of the House, and to the Canadian public, for a long time. If I may deal with what I think is the assumption at the basis of his question, naturally we would not be entering into those kinds of arrangements if we thought there was a significant danger of Canada's involvement heightening the tension or making it more dangerous.

* * *

PENITENTIARIES

ESCAPE OF THREE INMATES FROM BATH INSTITUTION

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): Mr. Speaker, my question is for the Solicitor General. Is the Minister aware that yesterday in my constituency three persons escaped from the Bath Institution, possibly with outside help, then forcibly entered a home, terrorized two hostages, left them bound, and stole their car and three weapons? I am appalled at this incident and at the many escapes that have taken place in that area.

What measures is the Solicitor General taking to ensure that this kind of terrorizing does not recur? Will he give the House assurance that he will look closely at the problem of classification of inmates?

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, I can well imagine the trauma suffered by the Reeve and his wife, and the frustration felt by the Hon. Member, as a result of this very regrettable incident. As the Hon. Member knows minimum security institutions have, as a key element, the classification of the types of people who are in them. Predicting human behaviour is an inexact science. I am awaiting the result of thesecurity inquiry and the rationale for having these particular inmates in that particular institution.

* * *

● (1440)

[*Translation*]

THE CONSTITUTION

JURIDICAL BILINGUALISM

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I should like to put a question to the Minister of Justice and Attorney General of Canada (Mr. Crosbie). Section 133 of the constitution requires the use of bilingual introductory documents before the Quebec courts and at the federal level. Since the Minister of Justice has made an about-turn withdrawing his support for juridical bilingualism, more specifically in the MacDonald case in Quebec involving a ticket drawn up in French only handed to that gentleman, is the Minister of Justice effectively going to be the executioner of linguistic equality for any minority wherever it lives in this country?

[*English*]

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I believe that the hon. gentleman is referring to the MacDonald case in the City of Montreal. The issue there is the language of the ticket. We are intervening in the Supreme Court of Canada appeal to put forward the Government's position on official language issues. We have given financial assistance to the litigant who was arguing that the ticket was invalid because it was in English only. However, it is not a comparable case to the Bilodeau case. I am sorry; it was in French only.

Mr. Lapierre: Or Chinese.

Mr. Crosbie: It could be German.

GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my supplementary question is directed to the Prime Minister. Could he explain this contradiction to the House and Canadians? The Secretary of State finances the Courts Challenges program and has given money to Mr. MacDonald, as the Minister has just indicated, to present his case in front of the Supreme Court of Canada. The Minister of Justice in the same Government is taking a diametrically opposed view, in

oppositon to the position held by the minority group. Can he explain that?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the explanation is quite simple. This is not something new. This has been the policy for a number of years.

Mr. Gauthier: This is the first time you have done it.

Mr. Crosbie: The object of this program is to permit official languages issues to be tested in the courts. It is not to give financial assistance only to those litigants who make arguments with which we agree.

In some cases we finance the litigants because they have an issue that should be decided upon by the courts but we take the opposite point of view and argue an opposite point of view. That has been going on for 10 years or since the policy has been in effect. There is nothing peculiar about it. The hon. gentleman should be supportive of it.

Mr. Gauthier: Baloney. You have changed your position.

* * *

AUDITOR GENERAL

PETRO-CANADA PURCHASE OF PETROFINA—ACCESS TO INFORMATION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. In light of his election promise to make available to the Auditor General of Canada all the information that he wanted pertaining to the Petro-Canada takeover of Petrofina, why did he change his mind, accept the advice of the Clerk of the Privy Council and cut off access to certain information, including information that the previous Liberal Cabinet wanted kept secret? The Prime Minister had a choice. Why did he not provide the openness that he promised?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think that my hon. friend knows full well that I have tried to live up to the letter and the spirit of that commitment. I have met with him and explained privately, as I have explained publicly in the presence of my right hon. friend, the Leader of the Opposition, that it was the intention of this Government to put out under public scrutiny all of the information that was available to us so that the Auditor General and the Canadian public could make a decision in regard to the Petrofina-Petro-Canada transaction.

I referred to the difficulty we were having in terms of Cabinet confidences as they affect communications between Ministers, that constitutional custom has required that they remain private. They do not affect this ministry. We have nothing to hide at all.

It was my view that, by instructing the Chairman of Petro-Canada to attend before the Public Accounts Committee and to bring all information, that would be a significant first step in providing Canadians with all of the information that they require in this file.

REQUEST THAT CONVENTION GOVERNING CABINET DOCUMENTS BE CHANGED

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Prime Minister knows that there is an important difference between the work of a committee of this House, as important as that is, and the ongoing rights and responsibilities of the Auditor General. There is a fundamental difference in responsibilities.

Why did he not change the existing convention which hitherto has excluded our Auditor General from having access to such information? I ask this in light of the fact that the Auditors General of Nova Scotia and Prince Edward Island, with whom I have just spoken, have the precise right that the Prime Minister promised to give our Auditor General. Why did he not deliver on that promise of openness?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, indeed I have been attempting to deliver fully on that commitment, which is not all an unreasonable one. I felt that the proper manner in which to proceed was to make sure that all evidence that impacted upon that transaction, hopefully including the presence of former Ministers of Energy before the committee, be educed to enable the Auditor General and the people of Canada to make that determination.

If that turns out not to be the case and the Auditor General feels that other information would be appropriately sought by him, I would be ready to meet with him to find a formula to allow him to secure that information.

We have absolutely nothing to hide. We did not do the deed; others did. We want it examined by the people of Canada.

Mr. Broadbent: Either the Prime Minister does not understand the general principle or he is deliberately obscuring the reality.

Mr. Hnatyshyn: That is beneath even you.

PRIME MINISTER'S POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, we are concerned about the Auditor General having an ongoing right and not having to respond to a particular case. Why will the Prime Minister not give the Auditor General of Canada the right of access to economic information that he requires to do his job, and which the Prime Minister promised to Canadians during the election? You had a choice. Why don't you deliver?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend is advancing a novel theory.

Mr. Broadbent: No.

Mr. Mulroney: It is that as Cabinet discussions ensue the Auditor General can be there to examine Cabinet documents in confidence.

Mr. Broadbent: No. That is not what I am saying.

Mr. Mulroney: That is exactly what you are saying. That is the inconsistency of your position.

Mr. Broadbent: That is not what I said.

Mr. Mulroney: That is why I have asked for something that appears to be difficult. I have asked for the good faith and co-operation of my friends from the NDP who, I am sad to say, appear to be more interested in scoring some brownie points than getting the truth out.

Some Hon. Members: Oh, oh!

Mr. Mulroney: We want all the information made available to the people of Canada, and I need your help and co-operation to do it.

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CANADA POST CORPORATION

DELAYS IN MAIL DELIVERY THROUGH CALGARY POST OFFICE

Mr. Arnold Malone (Crowfoot): Mr. Speaker, my question is directed to the Minister of National Revenue in his position as the Postmaster General. Bearing in mind that mail moved from St. Joseph's, Missouri, to Sacramento, California, by pony express in a guaranteed ten-day period in 1860, does he approve of the fact that mail frequently going through the Calgary Post Office to rural small communities will too often take 10, 15 or 20 days for delivery?

Hon. Perrin Beatty (Minister of National Revenue): First, Mr. Speaker, let me thank the Hon. Member for his useful statistics. I can assure him that the Canada Post Corporation, in an attempt to cut storage costs, wants to move the mails as quickly as possible.

I will certainly refer his comments to the President of the Canada Post Corporation. I can assure him that the Corporation will do everything possible to speed up delivery.

* * *

● (1450)

[*Translation*]

SOCIAL SECURITY

BENEFITS PAID TO WIDOWS AND WIDOWERS AGED 60 TO 64 YEARS—EXCLUSION OF SINGLE, DIVORCED AND SEPARATED PERSONS

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is directed to the Right Hon. the Prime Minister.

In answer to a question I put to the Prime Minister last Friday—if I may be allowed to quote *Hansard*, for it is a very important matter concerning the spouse's allowance for people aged 60 to 64—the Prime Minister said this:

—our objective is to help those people in our society who are most in need, and I think that is the basic purpose of any decent social program in this country.

Mr. Speaker, we believe there is a real need for such measures among people between 60 and 64—

Here is my question: does the Prime Minister know that he may have misled the House in his answer Friday since the program announced and selected by the Progressive Conservative government is designed exclusively for widows and widowers, and that it discriminates against the 340,000 Canadians who are separated, divorced or single and who have similar needs?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, in response to the Hon. Member's question, the Government has indicated, both in the Throne Speech and in the economic agenda paper, that legislation will be forthcoming. If we had an economic climate whereby we could advance the cause which he puts forward, we would love to do it. We would love to help people who are in need. We will move as quickly as we can. That is why we want economic growth. I would suggest to him that he agree with us to reverse the economic trend of the Government of which he was a part, and have economic growth so that we can help the very people he asked about.

[*Translation*]

Mr. Malépart: I have a supplementary question, Mr. Speaker, and it is directed to both Ministers. First of all, the Prime Minister did not answer because I am saying that he misled the House. Should he care to answer, I would ask him why he misled the House and raised false hopes in respect of elderly Canadians. To the Minister of National Health and Welfare, is he aware—

Mr. Speaker: Order, please.

Mr. Mulroney: Mr. Speaker, the Hon. Member now sits on the Opposition benches and he is raising strong objections against the economic assistance program for widows and widowers—that is what you are saying—whereas we are quite prepared to help those people in our society who are most in need.

* * *

LABOUR RELATIONS

SUGGESTION THAT ADEQUATE OFFER BE MADE TO DOMTAR EMPLOYEES AT LEBEL-SUR-QUÉVILLON, P.Q.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Right Hon. Prime Minister.

At Lebel-sur-Quévillon, the workers at Domtar, a company in which the Quebec Government has a 45 per cent interest, have been on strike for seven months.

Since he will be meeting his new friend Mr. René Lévesque this week, could the Prime Minister suggest to Mr. Lévesque that it is high time Domtar employees were made a satisfactory offer so that the whole community could go back to work as soon as possible?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think we have inherited enough problems in this federal administration as it is, without my giving instructions or advice in this area to the Premier of Quebec.

You are right that we are trying to maintain friendly relations with the Government of Quebec, as we indeed are with the Government of Manitoba.

Mr. Rodriguez: I have a supplementary, Mr. Speaker. Could the Prime Minister show the 1,200 people of Quévillon who are on unemployment insurance as a result of this strike that he is concerned by the seriousness of the situation and that he will ask the Quebec Premier to intervene personally in order to put an end to the strike as soon as possible?

Mr. Mulroney: Mr. Speaker, we are always concerned about prolonged strikes. The Minister of Employment and Immigration has already held consultations on the matter and offered our assistance where it would be beneficial, but I think you will understand that it would be difficult for me to intervene directly in this matter. In the circumstances, however, I shall be glad to transmit my hon. friend's position and let Mr. Lévesque know that we are all hoping for a speedy end to the strike.

* * *

[*English*]

EDUCATION

UNIVERSITY OF SASKATCHEWAN—PROPOSED TOXICOLOGY CENTRE

Mr. Don Ravis (Saskatoon East): Mr. Speaker, my question is directed to the Secretary of State. Prior to the September 4, 1984 election, his Department committed $2 million for a toxicology centre at the University of Saskatchewan in Saskatoon. Could the Minister advise the House if he would consider an increase in the financial commitment to the toxicology lab so that the University of Saskatchewan could establish a centre capable of meeting the needs of all western Canada?

Hon. Walter McLean (Secretary of State): Mr. Speaker, in response to the Hon. Member's question I remind him that this action was taken when the previous Government established an amount of $2 million just prior to the last election, under the program of centres for specialization. I assure him that it is a priority of this Government, in reviewing future involvement with the provinces, to encourage centres of excellence. I will be entering into discussions with my provincial colleagues, first of all about priorities for joint co-operation on federal-provincial relations. The type of situation which he outlined is the type which I believe will be a model for federal Government concern and support.

* * *

ABORIGINAL RIGHTS

NATIVE CLAIMS POLICY—COUNCIL FOR YUKON INDIANS DEADLINE

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, yesterday the Minister of Indian Affairs and Northern Development told the House that he is going to launch a full-scale review of the native claims policy, including the possibility of abolishing the extinguishment requirement, provided the Minister of Justice does not stand in his way. That being so, could the Minister tell us why he is insisting that the deadline of December 31 be met in the claim which is being negotiated by the Council for Yukon Indians?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I thank the Hon. Member for his question. As he may know, the deadline was not set by me. The deadline was set by agreement between the parties a year ago, and it was delayed for another year. I have simply taken the view that the agreement in principle, which has already been initialled, should now be ratified. I think that is a just and fair view within the existing situation.

At the meeting I had with the Council for Yukon Indians in Vancouver last week I outlined that situation. I think it is one that it understands, because I also indicated it to the Council in Yukon a month before that.

MINISTER'S POSITION

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, the Minister knows that the Council for Yukon Indians is not ready to sign by December 31. Will the Minister take us into his confidence and tell us whether he is having undue pressure put upon him by the Hon. Member for Yukon? If that is the case, does he need any help from us in overcoming that pressure?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I indicated on an earlier occasion that my door is always open to the Hon. Member for Yukon. I think in this particular case the Hon. Member and I can rest easy. As he may well know, in my discussions with the Council for Yukon Indians in Yukon I indicated, on the question of extinguishment, that whatever change would occur with respect to the principle of extinguishment, the agreement would not be a bar to them. With respect to the funding, and the deadline of December 31, I indicated that the funding was available until the ratification occurred. If the ratification occurs, the funding will also flow.

I might also add that it is not a question of the CYI alone. There are 12 bands, eight of which have already indicated—

Mr. Speaker: Order, with great respect to the Minister.

YUKON INDIANS' CLAIM

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the same Minister and it is in regard to the same case. I think he is aware that just six days ago in Vancouver he made it very clear to aboriginal groups in British Columbia that his Department, and he personally, were undertaking a fundamental review of the aboriginal claims policy. I agree with my colleague who just asked the Minister a question. How can the Minister possibly expect the Council for Yukon Indians to ratify that claim when it was made quite clear to him, and to other Members of the House, that the Council was simply not ready to do that? He is jeopardizing the process with the Council for Yukon Indians, and with other aboriginal groups in Canada.

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, if that were the case, I would agree with the Hon. Member; of course it is not. When I was in Yukon six weeks ago, I indicated to the Council for Yukon Indians, the chiefs, and the General Assembly, that on the question of self-government and extinguishment, two matters which were beyond the question of the agreement in principle, I would undertake to ensure that the agreement was not a bar to any future opportunity both in terms of self-government and extinguishment. That was understood, and that is exactly what I repeated in a letter to Harry Allen of the Council for Yukon Indians. I also repeated it in Vancouver. It is a just and fair agreement.

RATIFICATION OF CLAIM

Mr. Jim Fulton (Skeena): Mr. Speaker, the Minister is asking the Council for Yukon Indians to buy a pig in a poke. Will he at least allow the CYI to wait, in terms of the ratification of its claim, until the Minister has completed a review in his own mind and has publicly examined and put forward the result of his fundamental review in terms of extinguishment and in terms of the aboriginal claims policy?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I am sure the Hon. Member understands that there was an agreement in principle. When in fact I became the Minister, the agreement in principle was already in place and initialled both by the negotiator for the Government and the negotiators for the CYI. Indeed they are in the process of ratification. All I want them to do is complete that ratification. I made two changes in order to assist—one with respect to extinguishment and one with respect to self-government. Those two matters were very important and went as far, I think it will be acknowledged, as it is possible to go.

• (1500)

Finally, may I say the choice is theirs. There is no pressure whatsoever. I indicated that December 31, their deadline, was acceptable to me.

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CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Tuesday, December 4, meet the requirements of the Standing Orders as to form.

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BUSINESS OF THE HOUSE

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, I rise on a point of order with respect to House business. I would like to advise the House of a change in the order of business for today. Rather than proceeding directly to Bill C-11, it is my intention to call the motion to establish the task force on reform of the House of Commons as the first item of business this afternoon. This motion stands as item No. 3 under the heading of Government Business on the Order Paper.

If the House concludes its consideration of the motion, we will then proceed to deal with Bill C-11, an Act to provide borrowing authority, at second reading. When debate on Bill C-11 is completed, we will then call Bill C-12, an Act to amend the Excise Tax Act and the Excise Act.

With respect to the business for tomorrow, it is my intention to call, if necessary, Bill C-11, followed by C-12, in that order.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

FISHERIES AND FORESTRY—FIRST REPORT OF STANDING COMMITTEE

Mr. Lorne Greenaway (Cariboo-Chilcotin): Mr. Speaker, I have the honour to present the first report of the Standing Committee on Fisheries and Forestry, in both official languages.

JUSTICE AND LEGAL AFFAIRS—FIRST AND SECOND REPORTS OF STANDING COMMITTEE

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, I have the honour to present the first and second reports of the Standing Committee on Justice and Legal Affairs.

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

[*Translation*]

PETITIONS

CANADIAN WILDLIFE SERVICE CUT-BACKS

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I have the honour to present a second petition from the residents of the city of Sackville, who are also concerned about the proposed cut-backs in Canadian Wildlife Service. Programs of vital importance for the protection of our environment will be affected and even cancelled.

VIA RAIL—SERVICE IN GLEN ROBERTSON

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have the honour to present a petition from the residents of the Glen Robertson region who regret that VIA Rail will no longer serve their region.

VIA RAIL—SERVICE IN CASSELMAN

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have the honour to present a second petition similar to the first one, but which is signed by the residents of the Casselman area who deplore the changes made in the VIA Rail service in their community.

[*English*]

DEREGULATION OF TELEPHONE SERVICE

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, to the Honourable the House of Commons in Parliament assembled, the petition of the undersigned residents of Canada who do now exercise the right to present a grievance humbly sheweth that whereas Canada has enjoyed a tradition of affordable universal telephone services—

Mr. Speaker: I must remind the Hon. Member that it is not permitted to read the front page or to read the petition. What is permitted is to present the petition and to make a short summary of the subject matter. I have the feeling the Member is in fact reading the petition.

Mr. Keeper: Thank you for the direction, Mr. Speaker. Basically the petition concerns the question of deregulation of Canada's telephone system and seeks to preserve the tradition of affordable telephone service in Canada.

Order Paper Questions

NORTHWEST TERRITORIES CONDOMINIUM ORDINANCE VALIDATION ACT

MEASURE TO ENACT

Mr. Dave Nickerson (Western Arctic) moved for leave to introduce Bill C-214, an Act to validate the Northwest Territories Condominium Ordinance.

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Nickerson: Mr. Speaker, the purpose of this Bill is to remove minor impediments in the current law, thereby permitting the construction of condominia in the Northwest Territories and helping to alleviate a serious housing shortage.

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

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, the following questions will be answered today: Nos. 16 and 85.

[*Text*]

DEPARTMENT OF LABOUR LAWYERS

Question No. 16—**Mr. Howie:**

How many lawyers are employed by the Department of Labour?

Hon. Bill McKnight (Minister of Labour): There are four lawyers assigned to Labour Canada from the Department of Justice.

PRIME MINISTER'S RECEPTIONS

Question No. 85—**Mr. Malépart:**

1. Did the Prime Minister give a reception on the occasion of the Queen's visit and, if so (a) at what cost (b) who was invited?

2. Did the Prime Minister give a reception for the Prime Minister of France and, if so (a) at what cost (b) who was invited?

Mr. Len Gustafson (Parliamentary Secretary to Prime Minister):

1. The Prime Minister hosted a reception and farewell dinner for Her Majesty the Queen at the Convention Center in Winnipeg on October 6, 1984.

(a) The cost for the reception and dinner was $164,-465.65 with an additional $9,443.00 for 21 musicians from the Winnipeg Symphony to play during the dinner and reception.

(b) The reception and dinner was attended by 1,600 guests.

The invitation list included members of the "Precedence of Canadian Dignitaries and Officials", leading citizens from communities across Canada, representatives from the three federal political parties and the Canadian and international media.

2. The Prime Minister hosted a reception and dinner for His Excellency Laurent Fabius, Prime Minister of France at the Westin Hotel in Ottawa on November 7, 1984.

(a) The cost for the dinner and reception was $45,893.37.

(b) 428 guests attended the reception and dinner.

The guest list included the French Ambassador and Embassy officials, members of the French delegation, representatives of Francophone media from the provinces, members active in the Francophone communities of the provinces, Francophone businessmen and members of the arts community.

[*Translation*]

Mr. Dick: Mr. Speaker, I suggest that the remaining questions be allowed to stand.

Mr. Speaker: The questions enumerated by the Hon. Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

[*English*]

MOTIONS FOR PAPERS

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, I ask that the Notice of Motion for the Production of Papers be allowed to stand.

Mr. Speaker: Shall all Notices of Motions for the Production of Papers be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

HOUSE OF COMMONS

MOTION TO ESTABLISH TASK FORCE ON REFORM

The House resumed from Thursday, November 22, consideration of the motion of Mr. Hnatyshyn:

That a Special Committee of the House of Commons to be composed of Mrs. Bourgault and Messrs. Blaikie, Cooper, Ellis, Friesen, McGrath and Ouellet, be appointed to act as a Parliamentary Task Force on the Reform of the House of Commons to examine the powers, procedures, practices, organization and facilities of the House of Commons, bearing in mind the balance between the respective constitutional responsibilities and roles of the House of Commons and the Government, such an examination to include, but not be limited to, the following matters:

(*a*) the Permanent and Provisional Standing Orders;

(*b*) the role of the private Member in the House of Commons;

(*c*) the accountability of Ministers to the House of Commons;

(*d*) the legislative process;

(*e*) the funding, facilities and staff support services made available to Members of the House of Commons;

(*f*) the administration and management of the House of Commons; and

(*g*) the procedures and powers of Committees of the House of Commons and the role and the use of parliamentary task forces;

That the Committee have all the powers provided to standing Committees pursuant to Standing Order 69(8);

That the Committee have the power to retain expert, professional, technical and clerical staff;

That the Committee and members of the Committee have the power, when the Committee deems it necessary, to adjourn or travel from place to place inside and outside Canada and that, when deemed necessary, the required staff accompany the Committee or members of the Committee, as the case may be;

That all the evidence adduced by the Special Committee on Standing Orders and Procedure and the reports of that Committee as tabled in the House of Commons during the 32nd Parliament be referred to the Committee;

That, notwithstanding the usual practices of this House, if the House is not sitting when an interim or final report of the Committee is completed, that the Committee shall report its findings by depositing its report with the Clerk of the House and that it shall thereupon be deemed to have been laid upon the Table;

That the Committee be authorized to include in its interim and/or final reports drafts of proposed permanent or temporary Standing Orders drawn to give effect, if concurred in by the House, to any permanent or temporary change or changes proposed by the Committee;

That the Committee be authorized to include in its interim and/or final reports recommendations as to the implementation of any reforms proposed in the reports of the Committee;

That Messrs. Penner, Binns, Comeau, Duguay, Jardine, Ravis and Young be appointed as alternate members of the Committee;

That changes in the membership of the Committee be made only pursuant to Standing Order 69(4)(*b*); and

That the Committee shall report to the House finally no later than June 28, 1985.

And on the amendment of Mr. Guilbault (Saint-Jacques), seconded by Mr. Gauthier,—That the motion be amended by adding the following words:

"and that it be an instruction to the committee that it shall include in each report its assessment of the effects of its recommendations on the role and the rights of the opposition."

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. As you will appreciate, Mr. Speaker, I have changed the order of business for today. I have the pleasure of advising the House

that we have had discussions with the House Leaders with respect to the disposition of this important motion.

I simply rise to say that my understanding is that the Deputy House Leader of the Official Opposition and the House Leader of the New Democratic Party will be addressing their positions with respect to this matter. It is my understanding that we will proceed with the order of reference and allow the motion to pass in its original form. That will allow the very excellent committee of Private Members named within that order to proceed with the important and widesweeping powers contained in the order of reference.

It is with great pleasure that I indicate to you, Mr. Speaker, on this brief point of order, that we have in the spirit of co-operation agreed to proceed with this matter at this time.

Mr. Speaker: The Hon. Member for Hamilton Mountain (Mr. Deans) on this same point of order?

Mr. Deans: Yes, Mr. Speaker, and even more briefly than the House Leader. We have agreed to pass this post haste. My colleague from Humboldt-Lake Centre (Mr. Althouse), who has the floor as I recall, is prepared to wind up his remarks in five minutes. At that point we will have no further speakers.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, the Government House Leader is correct. We have had discussions on this subject and we are prepared to allow the motion to pass with very limited debate. We may have one more short speaker. I thought the House Leader might elaborate on some of the peripheral points accompanying this agreement, namely the fashion in which the Opposition will be dealt with in committees of this House and on related matters. Maybe he will let us in on his plans in this regard.

Mr Hnatyshyn: Mr. Speaker, I will wind up the debate.

Mr. Speaker: I take it we have finished with the point of order.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I would like to wind up the remarks that I began several days ago on this topic. We were debating the establishment of the special committee to investigate the changes to the rules of the House of Commons. As you will recall, Mr. Speaker, we had hit upon a rather unfortunate series of incidents. The various committees of the House were being struck under a set of rules and guidelines that ignored the long-standing traditions and past practices of those committees and of the House. It was a very difficult set of circumstances under which the changes to the rules of the House of Commons were to begin.

• (1510)

The Government had sent signals indicating that it was going to ignore a lot of the old traditions and past practices not only of this House but of parliamentary democracies all over the world. Members of our Party and Members of the Official Opposition as well expressed some doubts about opening up the process of reviewing the rules given the way we felt the current Government had mishandled its very huge majority in committee.

With some trepidation we are now prepared to resume the study of the rules of the House of Commons even though we note, as I noted the other day, that such a committee had done substantive work in the previous Parliament and had made reports which had unanimous support, not all of which have been acted upon. I feel that it might have been in the interests of parliamentary reform if those reports had simply been acted upon rather than beginning a whole new round of parliamentary review.

We are hoping that the Government will keep its word to act in a responsible manner in spite of its very large majority. Now that the Government's mind has been jogged by events of the past few days, we hope that it will continue to recognize the need, if a parliamentary system is to operate properly, for the Opposition to have its firm rights and responsibilities guaranteed not only by the rules but by the precedents and traditions of the House. We hope that that will be the case and I am looking forward to hearing from the Government House Leader (Mr. Hnatyshyn). I would hope that he would confirm that guarantee and read it into the record so that we can finalize the decision to set up such a committee.

The Acting Speaker (Mr. Paproski): Questions or comments on the Hon. Member's speech? Debate.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I want to add a few brief words to what has already been said. As much as Members of the House are willing to entertain a proposal to have a special committee struck to change the rules of the House, I must say, and several of my colleagues are of the same opinion, that we question the Government's sincerity in doing this because at the same time as it was introducing such a motion, it was unilaterally changing the traditional rules under which we had operated. Specifically, Mr. Speaker, I draw your attention to the first meetings of the committees of this House.

A few weeks ago we attended the first meeting of the Agriculture Committee and several Members who are present today will recall what happened then. Just for your information, Mr. Speaker, what opposition members had to contend with on that particular day was a series of pre-printed resolutions introduced by government members in committee. I am told that these resolutions were unprecedented. One of these resolutions was introduced by the Parliamentary Secretary to the Minister of Agriculture (Mr. Blais) and was a resolution to have the committee sit in a mini-quorum fashion for the purposes of hearing witnesses, having only four government Members present and without a representative of the Opposition.

Needless to say, several members of the committee, particularly opposition members, were very upset by this proposal made on behalf of the Government. The Hon. Member for Algoma (Mr. Foster) and I spoke extensively. As a matter of fact, the foundation meeting of the committee which traditionally lasts only a few minutes dragged on well into the better

part of an hour and a half on account of the very difficult situation in which the Government chose to place the Opposition.

As far as I and many of my colleagues are concerned, if Conservative members want to hear witnesses on their own, they can call such a meeting a Tory task force and not a parliamentary committee. If there are to be such Tory task forces, then Tory members can invite guests at the expense of the Tory Party and not at government expense. As well, they should publicly advertise that it is in fact a Tory task force that is sitting. On the other hand, if we are to have parliamentary committees, we should respect the traditions of Parliament which are that opposition members are to be present at such committees.

You will recall, Mr. Speaker, that when there was a dispute in the House regarding how many Parties should be present in order to take a vote, the Government was made helpless for a number of days. A vote could not be taken when bells were being rung. The Government at that time simply had to wait for opposition members to return as per a ruling made by the Speaker. Everyone contended with that, as unfortunate as the incident was. Today, when the shoe is on the other foot, the Government says that it wants to be efficient. The Parliamentary Secretary to the Minister of Agriculture made a speech indicating that the Government should be efficient. Curtailing the role of opposition members was done in the name of efficiency.

Efficiency is a noble cause. We are all in favour of efficiency. I am sure that a dictatorship would be far less cumbersome than a democracy. However, we have not chosen to run our country by dictatorship. We have chosen to run it by parliamentary government and by responsible government through Members of the House of Commons. Having decided as a society to run our Government that way, I find the actions of the Government to be totally unreasonable.

This Government stated many times in the past during an election campaign which we can all remember that it was going to be open and accountable to Parliament. That was one of its 338 or so promises. It promised it would be respectful of Parliament's wishes. Government members said many other fine words to us during the election campaign.

Taking these actions in the name of efficiency is just not good enough. We in opposition are of the view that whenever a mini-quorum sits, there should be at least one opposition Member present. To refresh our memories, a minim-quorum means four Members sitting for the purposes of hearing a witness.

We are also of the view that the Member leading off in debate should always be a member of the Official Opposition according to the traditions of this House. Having myself come from another legislature, Mr. Speaker, I can tell you that that is the way it was done there as well. The Official Opposition was usually recognized first in debate. I am sure that rule was not written down in any of the Standing Orders of that particular House of Assembly but it is an acknowledged principle under which Hon. Members always operated.

I would hope that now that the Conservative Party has formed the Government of the country, it will afford as many courtesies to the Official Opposition as the previous Government afforded the Conservative Party when it was in opposition. If I can make one promise, it is that we will not abuse the rules the way Conservative members did.

The Acting Speaker (Mr. Paproski): Questions or comments? The Hon. Member for Athabasca (Mr. Shields) on a question or comment?

Mr. Shields: No, Mr. Speaker, I wanted to make a few brief remarks.

• (1520)

[*Translation*]

The Acting Speaker (Mr. Paproski): Questions and comments. The Hon. Member for Mégantic-Compton-Stanstead.

Mr. Gérin: Mr. Speaker, I must say to my colleague that I was present at the time and that his eloquent intervention today comes as a surprise to me, because he did not even bother to join in the debate on a motion moved by the New Democratic Party and voted against the NDP on the very same principles he has just been upholding.

Mr. Boudria: I want to answer that, Mr. Speaker. The Hon. Member knows full well that we in the Official Opposition wanted our right to make the first intervention in a debate to be recognized. One can indeed refer to the Opposition generally, but the Official Opposition does have a special role. Having voted against the long-standing parliamentary practice, whereby there ought to be at least one Opposition Member in attendance for a mini-quorum, the Hon. Member ought to admit that he has to change his mind today as a result of the agreement among parties. Besides, I am sure he realizes now that he was mistaken when he took the position he did at the time.

[*English*]

Mr. Shields: Mr. Speaker, I wonder if the Hon. Member recognizes the proposition to which he alluded about committees and the reduced quorum for the purpose of hearing witnesses. Does he not realize that this was done to accommodate people who might be travelling from the Northwest Territories or the far reaches of Canada to Ottawa to appear before a committee to give evidence which is taken down verbatim and made available? During the time of a reduced quorum, there would be absolutely no possibility of a vote. A full quorum is required for a vote. That protects opposition members. It was proposed strictly to accommodate that sort of thing and not to put the committee in a position where one or two opposition members may boycott the committee after having gon to the expense of bringing a number of people from British Columbia or the Northwest Territories to Ottawa to appear before the committee. Has the Hon. Member given that some thought?

Mr. Boudria: Mr. Speaker, certainly we have given that some thought. But I want to remind the Hon. Member that if we want to hear witnesses and if the Government on that particular day, through some misfortune, is in the position of having no opposition members present, all it has to do is find four more members. If there are eight members present, an opposition member does not have to be present. Obviously, that point is not valid.

We are talking about the presence of an opposition member for the purpose of a mini-quorum, not for the purpose of a full quorum. A full quorum of eight members has not got the necessary component of having an opposition member in order to deliberate. Now that the Hon. Member has mentioned that, it should be changed as well. The rule should be changed to require an opposition member to be present whether it is a full quorum or a mini-quorum. However, we are not talking about that today; we are talking only about a mini-quorum. In other words, a quorum of four for the purpose of listening to witnesses.

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

I would like to bring to the attention of the Minister that if he intends to speak he will be closing the debate.

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): No, Mr. Speaker, I would like to speak on the amendment.

The Acting Speaker (Mr. Paproski): Fine.

Mr. Hnatyshyn: Mr. Speaker, I listened with great interest to the Hon. Member for Prescott-Glengarry—

Mr. Boudria: Glengarry-Prescott-Russell.

Mr. Hnatyshyn: Glengarry-Prescott-Russell. He can henceforth refer to my constituency as West Saskatoon.

This is a situation in which there have been discussions between the Parties. I will not belabour the point which has been made, except to say that we are very serious on the government side in ensuring that the rules are fair, not only in terms of the majority of the Members of the House, but fair with respect to the rights of the Opposition. This particular situation is one which has caused some concern for the Opposition. As has been pointed out on different occasions, it was not intended to cause the Opposition any reason for concern. However, because it has been raised and because there is a question of perceived fairness, I will be quite happy to deal with it.

I have indicated publicly and I will reiterate on the floor of the House of Commons that henceforth, in terms of the reduced quorum for the purpose of hearing evidence in committee, we are prepared to have in the standing committees a motion put forward which would provide for the presence of one member of the Opposition as a minimum for the purpose of hearing evidence. I believe the majority of committees have already passed that motion. It is to ensure that opposition members will be present. Opposition members from time to time have pointed out to me what I think is a truism; that is to say, it is not their intention to abuse the right of having one Hon. Member appear before committees. I accept their words as serious Members of Parliament on behalf of their respective Parties. We all share the same interest, that is, to make this institution as effective as possible.

I am pleased that this particular motion will be passed. It is an opportunity to examine the operation of this institution and to consider how we can better strengthen the role of Private Members, not only on the floor of the House of Commons, but also in terms of their work within committees.

Reference has been made to the fact that previous work has already been done with respect to the Standing Orders. The Hon. Member for Humboldt-Lake Centre (Mr. Althouse) has drawn this point to the attention of the House. I have taken a position in the spirit of consensus which I believe must exist on this committee. It would have been very easy for us to have taken unilateral action. The substantial majority which we have in this House would have allowed us to move forward and implement our view of how the universe should unfold in terms of parliamentary reform.

Reform without consultation is no reform at all. The Hon. Member for Humboldt-Lake Centre asked me to consult the operation of the House as it is now constituted. I accept that and propose to do so. There have been a number of meetings and I have tried to advise the opposition Parties in every instance of the Government's intention with regard to legislation, statements or other initiatives. That is absolutely essential to the operation of the House.

With respect to the recommendations of the past Parliament, there are new Members who should have the benefit, through their representatives on this committee, to examine and review the recommendations brought forward by the previous committee. That is a fair and equitable way in which to deal with this. It was not our intention to prolong debate, because the committee which is about to be formed has a limited life-span. It is required to report before the end of June, 1985. Time is of the essence. It will be required to make serious analyses and serious suggestions—

Mr. Deans: Why don't you sit down if time is of the essence?

Mr. Hnatyshyn: Mr. Speaker, I will tell you a secret about the House Leaders' meetings. I have to listen to the House leader of the NDP hour after hour, so now I will have my day in front of the television cameras. I should get the George Cross medal for bravery!

I appreciate the spirit of co-operation that has existed. In terms of the operation of the committee, the request has been made that the Official Opposition have precedence in leading the questioning, particularly with respect to estimates and the examination of expenditures. That is a tradition with which I am quite satisfied and with which I agree. There will be equity in terms of operation of the committees. I look forward to the work of the committee proceeding at the earliest possible date

so that we will have the benefit of the sage counsel and advice of the excellent members who have been asked to serve.

• (1530)

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

Mr. Guilbault (Saint-Jacques): Mr. Speaker, I would like to comment that the formula which was just proposed by the Government House Leader would satisfy us. After all the debate which has been had in this House on this subject, I believe we are coming to terms regarding more reasonable arrangements which will be suitable to us. I take it from what the Government House Leader said that perhaps it was something which happened with new members on the committee. It was certainly not something planned by himself or by the Government.

We feel better about it now and I would even go as far as to suggest to Hon. Members that, if I had unanimous consent, I would withdraw my amendment, which was seeking, in fact, some form of protection for Hon. Members representing the Opposition. If it is agreeable to Hon. Members, I will withdraw the amendment and we could continue on with the main motion.

The Acting Speaker (Mr. Paproski): The Hon. Member for Saint-Jacques (Mr. Guilbault) is withdrawing the amendment. Is there unanimous consent for its withdrawal?

Some Hon. Members: Agreed.

Amendment (Mr. Guilbault, Saint-Jacques) withdrawn.

The Acting Speaker (Mr. Paproski): Is the House ready for the question on the main motion?

Some Hon. Members: Question.

Motion (Mr. Hnatyshyn) agreed to.

* * *

BORROWING AUTHORITY ACT, 1984-85 (No. 2)

MEASURE TO ENACT

The House resumed consideration of the motion of Mrs. McDougall that Bill C-11, an Act to provide borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs; and the amendment thereto of Mr. Riis (p. 694).

The Acting Speaker (Mr. Paproski): The Hon. Member for Laurier (Mr. Berger).

Mr. Berger: Mr. Speaker, I understand that an Hon. Member of the New Democratic Party has to leave shortly because of an appointment. With your accord, I would desist from speaking at this time, as long as you could rearrange the order.

The Acting Speaker (Mr. Paproski): Fine. Then I will recognize the Hon. Member for Thunder Bay-Atikokan (Mr. Angus).

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I would like to thank the Hon. Member for his co-operation in allowing me to catch a plane.

I rise at this time to speak in favour of the motion of my colleague that the borrowing recommendations of this Government be changed. This is the first occasion, except for the period of Standing Order 21 statements and Question Period, on which I rise to speak in this House.

I would like to say a few words in relation to my election on September 4. The voters in my riding made two very important decisions on that day. First, like many other Canadians they decided enough was enough and that Liberals should no longer reign in this country. Where my constituents differed from a large majority of the population of Canada is that they saw through the promises made by the Conservative Party, realized that they were no different from the Liberals and opted instead for New Democratic representation in this House.

This Bill, Mr. Speaker, is yet one more example of why my constituents voted the way they did. If they had voted Conservative, they would have been voting for borrowing authority of $16 billion sight unseen, with no indication of what the money was going to be spent for. If I dared to vote in favour of this Bill, Mr. Speaker, my constituents would have every right to ask me to resign immediately. I want to thank those voters, Mr. Speaker, for their support and for their faith in my abilities. I also want to thank my riding association and the hundreds of persons who worked not only during the two-month pre-election period but who have worked over the last seven years to send me to this House. I would also like to take this opportunity to thank my family without whose support I would not be here.

I am very pleased to speak today on this Bill, Mr. Speaker, because this week marks a very important event in the riding of Thunder Bay-Atikokan and in the neighbouring riding of Thunder Bay-Nipigon. For the first time in a number of years citizens of those ridings who are cable subscribers are able to watch the House of Commons live without the aid of a converter. I noticed earlier today the former Member of Parliament for Thunder Bay-Atikokan was in the gallery, the now reincarnated commissioner for the CRTC. I am sure he will be pleased to know that whereas he was unable to make that change in the television service, I was successful.

The community of Thunder Bay and Atikokan and the parts in between have suffered much over the last number of years. This past winter there were over 14,000 people registered as out of work and looking for employment in our communities. That cost is staggering, Mr. Speaker. One of the reasons I am opposed to borrowing $16 billion without knowing what it is going to be spent on is that my constituents believe that they should know how this Government is going to deal with their unemployment situation. That unemployment problem is

extremely expensive. Unemployment insurance benefits last year for the Thunder Bay district amounted to $55.7 million. Welfare benefits for the City of Thunder Bay cost $2.5 million. Lost federal revenue over the same period amounted to $144 million. That is well over $200 million cost to the taxpayers of this land because of the unemployment situation in the Thunder Bay area, and it is the direct result, Mr. Speaker, of too many years of Liberal economic policies, which seem very clearly to be carrying through under the Conservative reign.

There is a plant in Thunder Bay called CanCar Rail Incorporated. It is a facility which was nationalized by Bill Davis and company, the Conservatives of Ontario. It is currently without functioning contracts. Its employees have been laid off for well over a year. In fact, in September ten employees became exhaustees of unemployment insurance; in October 150 employees became exhaustees; in November it was 100, and in December 25 to 50 employees have run out of unemployment insurance benefits. Those employees will not be getting back to work until June at the earliest. It is very clear that this new Government must act to provide some kind of income support in order to allow these people to survive over this long winter.

Before we approve any spending of this nature, we would also like to see what kind of urban transport policy will be put in place. What kind of program will there be for VIA to require the production of double-decker rail cars? Both of these things will have a big impact on the CanCar rail facilities.

Because the railroads and the Wheat Board could not come to an agreement last winter as to how much to pay to ship grain from Thunder Bay to the Seaway ports, over 1,000 men and women were laid off. This year it will be worse. The combination of poor crops in the lower Prairies and the two bridge failures we have experienced and are still experiencing will cause those lay-offs to occur again. In fact, there will be more people laid off and for a longer period of time.

We must do something about the capacity of the port of Thunder Bay. The lake shippers would like to have elevators which are almost full so that they can move their boats in and out very rapidly. The railways, on the other hand, would prefer to have the elevators nearly empty so they can move their cars in and out quickly. Thunder Bay is an extremely fine-tuned port. If nothing goes wrong on the rail or the water, everything moves smoothly. However, if there is a disaster on the rail lines which blocks CN or CP from coming in for any length of time, the port of Thunder Bay is in trouble. If the problem of the damaged bridge on the St. Lawrence had occurred in July, Mr. Speaker, the port of Thunder Bay would have shut down because it would have filled up very quickly.

The community of Atikokan was abandoned by the former Liberal government. It was only provided with make-work projects after the two mines closed. Every day in this House, Mr. Speaker, I am amazed at how we did not learn from the experience of Atikokan. We did not learn that we should not allow Canadian steel companies to purchase their iron ore from the United States. We did not learn that we should not allow companies to shut down communities arbitrarily, because it is not just mines we shut down, it is communities. Well, Atikokan is surviving, but no thanks to the federal Government. It is surviving due to individual initiative by the people in that community, but there are still some needs that have to be dealt with.

● (1540)

I noticed with interest that earlier this fall, when a mine closed in the riding of the Prime Minister (Mr. Mulroney), the Government was very quick to provide some special assistance to that community. Well, the special assistance I need for the community of Atikokan is income support for those miners laid off in 1979 and 1980. Because of age and the damaged bodies they have as the result of many years in the mine, they need some kind of early retirement program which will allow them a decent level of survival. I want to know what kind of programs this Government will have next summer. I want to know now so I can tell the young people in my community what kind of jobs will be available to them. They are planning for their future and they want to make sure they can afford to go back to school next fall. So far this Government has done nothing but reduce the amount of employment opportunities.

There are many more things I could say about my community, but I will leave it at that for now. To summarize, I would just like to suggest that much has been said about the need to restore investor confidence in this country. What we really have been witnessing is nothing but a confidence game rather than a means of establishing confidence. We need a mechanism to ensure that people are put back to work. The majority of Canadians would prefer to work, whether it is in the home or outside. They would rather be doing that than collecting pogey or welfare. If we in the NDP were to support this Bill and the borrowing of $16 billion, we would be giving the Government a blank cheque and I do not think the people of Canada want us to do that.

[*Translation*]

Mr. David Berger (Laurier): Mr. Speaker, for me also this is the first opportunity I have to rise in this new Parlement, and I would like to take a few seconds to thank my constituents of Laurier for the confidence they showed me on September 4. I am very proud of the relationship I have established with so many people in my constituency from the time I was first elected in 1979, and I would like to give to all the men and women in my riding the assurance that I will do everything in my power to deserve their confidence during this new term of office.

I am very pleased to rise in this debate on borrowing authority, and I also note with great interest that the Minister of State for Science and Technology (Mr. Siddon) is here, listening to this debate, because I have a few comments on matters for which he is responsible.

I would first like to suggest, Mr. Speaker, that the statement made by the Minister of Finance (Mr. Wilson) and this bill

requesting borrowing authority now before the House, coming so soon in the life of this new Parlement, prove to anyone who may still have any doubts about it the failure of this Progressive Conservative government. Perhaps you will say it is too early to make such an assessment, that I may be too critical. I do not think so, Mr. Speaker, and I will try to prove it within the next few minutes. Let us not forget that this Government was elected without a program and without goals. The only thing indeed that united that motley collection in the Progressive Conservative Party was that they were against the previous Liberal Government. Mr. Trudeau, the former Prime Minister, often reminded us that the Progressive Conservative Party represented all the people and all the elements in our society who were against something.

[*English*]

He referred on a number of occasions to that "coalition of antis".

[*Translation*]

It sems rather obvious by now that there is no strategy and no plan. The only thing we can see is a sort of hardened position based on the Conservatives' blind faith that the deficit has to come down no matter what, and a few weeks ago the Minister of Finance (Mr. Wilson) let the axe fall right and left without suggesting alternative solutions. They are now seeking our approval to borrow, but we do not have a budget, we do not have estimates.

The cutbacks ordered by the Conservative government are a fair indication of what it does not like, but we do not know what it likes. Our leader, the Right Hon. Member for Vancouver Quadra (Mr. Turner) summed it up for us when he said: We will have to wait until spring to find out what this government likes. Mr. Speaker, that reminds me of a football team—I know you are a sports enthusiast and follow the game very closely—it reminds me of a football team whose defensive unit goes on the field, without a play—

[*English*]

The quarterback, as you know, Mr. Speaker, has to improvise. He goes into the huddle and scratches out the plays on the back of his hand or in the dirt. This is the kind of government we have today.

[*Translation*]

The government of the Progressive Conservative Party has no plays, it is always in a huddle, and Canadians are left to hope that the huddle will not last too long. This blind obsession with cutting down the deficit will have a devastating impact in the field of science and technology, my responsibility as Opposition critic. The new government was hardly sworn in that it rushed to cut research tax credits. A few weeks later, we heard the statement of the Minister of Finance and whole programs of energy and environmental research were terminated, whole programs of summer employment for youths and students, Summer Canada, labour training programs were cancelled, and all that in spite of the challenging promises of this government which was supposed to promote research in this country.

[*English*]

I remember that when the Prime Minister (Mr. Mulroney) was Leader of the Opposition last March or April, he made a speech and said that we must double research and development spending in this country and triple our resolve to reach it.

Mr. Siddon: Have patience.

Mr. Berger: But what have we seen? We have seen the contrary.

I am very pleased to see the Minister of State for Science and Technology (Mr. Siddon) here today. Earlier today I spoke to the chairman of the Standing Committee on Miscellaneous Estimates and asked him if we could conduct hearings into the cutting, the slicing, the destruction of the energy division at the National Research Council. The Minister is very well aware of that. I cannot believe that this is what this Government intended. Something went wrong some place. I just cannot believe that it has embarked upon such a foolhardy path.

I would like to read into the record a letter to the Minister of Energy, Mines and Resources (Miss Carney), a copy of which was sent to the Minister of State for Science and Technology. It is from the Faculty of Engineering at the University of Waterloo. The author states:

● (1550)

The curtailment of the 61-man Division of Energy at the National Research Council is a great blow to Research and Development in renewable energy. What the government has done has far reaching negative consequences, specifically:

* Loss of jobs in the private sector, estimated at around 1500 to 2000. These are mainly in the small business sector.
* Loss of export potential for made-in-Canada renewable energy and energy conservation products.
* Loss of inflow of technical know-how through loss of participation in the International Energy Agency activities.
* Loss of highly skilled personnel at NRC and elsewhere whose efforts have put Canada in the forefront of alternative energy research.

In a similar letter from the Brace Research Institute Faculty of Engineering at Macdonald College of McGill University, the authors summarize some letters they have written to the Minister of State for Science and Technology and to the head of the solar energy program at the National Research Council. They write:

We feel that the Conservative Government is adopting a policy to completely dismantle the entire Canadian renewable energy industry which has a great potential for providing employment and small business opportunities for Canadians.

They are undertaking this dismantling operation without any consultation—

This puts the lie to every single promise that that Government and its Leader made.

—of those of us in the private sector who freely gave of our time and efforts to establish with the previous regimes, programmes destined to stimulate the Canadian economy.

They are ignoring the fact that Canada will host a World Forum of Renewable Energy in June 1985.

They are not diversifying our R&D capabilities in energy. Instead of undertaking R&D to create jobs they are putting us at the mercy of foreign imports.

I have several other letters which I will not be able to get to today, Mr. Speaker. I will conclude by saying that the Government has again provided us with no alternative. It has told us what it does not like. Presumably it does not like the energy division of the National Research Council. It does not like the summer employment program for students. They have not told us how these cuts are going to stimulate investment in the private sector.

I wish the Conservatives would explain to us how Canadian businesses are going to be taking more risks and how they are going to be putting up the research and development monies which we need in the country. The only answer they have is that these cuts will somehow reduce the deficit. Presumably they might lead to lower interest rates which would lead to further investments, except that in his statement the Minister of Finance (Mr. Wilson) states very clearly that interest rates in Canada depend upon the United States.

[*Translation*]

Last Friday, November 30, less than three months after the election of this new government, was a historic day in Canada. For the first time, I heard one reporter—there might have been others—suggest that this government would only last one term.

[*English*]

In his column Don McGillivray stated:

The Tories don't look invincible now. It's strange now to remember the forecasts of only a couple of months ago that they would be unbeatable for a generation.

After the goofs of recent days, it's possible to see this as a one-term government, disintegrating like the government of John Diefenbaker did.

I rest my case, Mr. Speaker. I think I have read into the record ample evidence to demonstrate the intellectual bankruptcy of the Government. It will not take long before the Government starts to plummet rapidly in the polls of the country and in the confidence of the voters of Canada.

Mr. McDermid: Mr. Speaker, I was very interested in the comments of the hon. gentleman. He said that there has been absolutely no consultation with the non-renewable energy sector. I wonder if he is aware that they are having their convention at the present time. I spent—

The Acting Speaker (Mr. Paproski): Order. There are no questions or comments. Is this debate?

Mr. McDermid: I am sorry.

The Acting Speaker (Mr. Paproski): Order, please. Would you please take your seat. We are now on 10-minute straight speeches. There are no questions or comments. I would like to recognize the next speaker, the Hon. member for Mount Royal (Mrs. Finestone).

Mr. Blaikie: I rise on a point of order.

The Acting Speaker (Mr. Paproski): The Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) rises on a point of order.

Mr. Blaikie: Mr. Speaker, perhaps somebody could send the new Member a copy of the Standing Orders.

Mr. McDermid: On that point of order, Mr. Speaker.

The Acting Speaker (Mr. Paproski): I am sorry. I know this is Wednesday afternoon. On December 8 there will be a full moon. I would hope that Members would maintain decorum. I would like to recognize the Hon. Member for Mount Royal. No more points of order.

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I rise to speak on the legislation which is currently before the House, namely Bill C-11, the borrowing authority Bill. The Conservative Government is seeking authority to borrow $7.3 billion in the present fiscal year, 1984-85, plus $16 billion for the fiscal year 1985-86 for which it has not tabled, or does it intend to table, estimates until next spring. In essence, the Conservatives are asking us to accept, *de facto*, that they will seek to spend the people's money in the best interests of the people.

I suggest that the best interests of the largest percentage of the population are not being considered at all. In fact, the beautiful rhetorical phrases that the Government has used, is using and plans to continue using cover a travesty of its actions and its lack of concern for the majority of the population. They feel that they can lull us all into insensitivity to the real issues and the real plight by talking about, for example, imposing a minimum tax on the rich, which essentially will be a small amount of money in the total picture and certainly will not assure that justice and equity will be achieved. They think it will and plan to go merrily along their way implementing these unconscionable cuts which will surely severely affect the majority. We shall not be duped.

In its November 8 economic statement the federal Government announced that it planned to reduce its spending in the fiscal year by $4.2 billion through program expenditure reductions, eliminations and increased cost recovery. Of these reductions some $515 million, or 12 per cent of the total, can be said to be social-type expenditures. For example, expenditures of the Department of Employment and Immigration would be reduced by $432.3 million in 1984-85. Among the programs affected by the cuts will be the Mobility Program, the General Industrial Training Program, Young Workers Exchange Program and the Summer Canada Program. It is also anticipated that this Department's expenditures will be reduced by $200 million by tightening interviewing procedures to ensure that only those who are entitled receive benefits. I think, Mr. Speaker, you will recognize Flora's private snoopers there. I think that is a disgrace.

Another $90 million is expected to be saved by considering severance pay and pension income as earnings when determining the eligibility for unemployment insurance. Thus, workers who lose their jobs would not receive unemployment insurance benefits until they exhaust their company pension and their severance pay. This is a mean and reactionary cut-back that

affects the least protected in our society and I believe has created much discontent.

● (1600)

Cut-backs in employment programs can be particularly consequential for women, young people, the handicapped and visible minorities. I suggest that these groups constitute a majority of our population. These groups suffer from higher than average unemployment rates and need special assistance to find work. The unemployment rate for women between the ages of 35 and 44 who return to work when their children enter school is much higher than that for men.

With the increasing need for two incomes in the family and with the increase in self-supporting women as a result of separation, divorce or their being unmarried mothers, the number of women looking for work is much greater than it was a few years ago.

With the workplace in transition, the need for training and retraining programs becomes an imperative for our new entrants to the workplace and those displaced by new technology. Since they do not have access to adequate training programs, the cut of $40 million in the General Industrial Training Program hits very hard. Women account for approximately 23 per cent of the trainees in this program. There must be an ongoing response to those who have difficulty finding work. The Government does not seem to be looking hard for those solutions.

The highest unemployment rate is among young people with very little or no previous work experience. That unemployment rate is close to 18 per cent. Although staying in school longer is one of the employment solutions, Canada student loans have been cut back by $5 million and $3 million has been cut from the Young Workers Exchange program and $85 million has been cut from Summer Canada. Without student loans and assistance in finding summer jobs, many young people will be forced to quit school. Yet many cannot find work. It is a vicious circle. The promises of action some time in the spring do not answer their need to develop to their fullest potential.

I believe the Government is completely forgetting about the finest natural resource that we have, our human resource. It has forgotten how one should go about developing that resource. Let me bring to the attention of the House an article that appeared in *Le Droit* today—

[*Translation*]

—where it is stated: "Champagne avoids the real problems."

The Minister Mrs. Champagne, who is also responsible for the coordination of activities related to the International Year for Youth in 1985, performed an incredible feat when she did not mention once in her speech the unemployment problem affecting 17 per cent of our young people between 15 and 24 years of age.

She did not refer either to the programs planned by her government. The young people were clearly disappointed when the Minister representing them in the government did not say a word or make a single policy statement about their future. I find that absolutely shocking, Mr. Speaker.

[*English*]

Another important area that I would like to bring to the attention of the House is the expenditure cuts in housing. A cut of $9.6 million will affect social housing expenditures whose object is to assist Canadians whose income is insufficient to gain access to adequate housing. Another $29.4 million will be cut from the Residential Rehabilitation Assistance Program, the object of which is the repair and modernization of existing houses and the improvement of housing and living conditions. In my riding of Mount Royal there is a tremendous number of old stock housing which is in serious disrepair and badly in need of renovation. We also have a high demand for co-op housing. These are the exact areas which the Government has chosen to cut.

My constituents and other Canadians with whom I have talked are obviously not saying the same things that the Minister of Finance, (Mr. Wilson), the Minister of Labour (Mr. McKnight) or the Minister of Employment and Immigration (Miss MacDonald) have heard. That is of great concern to me. We must either speak louder or improve their hearing aids.

With respect to social housing, there are only 147 transition houses which provide emergency shelter, safe houses and second stage housing. We need many more. Only 45 per cent of Canada's population lives in an area with a shelter for battered women and most workers feel that funds need to be increased before real inroads can be made in attempting to address the housing shortage for battered women. In the last 20 years there has been an acute increase of single parent families from 6.5 per cent to 10.4 per cent. Elderly women are in serious need of protected housing. The Government's commitment to Canadians in need has reflected itself in decreased grants. These cut-backs seriously jeopardize the health and welfare of the general public.

In conclusion, the extent of the cut-backs may affect the service-producing industries in which women, youth, the handicapped and visible minorities are involved. I cannot support the budget or this Bill until we have some idea of what the Government plans to do.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I have learned one thing in the years that I have been here, most of which have been during Liberal governments. This Bill has amply and vividly demonstrated that message. I have learned that the more things change, the more they are the same.

We are being asked to give the Government authority to borrow more money to finance its expenditures until the end of this fiscal year in March, 1985. That is a standard procedure which we see almost every year and to which we have no objection. However, the other aspect of the Bill is a proposal to allow the Government to borrow $16 billion for the next fiscal year.

The reason I began my remarks by saying that the more things change the more they are the same is that the Liberal government introduced a similar Bill. No one fought such a Bill more strenuously than the Official Opposition at the time,

which is now the Government. When we dealt with a similar Bill in 1982, the present Secretary of State for External Affairs (Mr. Clark), who was then the Leader of the Official Opposition, moved a motion. In that motion he said that the granting of authority for the borrowing of a sum greater than the amount which is required to meet the Government's need to the end of the current fiscal year is objectionable in principle and that the House therefore declines to give second reading. What the Secretary of State for External Affairs was objecting to then is precisely what his Government is asking the House to approve at this time.

While we are not opposed to the Government borrowing funds to meet its expenditures, we are opposed to giving the Government a blank cheque for the next year, for the same reasons which the Conservatives gave when they were in opposition. We have no budget for the coming year. We have no details or explanation of the kind of programs the Government proposes to put into effect. We certainly have no explanation in any detail about what cuts in existing programs it proposes to make. When we see the cuts that the Government has already made in this year's programs, we can have nothing but fear about what it proposes to do.

This is not the only government that has a deficit. I point out to Members of the House that every government in Canada, including the previous Liberal government, the present federal Government and every provincial government, including Conservative, NDP, Social Credit and Parti Québécois governments, have deficits. Even if there was a Liberal provincial government, it would have a deficit. Every provincial government has a deficit, not because they are overspending but because of the slowdown in the economy, the recession. Revenues are down. They are substantially lower than those governments had calculated. The only way in which they could operate without deficits would be by having major cut-backs in the services which provincial governments provide for the people in their provinces, and the people are not ready to accept that.

• (1610)

We do not have deficits because we are overspending. We have deficits because revenues are not what they should be. If our economy was working as it should be and instead of 11.5 per cent unemployment we had a 5, 6 or 7 per cent rate of unemployment, deficits would be very small.

Ten of the most prominent economists in academic communities in Ontario and Quebec and in think-tanks such as the C. D. Howe Institute have agreed that the Government should try to reduce the deficit. They have said that along with proposals to reduce the deficit, the Government needs to get the Bank of Canada to ease its monetary and fiscal policies. We cannot do much as long as we have interest rates such as those which prevail today.

We are told that interest rates are down substantially from what they were. However, the real interest rate—that is, the difference between the increase in the cost of living and the interest rates charged—is not down very much from the time when it was 20 per cent. It is now down by eight points, but the rate of inflation has also been reduced by the same amount. The real interest rate is very high and it will continue to be high as long as the Conservative Government follows the same advice which the former Liberal government received and permits the Governor of the Bank of Canada to tie our interest rate policy to the American interest rate rather than to have a policy which meets the needs of Canadians.

I oppose this Bill not only because it gives the Government money for the next fiscal year, but because I am very apprehensive about the kinds of cuts the Government has made in its desire, intention and determination to reduce the deficit. First of all, the Government cut back on programs which helped people in greatest need. I should like to give a few illustrations. It has cut back on housing programs which are very important to older people and people in the lower income brackets. It has cut CHIP by $84 million. There are thousands of homes in every city in Canada which were built 60 to 100 years ago. Those homes are energy inefficient. This program helped to rehabilitate such homes and help people save hundreds of dollars per year in heating costs. It was not only important to the individuals in those homes who benefited from the program; it helped cut down on the amount of heating oil and non-renewable energy resources which were being depleted at a rapid rate.

The Government has also cut $29.4 million from RRAP. In every city there are older homes which are falling into a state where they are virtually unusable. As a result of this program, funded in part by the federal Government and in part by provincial governments, tens of thousands of older homes in poor areas of our cities have been modernized and rehabilitated, have been rewired and replumbed. For the Government to cut back on that kind of program is a disgrace. Similarly there have been cuts in the funding of public housing. If there is one area in which the governments of Canada, federal and provincial, ought to be ashamed of themselves, it is in their programs to provide adequate housing for people in lower income brackets. I am thinking of people on welfare and single parent families. Their incomes are too low for them to obtain adequate housing. They need rental rates which they can afford, yet that is the kind of program which the Government cuts back by $9.5 million.

There are thousands of young people attending university. The only way in which they can continue to attend university is by finding work in the summer, yet the Government cut Summer Canada programs by $85 million.

I could continue but I see Mr. Speaker indicating that my time is up. In conclusion, the cuts in the budget which the Government has made are the worst ones it could have made, even if I agreed that cuts were required, and I do not.

[*Translation*]

The Acting Speaker (Mr. Paproski): The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart).

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I am pleased with this opportunity to speak to Bill C-11. I do not think anyone will be surprised to hear that I disagree with the Bill as presented by the Government. One reason is that I do not think we can really trust a Government and a Party that asks the House for borrowing authority for next year, without bringing down a new budget, without tabling the Estimates. Why we should not trust this Government? Well, what this Government has achieved, or rather has failed to achieve since the election campaign and its outcome on September 4, shows why it cannot be trusted.

For instance, the Government promised it would create jobs, but if we look at the mini-budget, all it contains are cutbacks and potential lay-offs and unemployment. I see the Minister for Consumer and Corporate Affairs (Mr. Côté) opposite. This Government made a commitment to engage in consultation and to refrain from unilateral decisions. The first thing the new Minister of Consumer and Corporate Affairs did was to ignore the people who take care of UFFI cases, and instead made a unilateral decision, that is, he recommended to Treasury Board that cuts be made in the program.

Another example is subsidized housing. During the election campaign, Members in all ridings promised co-operative housing when they were in the Opposition, and they were asking for more funds. But lo and behold: the mini-budget provides for cuts in subsidized housing and the RRAP program.

Mr. Speaker, I can think of another area as well where the Prime Minister said 'with his hand on his heart' that he would never tamper with the universality of our programs. And what do we see now? A document that challenges the universality of those same programs. Not only Liberal Members, not only New Democratic Party Members are saying that we can no longer trust this Government. I know some Members of the Progressive Conservative Party, senior Members, who are starting to feel uncomfortable. They did not expect their Government to act this way. As for the junior Members, sooner or later they will wake up as well. After Christmas they also will start to react. There are also the media, and I would like to quote from an article by Lysianne Gagnon in the newspaper *La Presse*, in which she comments on the universality issue, and I quote:

"With his hand on his heart—"

August 1984: on every platform, with his hand on his heart and in solemn tones, Brian Mulroney repeated that he would never never challenge the principle of universality for social programs: that is, he said, "a sacred trust".

August 1984: in the riding of Saint-Hyacinthe, Andrée Champagne, the Progressive Conservative candidate, is indignant. Her Liberal opponent had the effrontery to distribute in the riding a speech by John Crosbie in which he said it would be necessary to revise the universality of social programs and keep them for the people who really need them. At a press conference, Mrs. Champagne protested that it was "monstrous" to scare senior citizens with the "purely personal" thoughts of Mr. Crosbie. (One would have to suppose that Mrs. Champagne was oblivious to the fact that Mr. Crosbie was not exactly an unknown within the Party, being the former Minister of Finance and the Opposition critic for finance. Less discreet than his colleagues, he had shown the Party's true colours at the beginning of the election campaign, when he was soundly reprimanded by his leader.)

November 1984: the Mulroney Government announced its intention to review the universality of social programs.

For the time being, only old age pensions and family allowance would be on the review list, so they said. The Prime Minister, his hand on his heart and with sincerity in his voice, swore that he would never tamper with medicare.

One wonders whether that is not precisely the government's ultimate goal.

Why this nagging doubt? And why not? When one has been lied to once with so many solemn promises, the odds are that it could happen again. But there are other indications.

Anyone who believes that the Government's main objective in challenging the universality principle is to give more to the poor is naïve beyond belief. This is a good selling point, but in fact, everything suggests that this is not a transfer of funds to assist the disadvantaged, but simply an initiative to save the government some money, in line with the main obsession of the Mulroney Government which is to reduce the deficit.

● (1620)

Mr. Speaker, I think that more and more, in all walks of life, virtually the only people left who have any confidence in this Government are the Conservative Members of Parliament, and that is why we cannot grant this Government the requested borrowing power because of its lack of credibility.

Today and last Friday, I asked a question to the Right Hon. Prime Minister (Mr. Mulroney) about spouse allowances for people between the ages of 60 and 64. In reply to my questions, the Prime Minister himself said that he was willing to help all needy people between 60 and 64, but in fact, the government is only helping the small group of widows and widowers between 60 and 64. This discrimates against those between the ages of 60 and 64 who have the same needs and the same income, but who are single, separated or divorced.

Mr. Speaker, we know that the initiative announced by the Minister will provide assistance to 85,000 people at a cost of $300 million. However, what the Prime Minister and the Minister did not tell us, and what the Conservative Members certainly do not know, is that the Governments will save about $170 million of these $300 million because about 40 percent of those who will become eligible for the new program were already eligible for welfare benefits, which means that the Government is giving with one hand and taking away with the other. Instead of helping a greater number of people, the Government is now depriving 340,000 people aged between 60 and 64 who live alone, of the right to spouse allowance or old age security pension with guaranteed income supplement.

Mr. Speaker, I do not trust the Prime Minister, but I do trust the Minister of National Health and Welfare (Mr. Epp), as he and perhaps the Minister of Manpower and Immigration (Miss MacDonald) are the only members of Cabinet to defend the rights of ordinary Canadians. What about the rest of them? We know where they come from. They are more interested in defending the multinationals. I trust that, with the assistance of some of the Members opposite who will very

soon be receiving visits from senior citizens, these other members of Cabinet can also be made more aware of the situation. I am confident that this will happen because I know some of the Conservative Members, and they are honest people who will defend these senior citizens in the interest of all Canadians. I do not believe this cause to be partisan, either Liberal, NDP, Conservative; rather, all Members of this House and all Canadians should make it their cause to guarantee that the legislation passed by this Government will be fair and will really meet the needs of people between 60 and 64 who live alone. And we know that the very great majority are women, and I am confident that when the legislation is introduced the Government will have mended its ways, and instead of discriminating against a group of people for reasons of marital status, they will introduce a bill that will meet the needs of the entire population.

There is another important issue the Government will give us a chance to discuss and that is the universality of social programs. I have already suggested how sad it was for the Government's approach to foster class struggle. Unfortunately, the Prime Minister himself has made a comparison—is it normal that someone earning $500,000 should get family allowances? And the documents tabled by the Minister of Finance reflected the class struggle existing between those earning from $20,000 to $30,000, from $40,000 to $50,000.

In my view, there are enough devisive factors in Canada as you are very much aware Mr. Speaker, that we should not be creating new ones. Speaking on the issue of universality, we need only look at the tables provided by the Government—if there is an area where the rich are favoured, it is not through program universality but through tax exemptions.

Let us consider the support which the Government provides for families with children, that is the family allowances. A taxpayer earning less than $10,000 gets $359, while another taxpayer earning $80,000 is left with $175 per year after tax. Let us turn now to the child exemptions based on the income tax tables. People earning less than $10,000 pay no income tax at all. They have zero income. People earning $80,000 get a $363 tax saving.

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

[*English*]

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, this is an outrageous piece of legislation before us today in Bill C-11. It is the sort of thing the Conservatives opposed in opposition, the sort of thing they said ought never to happen. They were very critical of borrowing for expenditures that had not been specified in a Budget. They were very critical when the Liberals did this. In terms of contempt for the public and disregard for Parliament, the Conservatives are indeed the equal of the Liberal Party.

We have before us today a proposal that $23.3 billion be borrowed. Of this amount, $16 billion is for expenditures for the following fiscal year. We do not have any details of that. Of the $7.3 billion for expenditures for the remainder of the fiscal year, $2 billion is for a very loosely defined contingency fund; in other wrods, an expenditure which is totally inappropriate.

We are not opposed to borrowing in principle. Obviously every government has to borrow. If we were in government, we would have to borrow as well. It is what the borrowing is for, specifically the justification for the program. We either have no detail or we have the proposals in the economic statement, in effect a short-term mini-budget which shows that the Government's expenditures are short-sighted and misguided.

An alternative to borrowing more is to raise the money by taxes, specifically by closing the loopholes by which many people avoid paying taxes. This could be the source of an enormous amount of money. This Government does not choose to pursue that option which is open to it. It would be more fair for the Canadian public when medium and low income earners are having to pay very high taxes because corporations and better off individuals are benefiting from these enormous loopholes. The economic proposals that we have in the economic statement show that the Government is making important cuts in some areas. I think these cuts could be characterized as being harmful enough in certain areas to hurt the agencies concerned.

• (1630)

I can think of cuts to expenditures in the area of arts and culture. We are seeing cuts which total under $100 million. That is really not enough money to help the deficit. However, that amount of money is very important to an area like arts and culture in which expenditures have not been generous. Cuts to this area mean that particular companies cannot perform, programs will have to be cut back, artists and writers will not get grants, books and magazines will not be published, and all kinds of activities which are important to the cultural life of Canada will not happen. This cut-back particularly affects artists who, on average, are low-income earners. Spectacular monetary successes in the artistic world are few and far between. The average performing artist or writer lives on a very modest income and a very high proportion of them actually live below the poverty line.

There have been no cost-of-living or general increases to funding in the area of arts and culture over the last decade. Now its funding is getting cut and those cuts are sufficient to hurt arts and culture. However, what is $100 million when we have a deficit as large as we do? If we really want to attack the deficit, we must take much sterner measures and go after the lost revenue. We would go after tax loopholes and tax expenditures for corporations if we were really serious about the deficit.

Let me turn to some of the specific cuts contained in the economic statement of the Minister of Finance (Mr. Wilson). There was a cut to the Summer Canada Program, a program which employed students in the summer. This program certainly provided excellent projects for the riding of Broadview-

Greenwood. It provided good jobs for students and helped local agencies and people. The program gave young people a good opportunity to work.

Cuts have been made to the Canada Oil Substitution Program. Goodness knows we need to be working on oil substitution and better conservation measures for this important non-renewable resource. However, cuts have been made to that program.

Cuts have been made to the CHIP program and there have been reductions in funding to energy research and development. There have been really misguided cuts in the budget affecting science and technology. There have been cuts to radiation research, pollution research, research on the extent of damage caused by the spruce budworm, Canada wildlife research and a toxicology centre which has been doing very important research. These were important programs. However, the amount of money gained by these cuts is not significant in terms of reducing the budget deficit. This harm is being caused by shortsighted policies and is not a serious attack on the deficit which the Government says it is really trying to attack.

Cuts have been made to the 1986 census. There has been a 25 per cent reduction to the Residential Rehabilitation Assistance Program, something which will affect a lot of people. There was a cut of $180 million to external aid. Yet the Government talks about increases in its aid to Ethiopa. I remind the House that among these cuts to external aid are cuts to IDRC, to CIDA and to projects in which Ethiopa took part. On the one hand there is the pretence of being more generous by meeting a crisis, and on the other hand there are cut-backs in perhaps less glamorous programs but ones which are very important to attacking the problem of under-production of food and under-development. Surely it is that kind of aid with which we must be equally concerned.

A cut of $9.6 million has been made to the CMHC social housing program. Co-ops and public housing will be hit. Co-ops need more money, not less. We in Canada have a very good co-op system. There are many people who are on waiting lists for co-ops. There are plans for co-ops to be built. It is an excellent form of housing. There is a crying need for public housing. There are homeless people, families doubled up and families living in inadequate housing because the private market is building housing which is not affordable for a great many individuals and families. Yet there are budget cuts to this very critical area.

I suggest that the Government might do better by looking for its economic ideas in the recommendations of the Economic Council of Canada. Just last week, the Economic Council of Canada published its annual review and recommended that there not be budget cuts of the nature of those made. The Council suggested that the Government ought instead to increase its revenues. The Council does take the deficit problem seriously. It thought there should be a conservative attack on the deficit but it did recommend the following:

> Our research . . . shows that much of the fiscal plight of governments today is of their own making, since they have forgone in various ways revenues that in earlier days they were able to levy effectively.

Of course, the Council is speaking of the taxing of wealthier individuals and particularly of corporations, a sector which is paying less and less of the tax burden. The Economic Council of Canada notes that corporate income taxes provide only 10 per cent of the revenue of the Government of Canada, while personal income taxes provide up to 28 per cent of it. Corporations at one time paid a lot more than that.

The Economic Council of Canada very cautiously recommends that tax increases be implemented by the elimination of exemptions and loopholes and by the imposition of very modest rate increases. This is an alternative that could be considered instead of these vicious cuts to social and public housing, co-ops and external aid.

There are a great many tax loopholes and exemptions available. Taxes forgone through RRSPs, for example, amount to $2.6 billion. That is an enormous amount of money. Yet the cuts to arts and culture expenditures amount to under $100 million. That shows that the Government does not have the right priorities. It is tampering with important and vital programs but is not going after moneys that are available to it. These moneys could be tapped into, retaining more money for the vital social programs of Canada. Fast resource write-offs—

The Acting Speaker (Mr. Paproski): I regret to inform the Hon. Member that her time has expired.

[*Translation*]

Mrs. Lise Bourgault (Argenteuil-Papineau): Mr. Speaker, I was not prepared, I did not expect to speak today, but while listening to the Hon. Members opposite, I told myself: What nonsense! I must rise in this debate. As you know, memory is the faculty that forgets. Hon. Members opposite do not seem to recall that not so long ago, they were governing this country and the pandora's box which was inherited from them and which we have had to open, was not as interesting as we had hoped at first.

Therefore, this borrowing authority is requested to clean up the mess left by the previous administration. We have to make a review in order to borrow that money.

As you know, Mr. Speaker, some Hon. Members opposite do not seem to—For instance, I feel that my colleague the Hon. Member for Mount Royal (Mrs. Finestone) is too easily influenced by the old guard of her party who have certainly failed to tell her how their government was run. As a matter of fact, Mr. Speaker, you certainly remember something which adversely affected my riding, namely, the wanton expropriation at Mirabel by the Canada Lands Company. That is the perfect example of mismanagement. Do you realize that they found it necessary to expropriate a surplus of 80,000 acres of land for an airport for which only 17,000 acres were required—As you know, this was paid for with public funds and today it is things like those—

An Hon. Member from Western Canada was telling me today that in Alberta there are facilities which were leased by the previous government and which are now costing millions of dollars, although they are not being used—All these things we must cope with now.

I do not intend to start a long debate on this, but I feel I must provide the House with some examples which I think are significant. My hon. friend referred to our senior citizens. We all know members of the party opposite love nothing better than to frighten Canadians by saying that a Conservative government would do away with the unemployment insurance scheme and the programs for senior citizens. But that did not stop Canadians from making a choice on September 4. As an example, here is what one of my hon. colleagues opposite was complaining about at a meeting. He said: "There are Conservatives in front of us, and both to our right and left". This is so because Canadians decided on September 4 that enough was enough, that they were fed up with the previous administration.

Mr. Speaker, I shall conclude by saying that it is difficult for a blue sea to tolerate ships with Liberal captains at the helm, but the time will come when Conservative captains will take over the ships and sail them to safer harbours.

• (1640)

[*English*]

Mr. George Henderson (Egmont): Mr. Speaker, I rise today more out of fear and frustration than out of respect for the legislation of this Government. I am finding it very difficult to accept the hypocrisy of a Government that speaks of reducing the deficit and then proceeds to borrow billions of dollars without indicating to Canadian people for what that money will be used. It is a Government which speaks of confidence, consultation and openness. I am sure if it could fit it into its public speeches, it would find a way to convince the people of Canada that it is the sole representative of truth, beauty and light.

The Government, through Bill C-11, has asked to borrow $7.3 billion on the basis of a financial statement which consisted of lightly considered cut-backs. What concerns me most is the fact that the Government wants to borrow $16 billion without a budget or the Supplementary Estimates which would indicate where the money would end up. The Bill states that $16 billion may be required for public works and general purposes. That is certainly a wide-open definition. I for one would like to know where the money will be spent.

Will the money be directed to areas which would be of benefit to Canadian people? After all, the Government has told Canadians that they will see a brand new prosperous day. Canadians have been told that it is a Government which has only their best interests at heart. Can I believe, and can I presume, that Prince Edward Islanders will also be witnessing this brand new day? Let us go back to the Government's indication of its interest in Canadian people and see what prosperity is held in the financial statement for the Islanders.

It is clear to me after reviewing background papers of the economic statement that every segment of the Prince Edward Island society will be adversely affected. I cannot agree that the programs and services which are necessary for the maintenance and growth of the primary industries on Prince Edward Island should be subjected to such radical cut-backs.

Let us examine agriculture. The dairy research program will be eliminated and special export payments for dairy products will be restricted. What effect will this have on dairy exports? What effect will it have, for example, on the sale of evaporated milk from Prince Edward Island to the Algerian market? What effect will it have on the sale of cheese from Prince Edward Island to foreign markets? Those are serious considerations that arise out of the economic statement.

The federal Department of Agriculture will be reducing its operating expenditures and restricting grants and contributions in such areas as livestock improvement. If we talked to most small farmers and farmers in Prince Edward Island in general, we would find that it was a very good program. We should be trying to improve that program, and it should be continued. We should be trying to improve livestock and genetic strains among other things in this country.

Canagrex was eliminated before it had a chance to prove its worth. That was a very important program. I realize there was some opposition to it, but, in general, Prince Edward Islanders were for Canagrex. Farm organizations have already criticized the elimination of Canagrex.

Additional levies will be imposed by the federal Government for services such as food inspection. We should think about that. In Prince Edward Island 80 per cent of the potatoes produced go on the export market. To reduce inspection could be devastating. The Island is basically disease-free but has diseases such as ring rot. If that disease got on the foreign markets, Prince Edward Island would lose those markets. It would be the end of the potato industry in Prince Edward Island, or wherever potatoes are grown in Canada.

The agricultural input quality assurance and records of livestock performance will be eliminated. What effect will that have on Island farmers? Those are matters which should concern each and every Member of Parliament; not just opposition Members, but also government members.

When we talk about business we must realize that farmers and fishermen are business people. That is what a large portion of this great country is made of. Let us examine the fishery. I must say that the Minister of Fisheries and Oceans (Mr. Fraser) escaped much of the wrath of the economic statement. However, $30 million was cut out of that budget. It is a budget which should have been increased. When I was on the government side of the House, I advocated many times that the budget of the Department of Fisheries should be increased.

We could examine the small craft harbours branch. That annual budget is $40 million. That is not enough to maintain the harbours and ports. Those are areas which should be considered. The Minister of Finance (Mr. Wilson) announced

in his economic statement the closing of three research facilities, including the Ellerslie fishery station in my riding. After consultations with the Minister, it was evident to me that he did not realize the implications of that decision. He has assured me that he will give it consideration. I applaud him for that. Hopefully, the station can be restored. I do not think that when the cuts were made the Government realized the impact they would have on the 2,500 oyster fishermen and shellfish fishermen in P.E.I.

Not too many Members understand what the shellfish fishery is in Atlantic Canada, and certainly the oyster fishery in P.E.I. The oyster industry is one area in which both men and women work. It is one area in which anyone can participate. It is an industry which has grown drastically over the years. It is something which the Government should be pushing to expand. It would create more revenue for the Government through taxation. But the Government went about it in the wrong way totally by eliminating the back-up research which is necessary to develop this most important industry. Tourism is extremely important to the Province of Prince Edward Island and to Atlantic Canada. But what do we find? We find increases in ferry rates. I realize that what is good for one part of the country may not be good for another. Certainly, some of my friends on the Government side of the House agree with an increase in the price of gasoline. However, they do not consider the ill effects it has upon our tourist, agriculture and fishing industries. I feel I could continue for another half hour on the complications caused by just a few cut-backs, but in the time I have left I want to go on record as saying it is very difficult for me, as a Member of Parliament representing the Province of Prince Edward Island, to agree with this great borrowing authority of $16 billion without knowing where the money is going to be spent.

● (1650)

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, the Bill we are debating now is a classic example of the kind of political move which breeds cynicism about politics and political parties. It brings into question the credibility of the Official Opposition of just a few years ago. What is the Canadian public to think—those who pay attention to these matters—about a Progressive Conservative Government which now requests Parliament to do the very same thing that those Hon. Members, when they were in opposition, so self-righteously and indignantly condemned. This is the sort of thing which breeds cynicism. One has to ask just what the Official Opposition of just a few years ago had in mind. The only conclusion one can come to is that at that time they were insincere in their protests. We remember all the rhetoric about the abuse which was being heaped on Parliament by the Liberal Government. We heard then that in coming to Parliament and asking for this kind of borrowing authority the Liberals obviously had no respect for the long tradition of parliamentary scrutiny of parliamentary expenditures, and it was this situation, in part, which helped the Conservatives to get the mandate they did. People had a sense, and rightfully so, that the Liberals were abusing Parliament. Now we have a Conservative Government and instead of an indication that this Government does indeed want to depart from the attitude towards Parliament which it so righteously condemned just a short while ago, we get identical action. There must be bewilderment on the part of a great many Canadians who voted Conservative on the basis that they considered the Liberals were disrespectful of Parliament and who thought some change might be forthcoming.

I feel it is particularly ironic, Mr. Speaker, that we should be debating Bill C-11 on the same day that a motion was finally passed to bring in to being a special task force on parliamentary reform. The objections of the Official Opposition to this kind of Bill just a few years ago were based on its understanding and respect for Parliament. And on the very day we begin what I hope will be a genuine process of parliamentary reform, we see before us in Bill C-11 an unfortunate indication that the new Government is no more respectful of Parliament, and no more willing to change, at least at this point, than the previous Government. Therefore, I say, Mr. Speaker, as one who will be part of that new task force on parliamentary reform, that I intend to go into it with the kind of positive and hopeful attitude which I know is absolutely necessary if that committee is to finally have an effect on the life of this Parliament and on the House of Commons for years to come. I am disappointed at the same time, Mr. Speaker, and I am taking this opportunity to say so—because I unfortunately did not participate in the debate surrounding the creation of the task force itself—that the new Government did not seize the opportunity to show good faith when it came to the issue of parliamentary reform. It did not use the mandate it received from the Canadian public, partly as a result of its rightful criticism of the Liberals and their attitude towards Parliament, to begin by making a few changes. The committee will have to spend many hours trying to arrive at what it hopes will be the right recommendations so that Government will finally act. It would have been a spur to that committee to have received any sign whatsoever that the Government actually was open to change. It also would have been a sign of hope, not just to members of that task force, but to all Hon. Members of Parliament, and to everyone concerned about parliamentary reform. We did not receive that indication, Mr. Speaker. Instead we got a hassle with respect to quorums in committee and who had to be present when we were to hear evidence.

The Government could have taken the opportunity to adopt some of the unanimous all-party recommendations by the Special Committee on Standing Orders and Procedure of the last Parliament. The recommendation which comes most quickly to mind is with respect to the election of the Speaker. Purely from a tactical point of view, Mr. Speaker, the Government could have determined who it wanted to be Speaker. I say this with no reflection on who actually became Speaker because I happen to believe the present Speaker is doing an excellent job. However, the Government could have seized the opportunity to adopt the recommendations of the Special Committee with respect to the process by which we elect the

Speaker. It would have been assured of having its own way, in any event, given the massive majority it has in the House.

Government could have given the House of Commons more control over its own life by bringing in changes with respect to the Commissioners of Internal Economy, by having all-party representation either on that committee or by changing the various structures by which the House administers itself. There were a number of recommendations with which the Government could have proceeded, but it did not. I, for one, am disappointed. Nevertheless, I will go into the work of the new task force on parliamentary reform with a positive and hopeful attitude, knowing that the chairman is serious about parliamentary reform. I am sure that all Hon. Members who have been assigned to that particular task force by their respective parties are also serious about parliamentary reform.

I would like to comment, in the context of the borrowing authority, on the over-all strategy of the Government. I, as the environment critic for the New Democratic Party, have been particularly concerned about the cut-backs in Environment Canada. I am very concerned about the reductions in federal Government programs in the Canadian Wildlife Service of the Department of the Environment. I would just like to take what time I have left to say that the cut-backs in the Canadian Wildlife Service with respect to wildlife toxicology projects, projects to rehabilitate endangered species, conservation of international wildlife, and wildlife interpretation, are, in my view, a classic example of short-sightedness. It is a classic example of being pennywise and pound foolish. It is a tragic failure on the part of this Government because any real long-term, stable economic growth will have to be based on an economic model which does not put environmental concerns aside for the moment in order to have economic growth, thus setting up a false dichotomy between healthy economic growth and environmental matters. The Government should see that at some point we will have to develop a way of thinking economically that faces up to the fact that long-term, stable economic growth has to take environmental considerations into account. What we have here on the part of the Government is not that realization. In fact it is, as I say, a tragic failure to make that connection.

• (1700)

I can only hope that over the course of the next weeks, months or years, however long it takes, by working with others concerned about the Canadian environment, indeed the global environment, we can bring this Government to realize that this is indeed short-sighted and it should begin to see the world differently.

[*Translation*]

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I am pleased to be taking part in this debate, because it is a very important one. I want to say a few words in the other official language. The question at issue in this debate is: what is the Government going to do with the money for which it is seeking borrowing authority from the House? The Government has given us no information on how the borrowed funds are going to be used. That is a very important matter, Mr. Speaker.

Second, I want to ask this Government how it can justify borrowing large sums of money without providing information. Is this how the Government respects Parliament?

Third, I want to ask the Government how it can possibly ask for permission to borrow a lot of money while at the same time wanting to give the public the impression that it is eager to reduce the deficit.

[*English*]

This is an important debate on three important questions, Mr. Speaker. What is the purpose of the spending for which authorization is sought to borrow this money here today? What is the Government's attitude toward the notion of accountability of the executive to Parliament? How can the Government, without any credibility whatsoever, come before us to borrow large sums of money at the same time that it preaches frugality to the public?

Dealing with the first question, the Government is asking to borrow $23.3 billion, $7 billion for this fiscal year, of which $2 billion is for a discretionary fund. The Government has not identified the purpose for which that money will be spent. It just wants to have the money on hand without specifically identifying what it is for. Could the Government possibly be borrowing this $23.3 billion for a worth-while public purpose? If so, it would be incumbent upon us to give the request serious consideration. Since the Government has not provided us with information regarding the $16 billion for the next fiscal year or the $2 billion in the discretionary fund for this fiscal year, we are left to wonder and speculate about what it wants to spend the money on. Therefore, I would like to posit some possible and useful public purposes for which the Government could use this money, which would then make it incumbent upon us to consider the request seriously.

For example, if it were seeking the money to invest so that the public would get a decent return, we would know it was going to be put to a useful purpose and would not be wasted. However, the Government has given us no information. In fact, it has deferred needed public works for both this fiscal year and next. Public works not only put people back to work but also provide facilities to serve communities for many years to come. It is bad enough that the Government cancelled public works, but even worse than that, it has deferred them. By doing that, the Government is admitting that those public works will have to be done in the future. Obviously they will have to be done at a higher cost than the cost at which they could be done today, and they will be done at a time when inflation is higher than it is today, so it will cost more to do them. That is a waste of public money.

If these people across the way, Mr. Speaker, were to borrow for a useful purpose, we could consider the request very seriously. But their actions have demonstrated that they are not seeking to borrow for a useful purpose. The Government could be borrowing for the useful purpose of better insulating

homes so that energy could be better conserved. This could be done if we were to make dollars available to home owners so that they could insulate their homes properly. That would be a useful public investment. Electrical utilities in the United States have found that it is cheaper to produce electricity through conservation than it is through the construction of new hydro facilities, for example. Investment in conservation gives a real return. If this Government were to say that it wants to borrow money to provide for better insulation in homes across this country, then we would have to consider that seriously. But once again, actions speak louder than words. It is there in the economic statement.

What did the Government do regarding home insulation? It cut the Canadian home insulation program. That makes no sense in the present environment and it certainly leaves us with no justification for approving the borrowing request. From the perspective of investment or return on investment, Mr. Speaker, the Government's request falls short. It would be helpful, Mr. Speaker, if the Government would invest in the insulation of homes and the rehabilitation of older homes. There are many older homes across the country which are structurally sound. If a few dollars were spent on those homes, they could be brought up to par and would last for many more years. That would be a useful investment of public dollars.

• (1710)

Is there any reason for us to believe that the Government will be using the funds it wants us to approve today for such a worth-while purpose? Would it invest in the rehabilitation of older homes in the country? Its own economic statement tells us it will not Mr. Speaker. In that economic statement, the Government cut the Residential Rehabilitation Assistance Program. It cut monies from public expenditures which would have allowed older homes to serve a useful purpose for a much longer period of time. From the perspective of investment, based on the Government's actions, since it will not give us any information on what it wants to use this money for, its request for approval of borrowing falls short.

Perhaps we could look at its request for borrowing from a different perspective. I will wrap up what I have to say, Mr. Speaker. We have had simply to speculate upon the possible uses to which the Government would put borrowed funds. A few short months ago that Party was in Opposition and it recognized the importance of the accountability of the executive to Parliament in the area of public spending. Now that that Party is in office, it has failed to recognize the basic truth. This is a severe disappointment and it will increase cynicism in the country.

Mr. F. Oberle (Prince George-Peace River): Mr. Speaker, my intervention will be very brief because of our eagerness on this side of the House to get on with some business that would reflect the programs of the new Government. We would like to expedite the process of cleaning up the business that was left behind by the former government. As you know, Mr. Speaker, from time to time we are required to sit in the House in the afternoon and to listen to such diatribe as that which has gone on this afternoon. At such times one feels the need to make a speech and the desire to set the record straight.

Mr. Blaikie: The truth hurts.

Mr. Oberle: We have heard all kinds of suggestions for ways in which we might improve the economic situation in Canada. The Hon. Member for Birds Nest, for instance, suggested we should protect the migratory—

Mr. Blaikie: Mr. Speaker, on a point of order. I believe that you and other occupants of the Chair have, on numerous occasions—

The Acting Speaker (Mr. Paproski): I appreciate the point of order. It is the Hon. Member for Birds Nest—sorry, it is Birds Hill, Winnipeg-Birds Hill.

Mr. Blaikie: Mr. Speaker, on a point of order, the name of the riding that I represent is Winnipeg-Birds Hill. It is not Birds Nest, it is not Birds Eye, it is not—

The Acting Speaker (Mr. Paproski): All right, I regret that. Will the Member please take his seat. We will try to rectify that.

Mr. Blaikie: I hope that Mr. Speaker himself—

The Acting Speaker (Mr. Paproski): Will you please be seated?

Mr. Blaikie: —will keep that in mind.

The Acting Speaker (Mr. Paproski): We will try to rectify that. It is Winnipeg-Birds Hill.

Mr. Oberle: Through you, Mr. Speaker, I wish to offer the Hon. Member my apologies. I should know, of course, that the riding is Winnipeg-Birds Hill. The reason I made the mistake is that he suggested that the solution to economic recovery would be to look after migratory birds. That is what he suggested in his speech. That is probably why that Freudian slip was made.

Another Member, who just sat down, suggested that if we insulated all our homes, that would be the solution. If we insulated ourselves from the reality of the mess that was left us by the people who now know all the solutions to our problems, maybe the problems would go away. However, the fact is that they will not go away.

This year's budget is $100 billion, Mr. Speaker. We all know that today's promises are the obligations and taxes of tomorrow. The promises and stupid commitments of the former government are the obligations of today. For example, $25 billion will have to be paid in interest payments. We need money to pay the interest so that the New York bankers do not come in and repossess your car or the front door. We must pay some interest. There is nothing you can do about that. These people made sure of that.

We are locked into transfer payments for social programs. Our friends in the Liberal and New Democratic Parties sug-

gest that we should now enrich and enlarge these social programs quickly. They say that it is the solution to our problem, but we say the cause of the problem is that we have lived beyond our means for some time.

Mr. Blaikie: It is not the cause of the problem.

Mr. Oberle: We are now paying for the sins of the past.

Mr. Blaikie: There is no sin in medicare.

Mr. Oberle: I sat on the other side for 12 years. Every time a Bill like that came up, we had legitimate reason to complain.

Mr. Blaikie: Where is the sin in medicare? Where is the sin in family allowances?

Mr. Oberle: Mr. Speaker, I do not want to use the name of the Hon. Member's riding again, but I offered him the courtesy of allowing him to speak, and now I would ask that I be extended the same courtesy.

I will be very very brief. All I want to do is to be helpful and to tell these people that there are certain expenditures over which we have no control in the short term until we pay for the sins of the past. The bankers are knocking at our door and we must pay $25 billion in interest next year. We have to borrow money to pay the interest. I would ask the socialists across the way to make a simple comparison. It is pretty hard not to compare them with a bunch of birds. If they are not yapping they are doing something else. At this particular moment they are yapping.

Mr. Riis: You are bad-mouthing birds again.

Mr. McDermid: They are all from Birds Nest.

Mr. Oberle: Let me give you some helpful hints to demonstrate that insulating homes and protecting the migratory birds, as important as they are, are not the solution to our $36 billion deficit. Put yourself into a situation where, having met with your banker a few months earlier to float a $5,000 loan to buy a new car, you are going back to him and asking for another $1,000 to pay the interest on the money already borrowed. The banker would ask for the key for the car. There is no difference between that situation and the situation we are facing here. We are going back to the bankers, the innocent, unassuming public of Canada, and selling them Canada Savings Bonds. We are telling them that we need money to pay last year's interest.

Another fellow wants to start another Crown corporation. He wants to buy another business so he can have some dividends later on. I would like to ask him how much in dividends he has been receiving from Petro-Canada this year. How much in dividends has the CDIC, Eldorado Nuclear, or any of these companies, paid this year?

Mr. Blaikie: What about the $6 billion in the Petroleum Incentive Program?

Mr. Oberle: Now you want to buy more Crown corporations. That is not the solution.

Mr. Riis: What are you doing for forestry?

Mr. Oberle: We struck a raw nerve, Mr. Speaker. Obviously these people do not want to be exposed to the truth. They do not want to be exposed to reason. They would just like to see these carts dragging along the beach in mud up to the axles. We have other ideas and you must be patient.

Mr. Blaikie: You have your head in the mud.

Mr. Oberle: You have to wait until our schemes and good ideas which we will be bringing forward once we dispose of this Bill will bear fruit.

Mr. Riis: Let us hear one of your good ideas.

The Acting Speaker (Mr. Paproski): I would like to correct something here. I regret that I called the Hon. Member for Winnipeg-Birds Hill, Winnipeg Birds Nest. I also regret that I did not say that the Hon. Member for Prince George-Peace River (Mr. Oberle) was the Parliamentary Secretary to the Minister of State for Mines.

• (1720)

[*Translation*]

Mr. Carlo Rossi (Bourassa): Mr. Speaker, it is a pleasure to be taking part in this debate and to speak to Bill C-11. I want to take this opportunity to congratulate you on your appointment to the Chair and also to wish you a satisfying career in the House of Commons. Mr. Speaker, I shall, if I may, take advantage of this opportunity to greet all my constituents in the riding of Bourassa, a riding I have proudly represented in Parliament for six years.

Mr. Speaker, my riding encompasses the total area of the City of Montreal North, a wonderful place to be, as a resident confided recently. It is situated on the north side of Montreal Island, along the northern arm of the St. Lawrence, known as Rivière des Prairies—

Mr. Della Noce: Just before Duvernay!

Mr. Rossi: I will get back to Duvernay later on, just give me a chance.

—it has a population of 92,000, spread over various communities.

Mr. Speaker, on September 4 of this year, Canadians gave this Government a clear mandate. We on this side of the House have accepted the outcome of the democratic process. However, we must be realistic. Throughout the election campaign, the Progressive Conservatives found it very easy to repeat to Canadians that it was time for a change and that they would find jobs for everyone and would find a solution to the unemployment problem. Mr. Speaker, that is the way they

conducted their campaign, and in a local newspaper in my riding, a newspaper with an Italian name, the Progressive Conservatives said, and I will not repeat it in Italian, of course: A house and a job for everyone! Promises, promises. And speaking of Italian origin, Mr. Speaker, perhaps you will allow me to correct what the Hon. Member for Duvernay (Mr. Della Noce) said on page 896 of *Hansard* on December 4, 1984, and I quote:

> I would like to add, as the sole Member of Italian origin, that I am proud to represent in this House both the riding of Duvernay and the entire Italian community.

Mr. Speaker, the Hon. Member mislead the House, probably unwittingly, since I take him to be an honest man with a good reputation, he probably did not intend to mislead the House, and made this statement in entirely good faith.

But I myself am of Italian origin, and for the information of the Hon. Member, I was the first Canadian Quebecer of Italian origin to have been elected to this honourable House. I believe that for six years now, I have served the Italian community and all the other communities in my riding very well, and I can inform the Hon. Member for Duvernay that the people in my riding will certainly not require his good services, since their own Member is doing his job quite well, thank you.

Mr. Speaker, this Government has made many promises, including that of finding jobs for everyone. Canadians believed all the glowing promises made by the Progressive Conservatives. They believed that the Tories would provide prosperity and, above all, jobs. The Canadian people will soon realize that they have been duped and fooled. But Hon. Members of the Progressive Conservative Party ought to be careful. We are keeping our eyes peeled! Remember that an American President once said:

[*English*]

You can fool some people for some time but you can't fool all the people all the time.

[*Translation*]

An Hon. Member: Say that in French.

Mr. Rossi: I can also say it in Italian, Sir. One of the many cutbacks which took me by surprise, Mr. Speaker, is the one related to the Summer Canada Program which was set up by the Liberal government and which was a boon to thousands of young students. The Progressive Conservatives have described that program as a band-aid program.

Mr. Speaker, again I say to the Minister of Employment and Immigration (Miss MacDonald) that it is not a band-aid program, if only because it does enable students throughout Canada to work during their summer holidays and earn a few dollars to help pay their tuition fees. It seems that nobody wants to hear anything about this Summer Canada Program. Earlier today, the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) asked a question about the Summer Canada Program, but the Prime Minister evaded the question neatly, and there was no meaningful answer, Mr. Speaker.

A few weeks ago I asked the Hon. Member for Parry Sound-Muskoka (Mr. Darling) whether he thought the Summer Canada Program was a band-aid program. Mr. Speaker, the Hon. Member himself did admit that it was nothing of the kind, and I fully agree with him.

In addition, Mr. Speaker, in the newspaper *Le Droit* last December 5, there was an article about the Minister of State for Youth (Mrs. Champagne) entitled 'Champagne avoids the real problems', which said the following:

> Minister Champagne, who is also coordinator of the activities surrounding National Youth Year 1985, has managed not to mention even once in her speech the problem of unemployment which affects 17.6 percent of our young people between the ages of 16 and 24.

"In fact, there was no mention of the real problems", as one of the students noted, Mr. Speaker.

I see that you want me to hurry up, Mr. Speaker.

In closing, I would like to mention that my main concern, is about the students who will want to work next summer. I therefore urge the Prime Minister, the Minister of Employment and Immigration, the Minister of State for Youth, and also the Minister of Finance to do something for them.

Finally, I want to ask this Government to keep its promises, and I also want to say this to the ministers involved: "Please, reverse your stand and see to it that our students can find work!" As for the Government, it should be true to its commitment to provide prosperity for Canadians and jobs for those who want to work. These are some of the promises made by this Government, and in the interests of all Canadians, we sincerely hope that those promises will be kept, and you can be sure, Mr. Speaker, that we of the Official Opposition shall always support Government initiatives aimed at providing employment for all Canadians.

The Acting Speaker (Mr. Paproski): The Hon. Member for Duvernay (Mr. Della Noce) on a point of order.

Mr. Della Noce: Yes, Mr. Speaker. I did not want to interrupt the Hon. Member for Bourassa (Mr. Rossi) when he quoted something I said. I did not want to mislead the House, but there was indeed a mistake. *Hansard* should read the only Italian Member of the Government. I would like to point out to the Hon. Member that there is another mistake, namely where the English version says:

• (1730)

[*English*]

The riding is a veritable paradise for people.

[*Translation*]

The word "paradise" was omitted.

[*English*]

The Acting Speaker (Mr. Paproski): I regret to inform the Hon. Member that that is not a point of order.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, it gives me a good deal of pleasure to join in the debate this afternoon. Also I should like to join with other Hon. Members in congratulating you on your appointment. I am certain the House will run more smoothly and that high sticking will be kept to a minimum.

The Government proposes to borrow something in the order of $16 billion. It is interesting to sit in the House today with a kind of feeling of *déjà vu* or a reverse of *déjà vu* and to hear the screams and shouts from this side about borrowing without any plan or indication of what the borrowing will be used for. It is interesting to hear the ragged comments of the former opposition group which simply put down any necessity for giving the House of Commons and the taxpayers of Canada some indication of what it proposes to do with $16 billion. It is an amazing situation. Some of the open government about which those Members talked is complete nonsense in view of the comments they have made to date.

I should like to offer some suggestions in terms of spending that $16 billion. If they would simply keep their promises, that $16 billion would be adequate. A reminder of some of their promises might be useful. In my partiuclar area and along the entire coast of British Columbia, which now has a number of Tories representing it who made those same promises, the fishing industry is a disaster. The Conservative Government promised to spend $100 million in a buy-back program to assist fishermen who are in an extremely bad position. It was promised. The $16 billion could help deliver it. Why not keep some of the promises made by the Government during the election period? The Tories promised $200 million for Salmonid Enhancement Program. It would put thousands of people back to work on the coast of British Columbia, thousands of people who are financially flat on their backs and facing ruin. They recognize that problem. They made a promise to those people and now they are failing to keep it. The $16 billion of borrowing could be used for that. A firm, hard promise was made and nothing was delivered.

That same Party, campaigning for votes of the people in the forest industry who are suffering as badly, promised a $100 million reforestation program. It would create an enormous amount of employment on the coast of British Columbia. However, what do we hear from the Conservative Government? There has been absolute silence on that promise. We hear that the cupboard is bare.

Fishermen, loggers and others in the forest industry, have lost the opportunity of employment. They could be put back to work in the Salmonid Enhancement Program and in reforestation programs. Of course they could be assisted in the buy-back program, it it ever comes to pass.

They also promised to revamp the Department of Fisheries and Oceans. People involved in the fishing industry on the coast of British Columbia in communities from Prince Rupert to Vancouver who are dependent upon fishing, as well as industries and small businesses which are dependent upon fishing, were promised that the Department of Fisheries would be revamped. That Department affects the lives of a great many people and many of the businesses there. They promised to make it more responsive to the people of that area. They promised to create an advisory committee. It was more than an advisory committee; the Conservatives called it a management committee comprised of representatives of the industry. What do we have right now? We have 1,200 public servants in the Department of Fisheries on the West Coast who have received no instructions from the Ministry in Ottawa. They have no instructions on what to do. There is a policy void out there. No one knows what is going on. Instead of revamping the Department or establishing a management committee, we have chaos out there right now. People are losing their vessels and their homes. They are unable to qualify for unemployment insurance. The prospect with a Conservative Government in place is that social assistance is the order of the day for those people.

If they want to borrow $16 billion, they can go ahead and do it. However, they should at least give us some indication of what will be done with that money. Why do they not keep their promises? The people along the coast of British Columbia would be a lot better off.

The fishing industry on the coast of B.C. is in serious trouble. The Government promised open government. A number of cabinet Ministers have said, "Our door is open; if you have a problem, raise it". I am somewhat confused because a number of major groups out there are having difficulty. They are in a policy vacuum. They know they have had an enormous number of hundred million dollar promises. All they received was $4.2 billion in cut-backs, as well as the $30 million in cuts in the Department of Fisheries to which my colleague referred. There is nothing for them. They will spend this winter, perhaps next spring and perhaps the next fishing season with nothing. By that time there will be nothing to make policy about because that industry on the coast of B.C. will be finished completely.

Turning to the buy-back program, it is critical that the Minister of Fisheries and Oceans (Mr. Fraser) and the Government move now with assistance. People are losing their vessels. It was impossible for many people to earn income from fishing this year. It is a complete disaster because the Department of Fisheries and Oceans compressed the fishing season so much that very few people earned enough money to make their boat payments. Many people did not earn enough money to qualify for unemployment insurance. Income was at an extremely depressed level.

The Minister cannot sit here and do nothing. He must act quickly. This buy-back program was promised. It was on a scale of $100 million. It should have been under way this year. People should have an understanding of what will happen. The promise was made, it should be kept. Time is wasting and time is critical.

I should like to refer briefly to the management committee. The cut-back in fishing time has been a serious problem. The

Department of Fisheries has literally put many fishermen out of business. In the Johnstone Strait, communities such as Port Hardy, Alert Bay, Port McNeill, Campbell River and many others are dependent upon the fishery. They have been promised that it will continue to exist. However, the indication through the Department of Fisheries now is that that fishery is being compressed. Eventually it will be destroyed and they will be driven out. The gulf trollers, the people who work on the Straits of Georgia, were invited some years ago to take either an inside licence or an outside licence. Those who opted for the inside licence in the Gulf of Georgia were told that that fishery would continue and that they should have no fear of being put out of business.

Last season the Department of Fisheries and Oceans put them out of business. It limited their fishing season to a point where they could not earn enough income to provide a living. This virtually destroyed many people. They were told that the burden of conservation on chinook salmon was so important that everyone had to share. The gulf trollers were told that they could not fish on April 1, that they would have to start at almost the mid-point of the fishing season and that they would be shut down early. The Minister of Fisheries and Oceans at that time said that the burden of conservation had to be shared, but it was not shared by the recreational fishery. There was a complete slaughter in the eyes of many people as the chinook salmon were simply reallocated from gulf trollers to the recreational fishery. Those fish never got to the spawning grounds.

The Minister of Fisheries and Oceans must make a statement indicating what will happen to gulf trollers who were told that they would continue to have a place in the fishing industry in the Province of British Columbia. It turns out that that is absolutely false.

The idea of open government is not coming to pass. We are seeing many important groups on the coast of British Columbia asking for meetings with the Minister. He does not have to make commitments to them. He simply has to give an indication that the door is open. Many groups want to meet with him including, we are given to understand, officials within his own Department who cannot get time. The Native Brotherhood of British Columbia would like to meet with him. Important Indian bands along the coast of B.C. would like to meet with him. United Fishermen and Allied Workers and other groups within the industry would like to meet with him, but there is no opportunity. His flacks are too efficient. They are saying, "Maybe next year". Maybe it will be some other time. Maybe it will be after there is no fishing industry. Open government does not exist. Anyone who thinks it does is extremely naive or a fool.

The Minister of Indian Affairs and Northern Development (Mr. Crombie) had the courage to venture out to British Columbia with his officials. He met briefly with many groups under the responsibility of his Ministry. He attended the native brotherhood convention, an extremely important group on the coast of B.C. I urge the Minister of Fisheries to get his can out there and meet with these groups. He should at least hear their problems and suggestions for solutions and then get on with the business of making the statements that will give them the opportunity to know where their lives are going. Where is this open government?

• (1740)

The Salmonid Enhancement Program is vitally important. We are watching the destruction of the fishing industry and the salmonid species on the coast of British Columbia. In some cases this is coming about as a result of overfishing and in other cases as a result of habitat destruction. We know that we have to get more involved in the process of salmonid enhancement. The program in that area was cut drastically by the previous Government. The present Government promised $200 million in salmonid enhancement funding. It must deliver on those funds. It must create employment so that fishermen who are not able to earn income this year—

The Acting Speaker (Mr. Paproski): I regret that I must interrupt the Hon. Member. He is a minute over his time now.

[*Translation*]

Mr. Fernand Robichaud (Westmorland-Kent): Thank you, Mr. Speaker, for this opportunity to speak on the amendment to Bill C-11. Of course I support the amendment moved by the Hon. Member for Kamloops-Shuswap (Mr. Riis).

I would like first to thank the people in Wesmorland-Kent for their vote of confidence on September 4. There is no doubt the constituents of Wesmorland-Kent have a sixth sense, the so-called common sense, because they were not taken in by the two other candidates' alluring promises.

I would also like to congratulate you, Mr. Speaker, and assure you of my fullest co-operation in carrying out the business of the House.

Coming back to this legislation, I do not see how I could support a measure requesting the authority to borrow $16 million for 1985-86 without seeing any supporting documentation.

If I were expected to support this legislation merely on a confidence basis, I would say that this Government has not as yet deserved such a confidence, and that this lack of confidence is the result of the attitude adopted by the Government towards Canadians.

If I may, Mr. Speaker, I would like to refer to the tourist industry, not only in my capacity as the critic of the Official Opposition in that regard, but also because that industry will be playing a major role in the economy of my area.

[*English*]

I would like to read a few quotations from a newsletter of TIAC, the Tourism Industry Association of Canada. It is dated October 5, 1984. The present Minister of Regional and Industrial Expansion (Mr. Stevens) spoke to an audience in 1979. The following are a few quotes from that speech:

Canada needs your industry more than she has ever needed it before to first help correct our current account deficit and to give more employment for Canadians.

On the part of government we must regulate you less, tax you less—

Mr. Mulroney, too has expressed an understanding of the problems facing—

The Acting Speaker (Mr. Paproski): Order. Will the Hon. Member refer to the Right Hon. Prime Minister by his title, please.

Mr. Robichaud: I am quoting from a newsletter.

The Acting Speaker (Mr. Paproski): It does not matter. Please refer to him as the Right Hon. Prime Minister.

Mr. Robichaud: "The Right Hon. Prime Minister, Mr. Mulroney, who has expressed—".

The Acting Speaker (Mr. Paproski): Order. "The Right Hon. Prime Minister" will be sufficient.

Mr. Robichaud: Thank you, Mr. Speaker. The Right Hon. Prime Minister—

—too has expressed an understanding of the problems facing the tourism sector. The following quote from one of his speeches in Halifax during the campaign shows his concern. "A Progressive Conservative Government will recognize the importance of the tourism and travel industry to the Canadian economy in general and the Atlantic provinces in particular by implementing the following three-point program: As part of our proposed national conference on the economy, we will examine gasoline, alcohol, food and lodging taxes which are reducing the competitiveness of Canada's tourism industry".

We know the actions that have been undertaken by this Government. The price of gasoline has increased by nine cents a litre. The price of alcohol has increased by 1 per cent. The fares for ferry services in Atlantic Canada, a service that is vital to the tourism industry, will be increased substantially. Not only will the services in national parks be reduced, but it will cost more to use those facilities.

[*Translation*]

Mr. Speaker, it is a most deadly sin, in the sense that they knew very well what they were undertaking to do. Indeed, last spring the Opposition Members were continuously criticizing the Government about the price of gasoline. And in no less than 26 speeches did they oppose oil price increases. I repeat, Mr. Speaker, this is a sin because they knew very well what they were doing. I cannot trust a Government that acts in such a way.

[*English*]

In his economic and fiscal statement, the Minister of Finance (Mr. Wilson) said, "We must have faith in ourselves and in our country". I agree with that. However, if we are to have faith in the Government, the Government must show it has some heart for the people, for faith comes from the heart. I cannot have faith in the Government because the Government has shown no feeling for Canadians.

[*Translation*]

This is why, Mr. Speaker, I cannot support the Bill as introduced, because the Government has not yet deserved my confidence, and I support the amendment to Bill C-11.

[*English*]

Mr. Les Benjamin (Regina West): Mr. Speaker, I am pleased to take part in this debate for the first time, if for no other reason than to be of assistance, aid and comfort to the Government and to assist the Progressive Conservative Party.

The point we have been trying to make is not necessarily NDP policy. We are not asking for NDP programs to be implemented. We are asking the Government and Progressive Conservative Party Members to do what they demanded in Parliament all along and fought for, I must say to their credit, with some success. In the summer of 1982 they fought the government on a borrowing Bill on excellent grounds. We were pleased to support the Progressive Conservative Party in the summer of 1982 on this very same subject. We are only trying to be helpful. I do not understand why Conservative Members are not applauding our assistance. I do not understand why they cannot rise in the House and say that we have had enough of the old Liberal style of borrowing Bills drafted by the same old bureaucrats and that the new Government will put in place the changes it promised on September 4 by changing the way the Government requests borrowing. However, we are getting the same thing the Liberals gave us at least twice in the last few years.

• (1750)

There was strenuous opposition to the methods being used by the then Liberal government on the part of members of the Progressive Conservative Party and members of the New Democratic Party. In order to implement its own policies and remain true to the excellent battle it fought in June and July 1982, all the Conservative Government needs to do is what the opposition Parties succeeded in forcing the then Liberal Government into doing in 1982. It should delete $16 billion from this Bill, because that is the amount of money that is to be borrowed for the fiscal year 1985-86 which does not begin until April 1.

I do not know of anyone who would ask to borrow money he or she would not need for another four and a half months. I do not know of anyone who would lend money to someone who asked for that. Why does the Government want to have the authority to borrow money at least four and a half months before it will need it?

I have been reading *Hansard* from 1982. I believe one of the best quotes in *Hansard* comes from the Right Hon. Member for Yellowhead (Mr. Clark). As reported on page 19454 of *Hansard*, he said:

That is an affront to this Parliament. No banker outside of these walls who deals with a businessman or businesswoman, large or small, would grant a line of credit to a financially crippled business that refuses to provide projections of its cash flows. No banker would do this, yet that is what this Government is asking the House of Commons to do.

The Government has not told us what its cash flows will be between now and the end of March and it certainly will not have the foggiest idea what those cash flows will be in the next fiscal year until a budget is brought in and the taxpayers know what the tax regimes will be. In any event, *Hansard* of those days makes excellent reading. It is the one time when most

speeches made by Conservative Members were really worth reading.

I hope that Conservative Members appreciate that we are trying to be helpful to them. All we have done is to move the same motion that was moved by the Right Hon. Member for Yellowhead in July, 1982. I thought that that would be appreciated by my hon. friends in the Progressive Conservative Party.

We can support the borrowing of $5.3 billion for the rest of the fiscal year. We can even go along with the borrowing of $2 billion for a cushion to take care of any unforeseen happenings, whether it be an emergency with the Canadian dollar or emergency spending for other things that might occur between now and the end of March. We find that acceptable. However, to ask us to approve the borrowing of $16 billion before we are even into the next year, is, as the Right Hon. Member said in 1982, an affront to Parliament.

The Government is trying to cut the deficit. Of course, when it cuts the deficit, it increases unemployment. This means that deficit cutting is the Government's first priority, although "jobs, jobs, jobs" is a first priority as well. That outfit over there has more first priorities than any outfit I have ever seen.

I would like to quote the words of someone who is not a member of the NDP who supports the arguments we have made since this Parliament started. Dr. Harold Chorney is a professor at the University of Concordia and I like what he has said because I used words to the same effect during the Throne Speech debate. It is nice to see these words reiterated by an economist. My information reads:

> Chorney's study says "the current debate about the deficit seems to ignore the lessons of the 1930s".

Do you remember, Mr. Speaker, how R.B. Bennett, Mackenzie King and that breed of cats from the 1930s harped at us, at Parliament and the people of Canada? It goes on:

> Then, as now, the cry was to reduce deficits, restore "sound public finance" and let the private sector promote economic recovery. Then, as now, this policy was doomed to fail."

The current policy is doomed to fail just as the policy of the 1930s failed. If the Government wants to cut the deficit, it has to take measures which include additional borrowings starting now. If the Government can reduce the unemployment rate from 11.5 per cent to 7 per cent or 7.5 per cent, it can wipe out the $34 billion deficit over a period of three and a half years. That is all the Government need do. If it wants to get rid of the deficit, that is the route to go.

If the Government were to ask Parliament for borrowing authority in order to create jobs, put businessmen back into business and workers back to work, these people would be paying income tax, and that would liquidate the borrowings. The Government would be accomplishing the objective that all of us in this House want. However, it has its priorities reversed.

If the Minister of Finance (Mr. Wilson), the Minister in charge of CMHC and other Ministers had completed an across-Canada survey of what housing projects are in the works that can be started sooner than otherwise planned, we could borrow now whatever our share of the cost would be. This could be done in order to advance programs, whether they be senior citizens' programs, co-operative programs, public programs or any private housing programs in which federal authorities may be involved. We could canvass all of the municipalities in Canada. We could ask what works are in progress that could be advanced and speeded up. We could borrow whatever money is required for the federal cost-sharing responsibility now and get those projects started.

If you could give me another 60 seconds, Mr. Speaker, I would call it six o'clock. I would be happy if you could do that.

The Acting Speaker (Mr. Paproski): I regret that the Hon. Member's time has expired.

Mr. Riis: Mr. Speaker, I rise on a point of order. I am certain that with the unanimous consent of the House, my hon. colleague could complete his remarks.

The Acting Speaker (Mr. Paproski): Is there such unanimous consent?

Some Hon. Members: Agreed.

Some Hon. Members: No.

The Acting Speaker (Mr. Paproski): I hear a "No". I regret to inform the Hon. Member that there is not uanimous consent.

Mr. Riis: Mr. Speaker, I rise on a point of order. I would like to use this moment to move, seconded by the Hon. Member for Humboldt-Lake Centre (Mr. Althouse):

> That the Hon. Member for Lincoln (Mr. Martin) now be heard.

The Acting Speaker (Mr. Paproski): Standing Order 33 does not apply in this case. I regret but it is six o'clock.

[*Translation*]

It being six o'clock, this House stands adjourned until tomorrow at eleven o'clock a.m., pursuant to Standing Order 2(1).

At 6 o'clock the House adjourned.

HOUSE OF COMMONS

Thursday, December 6, 1984

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1984-85 (No. 2)

MEASURE TO ENACT

The House resumed from Wednesday, December 5, consideration of the motion of Mrs. McDougall that Bill C-11, an Act to provide borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs; and the amendment thereto of Mr. Riis (p. 694).

Mr. Speaker: The question is on the amendment. The Hon. Member for Cape Breton-East Richmond (Mr. Dingwall).

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, I am happy to participate in this debate and to lend my support to the amendment which has been put forward. In reading through the Bill, I am somewhat surprised if not annoyed that the Conservative Government would put such a Bill before the Parliament of Canada. In fact, when government Members were on this side of the House, they argued for a considerable amount of time to the effect that when borrowing Bills come before Parliament, they ought to be clear.

Part I of this particular Bill requests a certain sum of money and Part II requests an additional sum of money. Part II of the Bill is not clear. It is not clear why that money is being requested. In fact, there has been no budget although it could be argued that the statement made by the Minister of Finance (Mr. Wilson) was in fact a mini-budget. However, the Government has chosen to call it an economic statement and not a budget.

The Government is now asking the Parliament of Canada to approve expenditures which are in the billions of dollars, including approximately $16 billion for fiscal year 1985-86. However, we have yet to learn what it wants to spend that money on.

Government Members said during the election campaign that their major priority was jobs. Unfortunately for the 1.5 million unemployed Canadians, the rhetoric that was used during the campaign has not been put into action either in the Throne Speech or indeed in the economic statement. Instead, we have seen a great many economic cuts affecting all areas of Canada and particularly the poorer regions of Canada.

I find it to be a bit hypocritical, if you will, Mr. Speaker, for Conservative Members who are now in a position of power to say to the people of Canada: "We want $16 billion but we are not going to tell you what we are going to do with it". They are not telling us what they are going to do with it with regard to employment and employment opportunities. We have heard the Minister of Employment and Immigration (Miss MacDonald) talk about an economic employment strategy, and indeed that strategy was alluded to by the Minister of Finance. Yet we have not seen any signs to tell us what it will comprise.

Government Members have not put before Parliament any measures that would be of some assistance to young Canadians. They have not put any package of legislation before the House to assist women or minority groups with regard to employment opportunities. What are they prepared to do with the $16 billion that they are requesting from Parliament?

Perhaps the argument can be made that the money they are requesting is not going to be directed toward job creation or social programs. Perhaps it will be directed toward the private sector by providing more tax concessions to businesses. In theory, there is nothing wrong with tax incentives and with providing financial assistance to private sector companies which, we would hope, would create employment.

• (1110)

Just yesterday, the Canadian Manufacturers' Association released a survey which indicated that for the month of October production had decreased substantially and unemployment had increased. The private sector, as alluded to by the Government, will not resolve unilaterally all the evils of unemployment. Government must assist. Government must be an active player. We have received the complete opposite from this Government.

There used to be some red Tories, but they have been overcome by the blue tidal wave. What has happened is that programs which were in place for young people, such as the Canada student employment program, have been cancelled. We have a Government which said that consultation was the key, operative word. Were young people consulted with regard to the cancellation of the Canada student employment program? Absolutely not.

The Government talks about consultation. Then it unilaterally moves to cut the deficit by $4.2 billion—and many of those cuts will affect the less fortunate in the country—and indicates that it will study further how the deficit can be reduced, whether by reductions in terms of tax reform, tax incentives or the curtailment of social programs. Yet it has the

audacity to say to Canadians that it is trying to improve investor confidence. That is absolute nonsense. Will investors invest if there is going to be consultation, when the Government unilaterally cuts $4.2 billion and then says that it will have further studies? I suggest that the business community in Canada and abroad will wait until well after a federal Budget is announced. So much for confidence in the private sector. The private sector will wait to see what is the outcome of those discussions. They will wait to see what tax incentives are put in place. They will want to know what the effects of those incentives will be for them as business individuals.

We have a Government which speaks of confidence, but in actual fact it is not restoring confidence. It has increased the lack of confidence by the measures which it has placed before Parliament. I find it very difficult to accept that some of the red Tories who were on this side and who are now in government are allowing the Minister of Regional Industrial Expansion (Mr. Stevens), "Mike the Knife"—the Minister of Finance—and all the right-wingers in the Government to override completely any interests of and concerns for the less fortunate in Canada.

Members opposite laugh, but the 1.5 million unemployed Canadians are not laughing. Statistics Canada has reported that 600,000 young people are unemployed. Three hundred thousand unemployed have given up their desire to look for employment because there are no jobs. It is a human tragedy and this Government has done absolutely nothing to assist. The Government has aided and abetted this tragedy by doing nothing for these people. Instead it has taken direct action to affect those individuals who are the least fortunate in our society.

• (1115)

I would like to know what portion of the $16 billion will be directed towards direct job-creation programs in this country. How much money will be put into the training of young people, women and minority groups in this country? How much money will be put into regional industrial development? The Minister of Regional Industrial Expansion has reduced its budget by $200 million. I will break it down into tier one, the so-called more fortunate area, as opposed to tier four, the less fortunate areas. Tier four has been reduced by 25 per cent whereas tier one has been reduced by 16 per cent. That, Mr. Speaker, is Tory justice.

This Government has an obligation to place before Parliament information which is not readily available to this Parliament but is readily available to it. I very strongly urge Members of the Government to rise in their places and represent their constituents, not the view which has been expounded by the right-wingers, whether they come from Toronto or Washington. This is a Reagan economic policy, Mr. Speaker, which should be abandoned. Parliament ought to have that information before it approves a $16 billion commitment to this Government.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: The question is the following one. Mrs. McDougall, seconded by Mr. Hnatyshyn, moves that Bill C-11, an Act to provide borrowing authority, be now read a second time and referred to the Standing Committee on Finance, Trade and Economic Affairs.

In amendment thereto, Mr. Riis, seconded by Mr. Deans moves that the motion be amended by deleting all the words after the word "That" and substituting the following therefor: "this House holds the opinion that the granting of an authority for the borrowing of a sum greater than the amount which is required to meet the government's needs to the end of the current fiscal year is objectionable in principle and this House therefore declines to give second reading to Bill C-11, an Act to provide borrowing authority."

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

Mr. Deputy Speaker: All those in favour please say yea.

Some Hon. Members: Yea.

Mr. Deputy Speaker: All those opposed please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

The House divided on the amendment (Mr. Riis), which was negatived on the following division:

(*Division No. 4*)

YEAS

Messrs.

Allmand	Garneau	Murphy
Althouse	Gauthier	Nicholson (Miss) (Trinity)
Baker	Gray (Windsor West)	Nunziata
Benjamin	Heap	Nystrom
Blaikie	Isabelle	Orlikow
Boudria	Jewett (Ms.)	Ouellet
Caccia	Keeper	Pépin (Mrs.)
Cassidy	Killens (Mrs.)	Riis
Chrétien	Lapierre	Robichaud
Copps (Ms.)	MacLellan	Rodriguez
de Corneille	Malépart	Rossi
Dingwall	McDonald (Ms.) (Broadview-Greenwood)	Tobin
Finestone (Mrs.)		Waddell—39.
Foster		

NAYS

Messrs.

Andre	Blouin (Mrs.)	Champagne (Champlain)
Beatty	Bouchard	Charest
Belsher	Bourgault (Mrs.)	Clark (Yellowhead)
Bissonnette	Bradley	Clark (Brandon-Souris)
Blackburn (Jonquière)	Browes (Mrs.)	Clinch
Blais	Cadieux	Collins (Mrs.)
Blais-Grenier (Mrs.)	Cardiff	
Blenkarn	Champagne (Mrs.) (Saint-Hyacinthe-Bagot)	

Messrs.

Comeau	Hnatyshyn	Nowlan
Cook	Holtmann	Oberle
Corbett	Horner	O'Neil
Cossitt (Mrs.)	Howie	Paproski
Côté (Lac-Saint-Jean)	Hudon	Pennock
Côté (Langelier)	Jacques (Mrs.)	Peterson
Crofton	James	Pietz
Crombie	Jardine	Plourde
Dantzer	Jelinek	Porter
Darling	Jepson	Price
Daubney	Johnson (Bonavista-Trinity-Conception)	Ravis
de Cotret	Joncas	Redway
Della Noce	Jourdenais	Reid
Desjardins	Kindy	Reimer
Dick	Ladouceur	St-Julien
Domm	Lanthier	Schellenberg (Nanaimo-Alberni)
Dorin	Leblanc	Schellenberger (Wetaskiwin)
Duguay	Lesick	Scowen
Ellis	Lopez	Shields
Epp (Provencher)	MacDonald (Miss) (Kingston and the Islands)	Sparrow (Mrs.)
Fennell	Mailly (Mrs.)	Speyer
Ferland	Malone	Stackhouse
Fontaine	Mantha	Stevens
Forrestall	Marin	Stewart
Fraser	Martin (Mrs.)	Suluk
Fretz	Mayer	Tardif (Mrs.) (Charlesbourg)
Gagnon	Mazankowski	Thacker
Gass	McCain	Toupin
Girard	McCuish	Tremblay (Québec-Est)
Gormley	McDermid	Tupper
Gottselig	McGrath	Turner (Ottawa-Carleton)
Graham	McInnes	Valcourt
Gravel	McKenzie	Vankoughnet
Gray (Bonaventure-Îles-de-la-Madeleine)	McKinnon	Vincent
Greenaway	McKnight	Warner
Grisé	McMillan	Wenman
Gurbin	Merrithew	Wilson (Swift Current-Maple Creek)
Gustafson	Minaker	Winegard
Halliday	Moore	Witer—144.
Hardey	Nicholson (Niagara Falls)	
Harvey	Nielsen	
Hicks		

● (1210)

Mr. Speaker: I declare the amendment lost.

Resuming debate, the Hon. Member for Humboldt-Lake Centre (Mr. Althouse).

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I am rising to speak against the motion of the Government which asks for borrowing authority from this House. The Bill has two parts. It asks for $5.3 billion to cover expenditures which the Government foresees between now and the end of the fiscal year, and it requests an extra $2 billion in case the Government has miscalculated its contingency fund. The Bill further asks for $16 billion for expenditures the Government proposes to make after March 31, 1985.

The point has been made many times about the change in attitude which Members of the Government have now as opposed to the time when they were the Opposition. I can recall the days and days of debate when those Hon. Members would berate the Liberal government for attempting to ask for money from Parliament when the Liberal government had not given the House any indication of how it was intending to spend the money.

We have not had a budget, nor have we had any indication of what the money will be used for after March 31. We believe that the $16 billion is totally uncalled for. We realize that governments from time to time need money because taxes do not come in as fast as expenditures. We are aware that the Government is carrying a deficit somewhere between $30 billion and $35 billion. Most of that deficit it inherited, but it has done very little about it.

The economic statement addressed only the reduction of expenditures. The response to those proposals in the business community seems to have been negative. While they were enthusiastic about the support of cut-backs in the press, when business associations began to survey their memberships they found that they were less optimistic about the future than they were several months ago. The result has been negative. I think it is time the Government began to look elsewhere for solutions to get the economy going.

I would bring to the attention of the Government the positive program which we presented to the electorate in the last election. The electorate in 30 ridings paid some attention to our program. I will reiterate that program, because I do not think Members opposite paid much attention to it. During the election campaign virtually all of our program was eventually picked up by Conservative candidates, with two notable exceptions. I think the key to turning the economy around lies with those two exceptions. One was a made-in-Canada interest policy. That policy would recognize that the Government of Canada does have control over the Bank of Canada, that it sets the guidelines for the economy of the country, and that it can operate an economy which is separate from that of the United States. We attempted to make that point many times during the campaign, but it was not as well picked up as it might have been so I will repeat it now.

First, Canada is not like the United States. Canada has a positive trade balance and has had a very sizeable balance of trade for the past five or six years. Unlike the United States, Canada has a positive savings balance. Canadians save more money than they invest. There are plenty of funds generated within Canada. We do not have to build up interest rates in order to attract outside investment, because there is a surplus of investment funds created here annually. That is quite different from the United States which spends more money in investments than it generates. People in the United States are not good savers and never have been. They do not generate enough funds from within their own territory to meet their investment needs. Canada is quite different. It makes no sense to adopt policies that are consistent with those in the United States. A point that is often overlooked is that Canadian workers are more efficient than American workers. During the last two years worker productivity in Canada has outstripped worker productivity in the United States.

Those are three basic economic indicators which tell us that Canada is a very strong country. Canada has a good basis for beginning an upsurge in the economy. The one thing which is holding it back is our high, restrictive over-burdening interest rates. No consumer is going to increase his purchasing as long

as those interest rates stay high. Home owners are going to be very careful about buying houses. Farmers and small business are going to be very cautious about making future investments. All of those things are absolutely necessary if we are going to get the economy growing and find employment for the 11 per cent of our population who want to work but have no jobs.

● (1220)

The second item which was discussed during the election campaign but is not now being mentioned by the Conservatives who make up the Government is the necessity for a fair taxation system. We recognize that small business is the engine of growth in this country, unlike the United States which relies more heavily on big business. More than 70 per cent of the new jobs created last year were created by small business, so it is vital that the tax system works well for small business.

Because of the shortcomings in the proposal which is before us, Mr. Speaker, I would like to introduce an amendment to the motion. I move, seconded by the Hon. Member for Regina West (Mr. Benjamin):

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

"Bill C-11, an Act to provide borrowing authority, be not now read a second time but that it be read a second time this day six months hence".

The Acting Speaker (Mr. Paproski): Debate is on the amendment to the main motion.

Mr. Maurice Foster (Algoma): Mr. Speaker, I appreciate the opportunity to speak in this important moment in the history of the House of Commons. I want to take this opportunity to speak on the amendment to Bill C-11, an Act to provide borrowing authority. Perhaps the obvious reason for the amendment being put before the House this morning is that this borrowing authority covers more than a one-year period. In fact, it provides over $7 billion of borrowing authority for the next four and a half months of this fiscal year and then provides another $16 billion for the 1985-86 fiscal year.

The Government came to power on a policy of creating jobs and economic activity and suddenly, after it has achieved power, it has changed direction and its overriding preoccupation now is with reducing the deficit. We really do not know what the Government's spending plans to create the economic activity which the Conservatives talked about so much in the past will be. We have not heard any definite plans spelled out as to exactly how this $16 billion plus $7 billion will be spent.

The Bill looks ahead not only to the end of this fiscal year but into the following fiscal year, so we are really considering a period of some 17 or 18 months into the future. The obvious question is, why should Hon. Members on this side of the House, or Hon. Members on the other side, buy a pig in a poke for what amounts to two fiscal years? We must ask ourselves, is the Government really trying to be secretive about this? The marching orders went out as soon as the Cabinet was sworn in on September 18 to hold everything in confidence and to keep everything secret. Soon the edict went out from the Secretary of State for External Affairs (Mr. Clark) that people in his Department were not to talk to the press or to Members of Parliament or to anyone else, socially or otherwise. That edict has been withdrawn but there certainly is still a permeating idea of secrecy which follows right through to Bill C-11 which is before us today.

We really do not know what the Government is going to spend this money on, Mr. Speaker. The cost of ministerial staff has been increased by $140,000 to $400,000 for each Minister. We do not know whether that amount will be increased even more. Perhaps there will be appointed a second chief of staff, in a way similar to American politics. The Cabinet will be further bloated from last summer where there were 29 Ministers of the former Government to 40 Ministers of the present Government. When we leave the House of Commons at night we see those 40 Oldsmobile 98s sitting out in front with their two-way radios and chauffeurs. We do not know whether there is going to be more spending like that.

The Prime Minister (Mr. Mulroney) did us a favour last week, he said, when he told us that the Department of Public Works actually wanted to spend $600,000 on 24 Sussex Drive and he talked them down to $100,000. Although in his view, he has saved us $500,000, we really have to question whether or not some of this $16 billion will be spent on those kinds of things.

The Prime Minister indicated that he is going to pay for his own hot tub and the television satellite dish for his Harrington Lake residence. He also told us last summer that the Parliament of Canada was not going to have to pay for his nanny. However, it developed that we were going to have to pay for the nanny. Further inquiries were made and it was said that the nanny really was not the nanny any longer, she was a maid. When asked about that the explanation was that she was a maid, but a maid who interfaces on a continuing basis with the children. Obviously, sometimes these terms can be switched around. We just wonder whether some part of these funds will ultimately go towards the cost of the hot tub and the television dish. Perhaps the Prime Minister will invoke that prime ministerial provision as he did with the Government JetStars when he was questioned about whether they were being used by Ministers for personal use. He said in a deep voice that they were really sacred instruments of government travel. I can just imagine that if the Government of Canada ends up paying for the hot tub and the television dish, the Prime Minister will probably use his deepest prime ministerial tones at the press conference and say that they are sacred instruments for prime ministerial comfort and titillation.

In any case we have this Bill for borrowing authority of $7 billion for this fiscal year and $16 billion for the coming fiscal year before us. It seems to me, Mr. Speaker, that the difficulty for this Government is that it came to power with many, many promises which it knew, and we knew, and now everyone knows, could not be kept. Instead of going ahead and implementing those promises on an orderly basis, it wants to switch them over to the standing committees of the House or have

consultation with other groups outside the House and we really do not know where the Government is going.

• (1230)

We have in Bill C-7 legislation to implement the tax proposals of the previous government. This Government has brought in legislation from the previous Parliament but it does not seem to want to bring in even the uncontroversial legislation of its own. When a Party gets 211 seats in Parliament it should be able to see that its campaign promises are implemented. There were solemn promises concerning agriculture. Legislation and funding would be provided so that outstanding farm loans, a tremendous handicap to our agricultural producers at interest rates of 16 per cent and 17 per cent, would be written down to current day interest rates. Yet there is no legislation to implement that promise. There is no legislation to implement set-asides such as was done in the United States, or to bring back the special farm financing assistance program of the previous government.

In his economic statement the Minister of Finance (Mr. Wilson) spelled out in pretty good detail what this Government is against, but what we do not know and what this Bill does not provide is which promises made during the election campaign the Government is going to keep. That is why I think the Official Opposition, at least, would like to see this Bill split into two parts, one for this fiscal year and one for the next fiscal year.

Mr. Dan Heap (Spadina): Mr. Speaker, it gives me great pleasure to speak to this Bill, the objectionable part of which says that we are to borrow $16 billion for the year 1985-86 without having any budget in front of us whatsoever. We objected to this from the beginning. The earlier amendment proposed a much more direct sort of remedy, namely simply to split it. We offered that option to the Government. One or two government Members asked us, rhetorically as it were, whether we would accept such a split and we said quite clearly yes, we would. However, there was obviously no move from the government side to consider such a split although that was exactly what the Conservatives asked for and got two years ago when the shoe was on the other foot and they were sitting on the other side of the Speaker.

Therefore, we are asking for a six-month hoist which will give the Government time to do its arithmetic and determine what it wants to use the money for. This is the tradition of Parliament in Britain and Canada. The control of spending by Parliament has been a fundamental cause for which parliamentarians lived and died, and for which a king of England lost his head. He insisted on spending money without authority so they chopped off the head of Charles I. We are not proposing anything so drastic as that, Mr. Speaker. I see the Hon. Member for Rosedale (Mr. Crombie) looking a little anxious! I can assure him we would not want to do anything more over this motion than defeat the Government and have an election.

Mr. Crombie: You did that once, Dan.

Mr. Heap: He would still have his head. We did not do that while I was here, Mr. Speaker, and I would still like to see it.

We really have to oppose this motion. This is the policy that R. B. Bennett tried and which proved utterly disastrous half a century ago. It was a policy of trying to cure a depression by forcing unemployment. What he did was to double the depression; it did not last five years, it lasted 10 years, thanks to R. B. Bennett's policy. Unfortunately, memories are short and apparently members of the Government have not read their Canadian history or talked to their parents about the depression. They do not know that they are doing exactly the same thing that turned a disaster into a double disaster half a century ago.

There have been warnings from financial authorities that even if there has been a short spurt to the economy through international trade, the domestic economy is not picking up. It remains flat. In fact, the spurt in international trade may be turning down again. I wish the members of the Government would heed that warning because their policies failed in the view of ordinary people as well as in the view of economists.

For example, the Government has decided to wipe out 4,000 jobs in the home building industry by cutting $9.6 million from the social housing budget. The subsidy for a unit is in the range of $5,000. Roughly speaking, that will cut out about 1,900 units and about 4,000 jobs in construction and home furnishings. It is accepted in the building trade that each unit means about one job in construction and a little more than one job per year in home furnishings. By cutting $9.6 million from the social housing budget, the Government is wiping out 4,000 jobs when unemployment is already too high. The Government says: Don't worry, just stop eating or tell your constituents to stop eating and probably in a year some more jobs will appear from somewhere when the economy has been stimulated and confidence is restored. In the meantime, confidence is going down the drain and the Government is taking bread and butter off the table of many working people.

This Government is not increasing confidence, Mr. Speaker. Reports of economists show that. The Government has taken another $29.4 million from rehabilitation, probably another 600 jobs. Then there is the money cut from insulation programs. More jobs lost. These are labour-intensive programs which employ people in the cities of Canada where the unemployed are mostly congregated. Those are jobs that could employ people who have known skills. They do not need a retraining program, they are ready to go to work today. But the Government has cut them off. Not only those families suffer, but the tradesmen and merchants who would like to sell to those families suffer as well because these people do not have money to buy the goods.

• (1240)

In the same way, Mr. Speaker, the Government is cutting back on all kinds of social programs. I want to speak particularly about the immigrant settlement adaptation program. The Government provides less than $400 per immigrant for the whole process of getting settled and learning English. That is a

serious hindrance to their settlement in this country. The kind of cuts the Government is making in the budget do not give us any confidence that it will spend the money in the proper way in the coming year. If the Government would show us how it will spend the money, we would be able to decide whether that is what Parliament wants.

Until then, Mr. Speaker, we have to say that without any accounting or budgeting in advance it would be utterly improper for Parliament to vote the Government a blank cheque of $16 billion. That is equivalent to $1,000 or more for every family in Canada. We simply cannot afford to put that money in the hands of untried people who refuse to give us any budget or account.

I would hope that Hon. Members on both sides of the House will consider very seriously the danger of what the Government proposes to do and will support this very sensible and conservative motion that has been put forward by our House Whip.

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, it is a privilege to be able to speak to the amendment on Bill C-11, an Act to provide borrowing authority. To say that this Bill is nebulous gives a completely new definition to the word. We are asked to approve a Bill in two parts. The first part is for $7.3 billion for the fiscal year 1984-85. The second part is for $16 billion for the fiscal year 1985-86.

There are really two parts to the amount that we are being asked to approve for this year. The first part of the $7.3 billion relates to increased expenses of $5.3 billion. The second part is for a $2 billion reserve fund. I think it would be more commonly described as a slush fund.

Why are we being asked to approve this Bill at this particular time? It is mainly because of a statement that has been termed an economic and fiscal statement. It has certainly not been called a budget, yet we are asked in the House to approve this Bill giving authority to borrow a tremendous sum of money. We are asked to give the Government this money blindly on what is produced in that statement without having produced a budget or brought down estimates. Certainly it would be a travesty to the people of Canada, to the House and to Members of Parliament as representatives of the people of Canada to approve this sum of money with the sketchy information that has been provided.

Where is this money going to go? No one has been given any inkling of what the Government plans to do. Certainly the Government has not given us any information in its election promises. Any election promises that have been kept have been purely coincidental. What was said during the election campaign was for the consumption of the Canadian public to be used to forward that Party's platform for the election. It has become increasingly obvious that the Government had no intention of keeping those election promises.

Again I ask, where is this money going to go? What will be the benefit to the Canadian public? Where are the programs that the Government is supposed to have brought forward for the betterment of the Canadian public and the economy, which we have agreed needs attention? Certainly the deficit is important and needs attention. However, what are people going to do, not only in the long-term, which has received some consideration, but in the short-term? How are people going to cope? How is the Government's program going to deal with this very important question? In its economic and fiscal statement the Government said that it is going to cut $200 million from regional development programs. There is nothing to indicate that the Government in any way has any feeling for the low income and unemployed Canadians, let alone any concept of how it is going to attack the very important problem of regional disparity and unemployment in the country. This is not only a lack of policy; it is insensitivity to this very important question.

Where is the energy policy that was promised? During the election campaign the Government Party was not shy in stating what it planned to do. The Minister of Energy, Mines and Resources (Miss Carney) admitted freely prior to the election campaign that she had consulted on various occasions with industry and consumer groups. I think it is paramount that we get some indication of what the energy policy is going to be before we approve this extremely large sum of money. I do not think it is unreasonable; I think it is very responsible and in the interests of the taxpayers of the country that we ask for this six-month extension to consider this Bill and the approval of this sum of money.

The Minister of Energy, Mines and Resources has said that she would like to use the energy policy as an engine for growth. If she does that, this certainly will involve a very considerable and substantial fiscal regime on the part of the Government. What is that fiscal regime going to be? Who is it going to benefit? Frankly, is it going to be sizeable at all and is it going to do what the Minister, the industry, and the people of the country are expecting it to do? We have no indication of this. The Minister herself has said that she cannot make major energy decisions until the world price of oil stabilizes. What is a stabilized world price for oil? Certainly the price has been stable for a month and that is about all anyone can expect from that category. Any conflict in the Middle East could have a tremendous impact on the world price of oil. That is no reason to postpone these major decisions on what the Government will do on this very important question.

The Minister of National Health and Welfare (Mr. Epp) shed crocodile tears when he was Opposition about the needs of Canadians and the people who are disadvantaged. He is now prepared to jettison everything that previous governments have worked for to provide the best health care system in the country in the interest of trying to meet this blind desire to reduce expenditures. This strikes out at those who are the most defenceless in the country and the easiest targets of this blind economic policy which the Government is following. In addition to the blind economic policy, the Government is now asking us to grant this amount of money without our knowing to what use it will be put.

It would be irresponsible for the House to approve this Bill and this sum of money, Mr. Speaker. The Government is

irresponsible and not fulfilling its mandate even to table this Bill at this particular time in view of the sketchy information it has provided. The Government is not only acting irresponsibly, it is acting callously. I think that is a result of an elitist policy which has complete disregard for what Canadians are expecting from the mandate they have given to the Government.

I ask Members of all Parties to vote against this Bill and, particularly, to support the amendment to the Bill of my Party. Surely, with additional time the Government could come forward with at least some of the information we require for considering this Bill. In this six-month period it could at least go through the motions of informing Canadians how this money will be spent.

• (1250)

I submit that my Party has taken a very responsible position which is, frankly, a very moderate position in its amendment. We could have requested a good deal more from the Government in light of its arrogance in requesting the House to approve this Bill in its present form.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I also rise on behalf of the people in my riding to call upon the Government to rethink its stand with respect to this Bill for at least the six-month period in question. I ask the Government to reconsider its current position with respect to the borrowing of billions of Canadian taxpayers' money without providing Parliament with the tools we need to carry out our job.

I know that there is extreme concern not only in my riding but in the community of Hamilton about the fulfilment of promises made by the Government, particularly those made by the Prime Minister (Mr. Mulroney) with respect to the issue of steel import quotas. Members will no doubt be aware that during the election battles throughout the country we heard many flowery promises from the Prime Minister. In fact, he assured the people of my riding in a letter which he wrote to them that when he became Prime Minister he would do everything in his power to ensure that the Canadian steel market or the right of Canadian steel products to enter the United States was not infringed upon by quotas or other measures that would be in violation of GATT.

However, like so many other promises, the Prime Minister has disappointed and indeed disgusted the people of Hamilton East. I questioned the Prime Minister about this issue in the House earlier this week. His response was not one of a serious parliamentarian or head of state with respect to an issue of international importance and with international repercussions. Instead, it was a flip answer that was an attempt to castigate the present position taken by the Liberal Party that the Government must go to the President of the United States and insist that the labelling provisions which are a violation of GATT be withdrawn immediately or we will be prepared to take retaliatory measures.

The Prime Minister talked about retaliatory rhetoric. I want to inform the Prime Minister that there are hundreds of people in my riding and thousands throughout Hamilton who are facing a very bleak Christmas. Almost a thousand people have already been laid off. Some have received notice that they will be laid off by the end of January unless there is an upturn in steel production. One can imagine the kind of Christmas those constituents are awaiting. I rose in the House on behalf of those constituents of Hamilton East to ask the Prime Minister what stance the Government is prepared to take with respect to the negotiations with the Congress and the President of the United States. He simply replied with a laugh and a snarky rhetorical remark. Such a response by our Prime Minister to a serious question is not acceptable. It is not the kind of answer the people in my riding would have expected from the Prime Minister, particularly when they are facing serious job dislocation.

My colleagues and I have been extremely disappointed that the Government has chosen not to seize the opportunity it has been given as a result of its unprecedented mandate. Instead, it is spending most of its time raking the muck in search of stories and innuendos about the past history of former Liberal Ministers, including the current Leader of the Opposition (Mr. Turner).

I believe the Right Hon. Leader of the Opposition said it best in Toronto last night when he asked if members of the Government did not realize that they have won the election and that, as of September 4, the Prime Minister and his Party was given a massive mandate by the people of Canada. Does he not realize that the election is over? He is no longer campaigning; he is in Parliament and the people of Canada are looking to him and the Government to provide leadership in the area of job creation and job protection.

As a Member who represents literally thousands of steel workers, I find it completely unacceptable for the Prime Minister to be unaware that the current tariff barriers being imposed by the U.S. Congress with respect to the labelling issue are a violation of GATT. Furthermore, he is unable to stand in his place in the House and tell Canadians that he is doing everything in his power to personally ensure the protection of Canadian steel jobs, as he promised during the election. While this issue is of particular importance to people in my riding, the Minister for International Trade (Mr. Kelleher) should also have a special interest in this issue. His constituents in Sault Ste. Marie are not looking to the Government for laughs and stand-up comicry; they are looking for leadership.

My colleague, the Hon. Member for Cape Breton-The Sydneys (Mr. MacLellan), also spoke on this very serious issue. He is looking to the Government for leadership with respect to the steel industry in Nova Scotia. I find it unacceptable for the Government to ask for billions of dollars of unprecedented borrowing authority into the fiscal year of 1985-86 while the Prime Minister sloughs off such a serious question as the steel labelling issue.

When members of the Government are considering this amendment to delay the borrowing Bill for at least six months, they should recognize that they are also safeguarding their parliamentary privileges by insisting that the Prime Minister and the Cabinet come clean not only with Parliament but with

their own caucus. For example, this is true with respect to Government decisions in such areas as CMHC. There is a very disturbing article on the front page of *The Globe and Mail*. The very existence of Canada Mortgage and Housing Corporation is at stake. At the same time, there is no action on the part of the Government or no attempt to inform Canadians that the Government's role in housing will not be wiped out as a result of its cost-cutting measures.

The people of Canada are frightened. They voted in the Government with a massive mandate for change. However, what they have received is government by secrecy, government by Cabinet and political commissar directives and government by centralization within the office of the Prime Minister and the Deputy Prime Minister (Mr. Nielsen).

I would venture to say that Conservative Members of the House will have just as much difficulty when they go to committee to seek information on issues which interest them and when they try to determine where the Government will make its cuts. At the moment there is a veil of uncertainty which is hanging over Canadians. It is hanging over the steel workers in Hamilton. It is hanging over single parents in Toronto who are trying to find adequate housing and, in some cases, wondering where they will get their next meal. This uncertainty is facing steel workers in Sydney.

I believe that these people would say that it is unacceptable comportment for the Prime Minister to laugh and slough off serious questions from the Opposition each day in Question Period. I believe that the people of Canada deserve more. The Government has been given a mandate and I plead with the Prime Minister to take a strong personal stand with respect to the steel labelling provision so that the steel workers of Hamilton can spend Christmas in the knowledge that their jobs will not be on the line.

It is a serious issue which should not be treated comically by the Government. It is an issue that affects the lives and economy not only of the steel workers but those in the automobile industry. These industries are interrelated and many sectors in our economy are waiting to see if the Prime Minister will provide leadership or simply scrape and bow to his American counterpart in the White House.

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

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

THE CENSUS

USEFULNESS OF DETAILED DATA ON ETHNIC COMPOSITION OF POPULATION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, last week at a sitting of the Standing Committee on Labour, Manpower and Immigration, I pointed out to the Minister of Employment and Immigration (Miss MacDonald) that cancelling the 1986 census would have a negative impact on our immigrants.

When the Minister replied that she failed to see how this cutback could be harmful, I suggested that she consult the principal users of StatsCan data, namely, our federal departments and agencies.

In fact, in a study ordered by StatsCan in 1982 to identify data requirements, principal users asked that collecting detailed data on ethnic non-native groups be maintained on a five-yearly basis, since the Canadian Charter of Rights and Freedoms provides for the preservation and development of the multicultural heritage of Canadians. It is therefore official policy to help minority groups participate fully in the social, cultural and political life of this country.

Special programs exist for this purpose, and only the census can provide detailed information on the ethnic composition of the population.

The Minister would therefore do well to reconsider her position on the census.

* * *

[*English*]

THE ADMINISTRATION

GOVERNMENT APPOINTMENTS

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, it is time Canadians got some answers from the Prime Minister (Mr. Mulroney) concerning his patronage appointments.

Last summer we saw an appalling rash of appointments requested by a retiring Mr. Trudeau being accepted by the new Liberal Leader (Mr. Turner) who said that "he had no option" but to accept Mr. Trudeau's wishes. The Conservative Leader lectured the Prime Minister of the day, saying: "You made those appointments and you have to bear the odious responsibility for them". We all know how dearly the Liberals paid for those pork barrel jobs. He added: "It would take the people of Manicouagan working until the end of their days to pay the salaries of those appointments".

Last July the Tory Leader said: "We are going to remove . . . patronage positions from automatic politics". Last August he said that a Conservative Government would submit appointments for key policy positions to a House committee

for review. It is now December and such a committee is nowhere in sight.

Now, it seems, the Prime Minister is playing the old Liberal game. He has recently begun to appoint loyalists and party "bag-men" to high-paying positions of public service. Since the people of Manicouagan are paying for the "Trudeau-Turner" pact, I wonder who the PM thinks will pay for his latest binge.

Prime Ministerial appointments must be reviewed by the House of Commons. In this new age of "accountable" government, I call on the Prime Minister to introduce immediately his proposal for such a review.

* * *

AGRICULTURE

CALL FOR AGRI-BOND PROGRAM AND FINANCIAL COUNSELLING SERVICES

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, I rise today to bring to the attention of this House the serious financial crisis in agriculture. Canadian farmers are facing severe financial difficulty as a result of heavy debt loads, high interest rates, and low commodity and livestock prices. The drought last summer in western Canada has left many farmers with their backs to the wall. Across Canada the latest Farm Credit Corporation statistics indicate that 17 per cent of Canadian farmers are in severe financial stress, with a further 7 per cent under moderate stress.

I would urge my Government to make financial counselling services available to farmers to assist them in their negotiations with lending institutions, in order to arrange special repayment terms for viable farmers suffering temporary financial difficulties. This move would provide relief in the short term. I would further urge my Government to provide assistance in the long term by introducing an agri-bond program to provide long-term, low interest financing for the agricultural community.

With a famine situation throughout much of the Third World, I urge my Government to make financial assistance for the primary food producers in Canada and the preservation of the family farm a high priority item.

* * *

NATIONAL ENERGY BOARD

REJECTION OF NATURAL GAS EXPORT PROPOSAL

Mr. Paul Gagnon (Calgary North): Mr. Speaker, the Canadian economy has lost an infusion of $120 million. I refer to the recent National Energy Board decision rejecting the export of natural gas over a two-year period. The National Energy Board rejected this proposal because the price of the gas was less than the Toronto citygate price.

The proposed export at Emerson, Manitoba, is 1,200 miles closer to the source than Toronto. As an analogy, Mr. Speaker, if automobiles could not be exported from Oakville or from

Windsor at a price lower than the price in Winnipeg, not many, if any, would be exported.

We urge the Government to rescind this obsolete and ridiculous benchmark as soon as possible. This would give the ailing Canadian economy a much needed $120 million infusion, $120 million worth of jobs and taxes.

* * *

PUBLIC SERVICE

EMPLOYEE PARKING RATES

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, the Government has been threatening and harassing public servants ever since it was sworn into office. Thousands of people are being laid off. The Government is breaking its promises to the general population, and especially to its public servants.

Not content with cutting jobs and creating havoc everywhere, it now appears that the Government will be increasing parking rates for public servants to an amount between $80 and $125 per month. Many government employees working at low wages are my constituents, who have to drive several miles to work using the inadequate Queensway, a courtesy of our provincial Tory Government, only to arrive on the job to be hit a double whammy by the Minister of Finance (Mr. Wilson) and his friend, the Minister of Public Works (Mr. La Salle). Tory times are hard times, especially for our public servants, but they will remember this Government when the next election comes.

* * *

HOUSING

AVAILABILITY OF PUBLIC HOUSING

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, over the course of the last few years, many Canadians have lost their homes as a result of very high interest rates. We noted with interest that neither the Conservative Party in opposition, nor the Liberal Party in government, was prepared to move to assist those individuals, and for them there was no abundant supply of public housing into which to move.

Since his election to the House of Commons the Prime Minister (Mr. Mulroney) has sold his home in Montreal for a handsome profit, and has moved three times from one public house into the next.

Just yesterday the Leader of the Official Opposition (Mr. Turner) chose to follow suit, selling his home in Toronto for a handsome profit, only to move into public housing, not the normal kind of public housing, public housing for which you pay no rent, public housing that requires absolutely no outlay on behalf of either of these gentlemen. When you weigh up what they have done over and against what happened to thousands of Canadians in the last five years, the question really is: Where is the justice?

S.O. 21

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

LONG DISTANCE TELEPHONE SERVICE APPLICATION—EFFECT ON SASKATCHEWAN RESIDENTS

Mr. John Gormley (The Battlefords-Meadow Lake): Mr. Speaker, a recent federal-provincial study shows that the Province of Saskatchewan would be the biggest loser if new companies are allowed to compete for long distance telephone service in Canada. According to the study, additional competition for long distance would drain off revenues and force the basic rates for local telephone service in rural Saskatchewan to triple in some areas.

Because of Saskatchewan's diverse land and relatively sparse population, our provincial phone company, Sask Tel, relies on long distance revenues to provide local phone service at reasonable rates. If this long distance revenue were to be lost, it might force hundreds of subscribers in Saskatchewan to give up their telephone service. Because of this, I believe that the CRTC should not allow competing long distance service by CNCP, and I urge Hon. Members to follow the wishes of thousands of Saskatchewan citizens who are indeed concerned.

* * *

DISARMAMENT

GLOBAL MILITARY EXPENDITURES—CALL FOR PARLIAMENTARY FOCUS

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, in the 90 seconds allowed a Member of Parliament for an opening statement, 45 children die from lack of food and medical supplies in underdeveloped parts of the world. In the same 90 seconds, over $2 million is spent on the world's military budget. Obviously if even a fraction of that amount were devoted to preserving life, many of these children would survive. The fault for this mistaken priority does not lie just with the superpowers. Six countries which could not meet their debt obligations in 1981 had spent over $1 billion each on arms imports during the previous five years. Of the world's 114 third world countries, 56 have military Governments.

• (1410)

To many Canadians there seems to be very little that we can do about it. That makes many of us turn all of our attention to purely national, regional, and local concerns. However, arousing the world's consciousness is vital if these disastrous priorities are to be reversed. That is something Canadians can do, especially those of us in this House. In the thirty-second Parliament an impressively large number of references to arms reduction were made by individual Members, but the same cannot be said for Parliament as a whole. Of the 591 days that Parliament sat, only two were devoted by the House as a whole to this critical challenge.

MEMBERS OF PARLIAMENT

ACCUSATIONS MADE BY MR. ROBINSON

Mr. John Nunziata (York South-Weston): Mr. Speaker, I rise to express my indignation regarding the cruel and irresponsible character assassination of Mr. Robert Foulkes and Mr. Fred Rayer by the Hon. Member for Burnaby (Mr. Robinson).

Some Hon. Members: Hear, hear!

Mr. Nunziata: To make specious, unsubstantiated, and slanderous allegations about two individuals, behind the cloak of parliamentary immunity, is a shameless and cowardly act. Parliamentary immunity is a privilege of the highest order and when a Member abuses that privilege in such a cavalier fashion, it casts—

Mr. Speaker: With great regret I interrupt the Hon. Member to indicate that the Member is verging on attacking another Member's use of parliamentary privilege personally. The issue of parliamentary privilege is a very careful issue. I therefore seek the Hon. Member's co-operation, in furthering the statement, to limit his concern to the issue of parliamentary privilege without personally attacking any other Hon. Member of the House.

Mr. Nunziata: Parliamentary immunity is a privilege of the highest order, and when a Member abuses that privilege in a cavalier fashion it casts a shadowy cloud on the integrity of each and every one of us. The purpose of parliamentary immunity is to encourage frank and full discussion, not to besmirch reputations by making capricious and ill advised statements.

The Hon. Member's inexcusable accusations have caused irreparable damage, and bring this House of Parliament into disrepute. The Member, and indeed the New Democratic Party, should hang their heads in shame. How can those self-righteous, hypocritical New Democrats—

Mr. Speaker: Order, please. It does not matter one's Party. What does matter is the question of parliamentary privilege of all Members of the House. The use of the word "shame" with regard to a particular Member is out of order, I suggest. Does the Hon. Member wish to complete his statement?

Mr. Nunziata: It is unfortunate that the two individuals in question did not have that same privilege.

Mr. Speaker: Order. I am in very great difficulty on this question. I hope Hon. Members will understand that I am. It is a very difficult situation to raise during a statement, in terms of raising a question about another Member's use of a privilege that pertains, through long standing traditions, to the rights of all Members. It is not, therefore, one that I will allow, with respect, to be continued at this time, pending some further review of the precedents on the matter by myself,

again with great respect to the Member and his concern for the issue.

The Hon. Member for Kamloops-Shuswap.

* * *

CANADA MORTGAGE AND HOUSING CORPORATION

PLIGHT OF LOGAN LAKE AREA RESIDENTS IN BRITISH COLUMBIA

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, a few weeks ago Teck Corporation closed down its Highmont Mines operation in the Highland Valley of British Columbia. As a result of that closure 450 families find themselves living in a resource town and holding lengthy mortgages with no chance of resale. To counter this problem, CMCH had entered into an agreement with Highmont Corporation, called the resource industry guarantee. Naturally, the residents of Logan Lake are anxious to receive copies of the guarantee to see what rights they have at this point.

CMHC officials have continuously stonewalled the request of residents and the Member of Parliament who has made requests on their behalf. I urge the Minister of Labour (Mr. McKnight), who is responsible for CMHC, to intervene in this situation to ensure that public servants actually are public servants and start to serve the residents of the Logan Lake area by making this resource industry guarantee available to them.

ORAL QUESTION PERIOD

[*Translation*]

FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

REQUEST FOR DETAILS OF UMBRELLA AGREEMENT ON ECONOMIC DEVELOPMENT OF QUEBEC

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, according to the *Journal de Montréal*, it seems an umbrella agreement on the economic development of the Province of Quebec will soon be signed with that Province. My question is therefore directed to the Acting Prime Minister.

He is no doubt aware of the fact that we had a similar agreement from 1974 to 1984, under which one billion dollars was paid, and that only this spring, we were about to sign an agreement with Mr. Parizeau and Mr. Léonard, who have now resigned from the provincial Cabinet. According to our policy, $224 million were earmarked for regional development this year. I would like to know first of all, whether the agreement in question is to be signed this week or the week after, and second, whether it is true that only $100 million will be made available to the Province of Quebec over the next ten years.

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Prime Minister is in Quebec today having discussions with Premier Lévesque in an effort to rebuild and restore real federal-provincial co-operation in this country. I would not reject the idea that that might be one of the items on their agenda for discussion, but I would suggest to the hon. gentleman that he await the Prime Minister's return next Tuesday, at which time he can put the question to him. I am sure the Prime Minister will be glad to answer all questions with respect to the outcome of his restoration of federal-provincial relations with all provincial Governments.

EXPENDITURES IN PROVINCE OF QUEBEC

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, when you speak about the restoration, the whole concept of these economic and regional development agreements was the creation of the preceding Government. Many were signed before the unfortunate event of September 4, 1984. That is history. I will now go to the Minister of Regional Industrial Development, his Parliamentary Secretary, or the Acting Minister.

Since $1 billion was spent in the Province of Quebec under the last agreement, without speaking of the specific agreement for the Gaspésie—I see the Minister is arriving—which was something like—

[*Translation*]

—one half billion over fifteen years.

[*English*]

As well, of course, there were the La Prade monies and the monies of the Industrial and Regional Development Program. Is this really a substantial cut-back in the amounts that will be spent in the Province of Quebec over the next 10 years?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member, I am sure he will be pleased to learn that the IRDA that we are negotiating with the Province of Quebec covers only five years through to 1990, but basically it will reflect, through subagreements, funding that is very comparable to the historical amounts in the 10 years previous to 1984.

NATURE OF FUNDING BY FEDERAL GOVERNMENT

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, will the Minister assure this House that the five year agreement to which he makes reference, and not the ten year agreement which has been reported, will not contain any part of the Industrial and Regional Development Program monies, which are a program apart, and will not contain any part of the La Prade funds, the Bell Helicopter project, or the Pratt and Whitney project, but in fact will be purely new monies devoted to regional development in the province, and not any

part of the Gaspé monies, $260 million also devoted to that particular area of Quebec?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, unfortunately the Hon. Member is always living in the past. I can assure him that what we have been discussing with Quebec is new money. In addition, Quebec and ourselves feel that we should look at all the ongoing programs, whether they have been committed, allocated, or whether it is new money. The IRDA agreement does cover a ten year period. What I am saying is, following out of that IRDA agreement, we anticipate sub agreements which will have a five year period. That is where the funding will be set out.

* * *

• (1420)

[*Translation*]

ENERGY

INQUIRY WHETHER LA PRADE FUND REMAINS IN ESTIMATES OF DEPARTMENT OF ENERGY, MINES AND RESOURCES

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, in the absence of the President of the Treasury Board, my question is directed to the Minister of Energy, Mines and Resources.

I would like to ask the Minister whether the La Prade Fund which has been part of the Estimates of the Department of Energy, Mines and Resources for many years and on which we have spent over $50 million, will continue to be included in the Estimates of the Department of Energy, Mines and Resources, as indicated recently by the President of the Treasury Board, who said that the La Prade Fund still existed. Is the Fund still under the control of the Department of Energy, Mines and Resources?

[*English*]

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, as far as I am aware, the La Prade Fund is not in my Estimates any more than it was in the Estimates of my colleague when he held my post.

EXISTENCE OF FUND QUERIED

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, my supplementary question is directed to the Deputy Prime Minister. How can the Minister say that there is no La Prade Fund when the President of the Treasury Board, while making a statement three weeks ago in Victoriaville, said that the La Prade Fund was to be maintained and used in a different fashion? Can the Deputy Prime Minister tell the House who is telling the truth? Is it the Minister of Energy, Mines and Resources who said there is no such fund, or is it the President of the Treasury Board who, in Victoriaville, said that there is such a fund?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, perhaps I can throw some light on the issue raised by the Hon. Member. The La Prade Fund never shows up in any Estimates of any Department. It was used as a political patronage slush fund by the Liberal administration at the time it was in office.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order.

* * *

NUCLEAR ARMAMENTS

NUCLEAR FREEZE PROPOSAL

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my question is for the Secretary of State for External Affairs. The Secretary of State has said that Canada will continue to vote "No" on the question of a nuclear weapons freeze at the United Nations. He has also said that even though six NATO countries and two ANZUS countries have supported the freeze or have abstained from the vote, now is not the time, as he said yesterday, for Canada to "act independently" on the nuclear freeze question. I would ask, independently of whom?

Given the fact that Canadians support a freeze, that the U.S. House of Representatives supports a freeze, and that the Soviet Union supports a freeze, is the Secretary of State in fact saying that Canada will not act independently of the Reagan administration?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, perhaps the word I should have used yesterday was "eccentrically". Canada does not intend to act eccentrically, which I am sure the Hon. Member finds distasteful.

Ms. Jewett: Mr. Speaker, that is about as eccentric an answer as I have ever heard.

CANADIAN POSITION

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, in view of the fact that the Secretary of State is in effect dismissing and, indeed, denigrating the positions taken by friends of ours in NATO, at the United Nations, and in ANZUS, will he not reconsider his decision to follow so eccentrically the Reagan administration's line? In addition, will he take some action at home? For example, might he not assure us that the refitted Shearwater naval base will not be used by Trident submarines? Will he assure us that the—

Mr. Speaker: Order.

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, we are taking a position which we believe is in the interests of Canada and in the interests of contributing to steady progress toward disarmament and peace

in the world. We are doing that in the belief, which we think is widely supported in the country, that one of the most effective ways for Canada to contribute to a reduction of the arms buildup is both to maintain our credibility with the Soviet Union by being a nation that does not put aside the values that we hold deeply, as well as retain our influence with our allies in the North Atlantic Treaty Organization.

Ms. Jewett: We don't have any.

Mr. Clark (Yellowhead): The Hon. Member may have no influence with NATO. This Government has, and we intend to keep it.

MINISTER'S POSITION

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, will the Secretary of State not admit that he is denigrating our allies who want to vote for the freeze? Will he not admit that he is denigrating their positions? Will he not also admit that the vast majority of the Canadian public want Canada to support a nuclear freeze?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, first, of course, I am not denigrating the positions of others. They are free to take their positions based upon their judgments—

Ms. Jewett: Are we not free?

Mr. Clark (Yellowhead): —as we are free to take our positions based upon judgments. We have taken a decision as the Government of Canada that it is in the interests of Canadian citizens interested in peace that we encourage the process which has now been resumed at Geneva, encouraging the superpowers to come together to seek agreement on how we can begin to scale down the arms buildup. That is the most important development in the last several months. For Canada to throw a spanner into that process would be irresponsible and counterproductive.

Some Hon. Members: Hear, hear!

* * *

THE CONSTITUTION

UNILINGUAL QUEBEC TRAFFIC TICKET APPEAL

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is directed to the Minister of Justice. Yesterday the Minister confirmed that the Conservative Government will oppose Duncan MacDonald's position before the Supreme Court that he has the right to be summoned in English to the Quebec courts. This goes contrary to the position taken by previous Governments in the Forest case, the Blaikie Johnson case, and Jones' case. It is an interpretation of Section 133 of the British North America Act that has never before been agreed to.

Who approved of the position taken by the Government and of the factum? Did the Minister approve of it, did the Cabinet approve of it, or did the Prime Minister approve of it?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the hon. gentleman should know about that. He was part of the Government when it was approved.

Let me try to put the Hon. Member's mind at ease. There is quite a difference between this case and, for example, the Bilodeau case from Manitoba. The issue in the Bilodeau case was not the language of the traffic ticket as such, but was that the enabling law that authorized it was adopted in English only and was therefore invalid. In this particular case the issue is not whether or not the substantive law that authorizes the traffic ticket was valid, because that law was enacted in both English and French. The question is whether or not the summons itself is valid because it was written in French only. It is a different issue from those in the previous cases.

FEDERAL GOVERNMENT'S FACTUM

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, the Minister is not answering the question. Of course it is a different issue. It is the first time that this issue will be interpreted. The Conservative Government has put a factum before the Supreme Court, and I have the factum right here, stating that Anglophones in Quebec do not have the right to receive their court summonses in English. I ask the Minister, who approved that position? I would suggest to him that it would be better to withdraw his intervention before the Supreme Court and say nothing at all rather than take that position.

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, if the hon. gentleman has read the factum—

Mr. Allmand: I have the factum right here.

Mr. Crosbie: Then he is ahead of me since I have not read the factum.

* * *

EMPLOYMENT

EFFECT OF MILITARY EXPENDITURES ON CREATION OF JOBS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is for the Minister of Employment and Immigration and concerns jobs. I am sure the Minister is aware that a Pentagon committee is on tour of seven cities in this country seeking contracts for the American military, and that this Pentagon committee has been organized and funded by the federal Government that sits across the way. Is the Minister aware of recent American studies that show it costs between two and three times as much to create a job through military

spending as it does through almost any other sector of the economy?

Hon. Flora MacDonald (Minister of Employment and Immigration): No, Mr. Speaker, I am not aware of those reports to which the Hon. Member refers, but I can tell him that we are indeed interested in creating jobs in this country, and that will remain our key priority.

• (1430)

REQUEST THAT MINISTER MAKE REPRESENTATIONS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my supplementary question is directed to the same Minister. I wonder if the Minister might tell her friends in the Pentagon that we in Canada are more interested in civilian contracts which produce between two and three times as many jobs as does spending in the military sector.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I will certainly be glad to tell our friends in the United States. I am glad to hear that the Hon. Member, is at least one of his Party, who has recognized that we have friends in the United States. Many of them do not make that recognition. But I will be glad to tell the Americans and others in other countries that we are very interested in having them help us create jobs in Canada. That was part of the whole approach that we took in the immigration policy to bring entrepreneurs to this country.

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CANADIAN WHEAT BOARD

AVAILABILITY OF FEED BARLEY

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, my question is directed to the Hon. Minister of State for the Canadian Wheat Board. I have had numerous telephone calls from constituents in the past few days regarding the availability of feed barley for the livestock feeding industry. The Minister will be aware that the Canadian Wheat Board is no longer providing feed barley under the formula price. Can he assure the House that there will be an adequate supply of feed barley from outside the Canadian Wheat Board stocks? If not, is he prepared to move to make Canadian Wheat Board stocks available?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member raises an interesting question. As of the end of last week the Board stopped supplying at the formula price because it was below the initial price. With regard to stocks, there is some concern. There are considerable stocks held in the private trade. The Board has indicated that it will be issuing permits, bearing in mind that there are domestic supplies which can move to meet the demand, and that corn comes in freely. Might I also say that this is not a new feed grains policy, but this simply points out that the present one certainly needs to be revised.

HOUSE OF COMMONS

PRESENCE IN GALLERY OF HON. LARRY R. SHABEN, MINISTER OF HOUSING OF ALBERTA

Mr. Speaker: May I advise Members of the presence in our gallery today of the Hon. Larry R. Shaben, Minister of Housing in the Alberta Legislature.

Some Hon. Members: Hear, hear!

* * *

NORTH ATLANTIC TREATY ORGANIZATION

CANADIAN CONTRIBUTION

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I would like to direct a question to the Acting Minister of National Defence. In today's media the Minister of National Defence was quoted as saying that Canada is going to boost its air strength in NATO when the new CF-18 fighter aircraft replaces the CF-104 in the next year. He also talked about adding six new patrol frigates to the Canadian Navy. When making such statements, was the Minister simply not making several promises to our NATO allies that were based on commitments which had already been made, and were under way, by the previous Government?

Hon. George Hees (Minister of Veterans Affairs): Mr. Speaker, I am sure that when the Minister made the statements referred to by the Hon. Member he was making them in good faith and in good knowledge of what the Government intends to do. I feel sure he will assure the Hon. Member when he returns that he will do what he is saying he is going to do on behalf of the Government of Canada.

PROMISES MADE TO NATO

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, my supplementary question is directed to the same Acting Minister. What new promises is he aware of that the Minister has made to NATO? Indeed, has he as yet obtained the money from the Minister of Finance, who has already robbed him of $154 million, to proceed with the commitments which he has made and which are new to the system?

Hon. George Hees (Minister of Veterans Affairs): Mr. Speaker, we, in our Cabinet, unlike those in the previous Cabinet, talk to each other very, very frequently on a very confidential basis. But, on this particular occasion the Hon. Minister of National Defence has not been in touch with me in the very short time since he made this very good statement. So, I am not aware of the exact words which he used, but I can assure the Hon. Member that what he said makes a very great deal of sense.

PUBLIC SERVICE

VISIBLE MINORITY EMPLOYEES

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, in the absence of the President of the Treasury Board I would like to direct my question to the Deputy Prime Minister. Would he tell this House why the enumeration of visible minority members in the Public Service, which was announced on June 27, 1983, as a prerequisite for the implementation of affirmative action in the Public Service, has not been completed by the Treasury Board as it should have been by now?

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the President of the Treasury Board is unavoidably absent due to an unforeseen commitment which came up at the last minute. I will take the Hon. Member's question as notice and ensure that the President of the Treasury Board communicates with him.

REPORTED POSTPONEMENT OF ENUMERATION

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, it has been suggested that Treasury Board has requested a postponement of the enumeration until 1986. In view of the great concern among visible minority members throughout the country, will the Deputy Prime Minister, on behalf of his Government, assure us that such an extensive postponement will not be approved and that the enumeration will take place as quickly as possible in the new year?

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I will convey the representation made by the hon. gentleman to the President of the Treasury Board who, I am sure, will be in touch with him.

* * *

ENVIRONMENTAL AFFAIRS

STORAGE OF LETHAL GASES

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Minister of the Environment. Yesterday she indicated that the Quebec commission for health and safety is monitoring Union Carbide factories in that province for safety and prevention. I would ask the Minister today, considering the number of lethal gases which are stored in Canada, whether she has contacted her provincial counterparts, or the respective provincial authorities, on this matter? If she has done so, what assurance has she received with respect to the prevention of similar tragedies in our country?

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I have not done so.

TRANSPORTATION OF LETHAL GASES

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, that is distressing and disappointing. I would then ask the Minister if she has spoken to her colleague, the Minister of Transport, to seek his assurance that the regulations governing the transportation of lethal gases are in place, so as to protect nearby communities, and what assurances she has received from him?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I have every confidence in the administrative skills of my colleague, the Minister of Transport.

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[*English*]

CANADA MORTGAGE AND HOUSING CORPORATION

REQUEST FOR MINISTERIAL ASSURANCE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Minister responsible for housing. In view of the fact that the Minister will be meeting tomorrow with his provincial counterparts, and in light of recent press reports about the possible demise of CMHC, can he assure Canadians that the federal Government will continue to play the lead role in maintaining social housing, insuring of mortgages, and the CMHC inspection of every house with a mortgage which is going to be insured by CMHC?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, I can assure the Hon. Member that, when I meet with my provincial counterparts, we will make every effort to give to Canadians, in the most cost-efficient and meaningful way possible, the housing which is so necessary for those who are in need.

PRIVATIZATION PROPOSAL

Ms. Sheila Copps (Hamilton East): Mr. Speaker, will the Minister today categorically repudiate the Clark Government's Matthews Report which recommended the privatization of CMHC, the cancellation of federal involvement in mortgage insurance and the cancellation of public housing, co-op housing, non-profit housing and residential rehabilitation, in favour of other programs? Will he repudiate the Matthews Report?

Hon. Bill McKnight (Minister of Labour): Mr. Speaker, the sound and the phooey of the Hon. Member surprise me. I would tell her that we in this Government are taking action and studying programs. We are not relying on input which may be confined within this caucus or within the House of Commons. I am meeting with my counterparts. We are seeking and reviewing all documentation and studies which have been done in the past. We will continue to do that. I can assure you, Mr. Speaker, that we will make every effort, as I said before, to give to the people of Canada the best and most efficient housing we can, within the fiscal restraints under which we operate.

● (1440)

AUDITOR GENERAL

PETRO-CANADA PURCHASE OF PETROFINA—ACCESS TO DOCUMENTS

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. Given the fact that her Deputy Minister today told the Public Accounts Committee that there is a document in the Minister's Department concerning the PetroCan takeover of Petrofina, which the Privy Council directed not be revealed to the Auditor General of Canada, and given the fact that the Auditor General said that he had received cabinet documents from the Clark, Trudeau, Turner and the present Governments, will the Minister tell this House whom we should believe, herself or her Deputy Minister? And if we are to believe her Deputy Minister, will the Minister make this document public to the Auditor General?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I really wish the Hon. Member would get his facts straight. The Deputy Minister told the Public Accounts Committee that the only document of which he is aware does not relate to the purchase of Petrofina. It is a document which relates to the setting up of the Canadian ownership charge which, in effect, was the bank account for the acquisition. It had nothing to do with the acquisition of Petrofina.

As I have assured the House, my Department tells me that we do not have these documents at all and I, therefore, cannot table them.

TAKEOVER DETAILS

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my supplementary question is directed to the Deputy Prime Minister. Since the former President of Petrofina a few moments ago told the media that no one from the federal Government or Petro-Canada asked details of Petrofina's assets before this incredible takeover, would the Government stop stonewalling, stop this charade, and make it possible for the Auditor General—

Mr. Clark (Yellowhead): You supported the takeover.

Mr. Mazankowski: Make up your mind.

Mr. Waddell: —for the good of the people of Canada to get a look at the books concerning this takeover?

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the hon. gentleman, as well as all Hon. Members of the House, have heard the Prime Minister say repeatedly this week that it is his intention, and the intention of this Government, to assist the Auditor General in every legal way possible in order for him to achieve—

Mr. Waddell: Would that make the documents available?

Mr. Nielsen: —his audit responsibilities under the Act. He is doing that in an admirable way—

Mr. Waddell: He is not.

Mr. Nielsen: Indeed, there is an article today where the Auditor General is quoted as saying: "I have had his"—that is the Prime Minister's—"personal assurances that we are trying to find a solution to this problem". "And", said the Auditor General, "I believe him . . . I think he's sincere", Dye told reporters. I wish the Hon. Member would accept that sincerity of the Prime Minister and of the Government.

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MEDICAL CARE

USER FEES AND PREMIUMS

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. The National Anti-Poverty Organization issued a report entitled *No Care Medicare* which documents the barriers which user fees, premiums, and opting out represent to the poor they are seeking adequate medical care. I wonder if the Minister is familiar with this document. If he is, would he tell the House what he is prepared to do about it?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I would like to say to the Hon. Member that I am aware of the report entitled, *No Care Medicare*, which I have in my hand. I will be meeting with the association tomorrow.

REQUEST FOR FEDERAL-PROVINCIAL MEETING

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I wonder if the Minister of National Health and Welfare would care to acknowledge to this House that user fees, premiums, and opting out constitute a barrier to the poor for adequate medical care. Would the Minister also meet with his provincial counterparts with respect to removing this barrier so that universality in medicare is not breached?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member will recall that the Canada Health Act was passed in the previous Parliament and that this Party supported the thrust of that Act. I also want to indicate to the Hon. Member that, with respect to provinces which have premiums, there are also exemptions so that people who cannot pay those premiums will still receive health care. I would also like to indicate to the Hon. Member that the Canada Health Act specifically has a bar against anyone not being eligible for health care, that is, anyone can have health care despite the fact that premiums might not have been paid.

Ms. Copps: What about British Columbia?

ENERGY

HIBERNIA OILFIELD—ENVIRONMENTAL IMPACT STUDY

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. The Minister knows that on several occasions, in fact on four occasions over the last two weeks, the Prime Minister has confirmed in this House that his Government has received a copy of the environmental assessment impact study conducted by Mobil Oil on the Hibernia development. The Minister knows as well that the Prime Minister, on her behalf, has undertaken to table that document. To date the document has not been tabled. Will the Minister tell us when Members of the house will have a chance to study that document?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the Prime Minister committed to table the document if we had one. He said that when we received the document we would table it in the House, which of course we will. We do not have the environmental impact statement to which the Hon. Member referred. We have some working copies but we have not received, nor will we accept, a formal environmental impact statement until such time as Newfoundland decides the mode of development.

COMPLETION OF STUDY DOCUMENT

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, will the Minister of Energy, Mines and Resources at least explain to this House why the Prime Minister—and I invite the Minister to read *Hansard*—clearly said on four occasions that the Government has a copy of the document and undertook to table it? Why does the Minister now say she has a working document but will refuse to receive the whole document? What has this Government, in a deal with the Government of Newfoundland, been trying to hide for six months? What is being hidden?

Mr. Hnatyshyn: We have only been in power for three months. How can we hide it for six months?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, with respect, I still maintain correctly that I do not have this document. I will table it when we do have it. I will be glad to do that.

Ms. Copps: The Prime Minister is lying?

Miss Carney: What we did was to agree to postpone the completion of an environmental impact assessment until such time as we decide on the mode of development.

Mr. Tobin: It is finished.

Miss Carney: The Hon. Member says it is finished. How can one finish an environmental impact assessment if one does not know how one is going to drill for the oil?

Some Hon. Members: Hear, hear!

AIRPORTS

AUTOMOBILE RENTAL POLICY

Mr. Simon de Jong (Regina East): Mr. Speaker, my question is directed to the Minister of Transport. There is some suspicion that the Minister's car rental policy at airports is politically influenced.

Some Hon. Members: Oh, oh!

Mr. de Jong: The Minister has accepted all of the major regulation changes asked for by Budget Rent-a-Car, which is represented by a prominent Conservative lawyer, while refusing to make any changes which would prevent a Canadian company from being destroyed.

Mr. Clark (Yellowhead): Another Svend Robinson.

Mr. de Jong: Will the Minister postpone tomorrow's deadline for bidding, and refer the whole matter to the transport committee?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, the Hon. Member's statement is a bunch of malarkey. The fact of the matter is that there is a policy in effect. There have been some minor modifications to that policy. There is provision to encourage Canadian bidders.

With respect to the Holiday Rent-a-Car situation, the Member knows very well that over the last two weeks the Department of Transport and, indeed, my office, have worked in exploring a number of possibilities which would, hopefully, satisfy some of the problems affecting Holiday Rent-a-Car. The problem is that Holiday Rent-a-Car wishes to rewrite the policy to suit its own terms, and that would be unfair to all the other potential bidders.

Mr. de Jong: Mr. Speaker, all we have been getting for the last weeks is yo-yoing around and stonewalling.

REQUEST FOR COMMITTEE HEARING

Mr. Simon de Jong (Regina East): Mr. Speaker, all we are asking the Minister of Transport for is open decision-making and a chance for a small Canadian company like Holiday Rent-a-Car to have access to the market and not be excluded because of government regulations.

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

Mr. de Jong: Mr. Speaker, I would ask the Minister to please allow this matter to be dealt with in an open transport committee hearing. What is he afraid of, and what is he trying to hide? Open it up.

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, this Minister is not afraid of anything.

Some Hon. Members: Hear, hear!

Mr. Mazankowski: This whole policy has been discussed and formulated in the most open fashion possible. I want to assure the Hon. Member, and other Members as well, that there is nothing in this policy that prevents Holiday from tendering providing they fulfil their obligations consistent with the policy.

* * *

• (1450)

MEDICAL RESEARCH

COUNCIL'S SHORTAGE OF FUNDS

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, my question is for the Minister of National Health and Welfare. As the Minister knows, the Medical Research Council is facing a $3 million short-fall in its budget next year. Without this money many very important research projects currently underway will be discontinued. In the Toronto area alone some $5 million to $6 millions worth of medical research could be affected. Will the Minister take corrective action to rectify the situation which, I might add, was caused by the previous Government?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I would like to make one correction to the Member's question. It is not a question of $3 million but, rather, $30 million. I would like to indicate to the House that the base of the funding for the Medical Research Council two years ago was at roughly $115 million and is now at $128 million. There was a five-year plan two years ago through which an additional $20 million was placed above the base. Last year there was an additional $30 million placed above the base. Unfortunately, Mr. Speaker, 1985-86 was never looked at by the former Government with regard to whether it should be put in the base or how it should be funded.

* * *

[*Translation*]

THE CENSUS

NECESSITY TO HAVE ETHNIC COMPOSITION AND CITIZENSHIP DATA

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is directed to the Hon. Minister of Justice.

In a StatsCan report of November 3, 1982 on the census, we read as follows: "Under the Constitution, the Government is obliged to preserve and develop the multicultural heritage of Canadians. It is essential to have data available on ethnic composition and citizenship of Canadian residents."

Does the Minister agree that the proposal to cancel the 1986 census may go counter to Section 15 of the Canadian Charter of Rights and Freedoms, and what does he intend to do, as the guardian of this Charter?

[*English*]

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): I am not in agreement, Mr. Speaker, so I do not propose to do anything.

[*Translation*]

INQUIRY WHY GOVERNMENT WISHES TO CANCEL 1986 CENSUS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my supplementary is directed to the Minister of Supply and Services.

My question is again concerned with the census and census data. Could the Minister of Supply and Services inform the House why the census should be cancelled when today, the user list for this service includes the department responsible for multiculturalism, the Minister's own department, and also included the Hon. Member himself when he was in the Opposition?

[*English*]

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, I would remind the Hon. Member that the decennial census every 10 years will carry on. In between the census periods there are polling techniques used by Statistics Canada to obtain information. There are administrative records and a whole lot of ways in which we can gather the data necessary to satisfy constitutional and other requirements of government. As the Prime Minister indicated to the Hon. Member, the question is being looked at. We have made a commitment to gather the necessary data to satisfy all the needs, in the most cost-effective method possible. We are looking at that, and as soon as we have laid out those details the Hon. Member will be the first to know.

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EXTERNAL AFFAIRS

OFFER TO SUPPLY MILITARY AIRCRAFT TO TURKEY

Mr. Derek Blackburn (Brant): Mr. Speaker, my question is for the Secretary of State for External Affairs. Is the Government still planning on giving those 20 CF-104 Starfighter jets to Turkey in view of the fact that the Turkish air force has demanded upgrading of the airframes, overhauls of the engines, and new paint jobs at a cost of close to $40 million to the Canadian taxpayer before it might consider accepting the gift?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I must say that that is a good question, and I will look into it.

REQUEST THAT REPORTED OFFER BE WITHDRAWN

Mr. Derek Blackburn (Brant): Mr. Speaker, when he finds out the facts, will the Secretary of State for External Affairs

promise the House that the gift will not go ahead under any circumstances, in view of the potentially explosive environment in that part of the Mediterranean?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, I am not going to make any kind of commitment until I have had a chance to look into the allegations that the Hon. Member has made. When I have had a chance to do that I will make an announcement in the House of Commons, or reply to a question.

I regret that the Hon. Member is inadvertently exciting false fears about tensions in the region. I repeat what I said yesterday that, naturally, the Government of Canada would not go ahead with that transaction if it would increase tension in the area, whether by supplying those aircraft to Turkey or to Greece, and they have been offered to both.

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FISHERIES

MEMBERSHIP OF ATLANTIC SALMON ADVISORY COUNCIL

Mr. Lawrence I. O'Neil (Cape Breton Highlands-Canso): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. In his absence perhaps the Parliamentary Secretary could respond.

On Tuesday evening representatives of Nova Scotia's Licensed Commercial Salmon Fishermen appeared before the Standing Committee on Fisheries and Forestry. I was shocked to learn from these people that no licensed commercial salmon fisherman sits on the Atlantic Salmon Advisory Council. Can the Parliamentary Secretary tell us how this situation arose, and what he intends to do about it?

Mr. Mel Gass (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, I would like to thank the Member for the question. It was on Tuesday night that the Commercial Salmon Fishermen from Nova Scotia appeared before the Standing Committee. One of the recommendations that they made was that in fact there should be a licensed commercial fisherman on the board. However, I understand that the Nova Scotia Licensed Commercial Salmon Fishermen have only recently been formed and they were not an association when the advisory board was set up. Had they been, it might have been appropriate that they were members. As a consequence of the meeting, the Minister is looking into the terms of reference of the advisory board, and is looking toward making changes or adding more members to the board.

[*Translation*]

SOCIAL SECURITY

LA RÉGIE DES RENTES DU QUÉBEC—CANADA PENSION PLAN—INJUSTICE TO PUBLIC SERVANTS IN NATIONAL CAPITAL REGION

Mr. Gaston Isabelle (Hull-Aylmer): Mr. Speaker, my question is directed to the Minister of National Health and Welfare.

I am sure the Minister is aware of the fact that the Government of what used to be la belle province has changed the regulations for the Régie des rentes du Québec and lowered the pensionable age to 60, provided the individual is no longer on the labour market and agrees to a certain penalty, a decision that affects thousands of public servants in the Ottawa-Hull region. If an Ontario resident works all his life on the Quebec side, he is eligible for benefits under the Régie des rentes du Québec, while a Quebec resident who has worked all his life in Ottawa or Ontario is eligible only for benefits under the Canada Pension Plan which does not operate in the same manner as the Régie des rentes du Québec in this respect.

I therefore wish to ask the Minister whether he intends to meet with his provincial counterpart to try to correct a situation that is unfair to thousands of public servants and employees living in the National Capital region.

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I did not get the entire question.

Mr. Speaker: The Hon. Member for Humboldt-Lake Centre.

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DISASTERS

ASSISTANCE FOR FLOOD STRICKEN FARMERS IN NORTHEASTERN SASKATCHEWAN

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, my question is for the Minister of State responsible for the Canadian Wheat Board, who speaks for the Minister of Agriculture in his absence. During the election the Premier of Saskatchewan and a number of Progressive Conservative candidates promised the flooded-out farmers in northeastern Saskatchewan that they would get $3 federal for every $1 provincial if a Conservative Government was elected. Has that promise been implemented? Is the sharing arrangement between the federal and provincial Governments, in cases of disaster, now $3 for every $1 that the province puts up?

• (1500)

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Minister of Agriculture is presently in Manitoba speaking with farm groups. The issue that the Hon. Member raises regarding flood assistance to northern

Saskatchewan is under consideration on the basis of upholding our campaign commitments, many of which have already been upheld as far as the agriculture sector is concerned. Mr. Speaker, I could spend the rest of the afternoon outlining the promises that we have upheld and I know the Hon. Member would want me to continue, but I see you shaking your head, so I will sit down.

Mr. Speaker: Thank you.

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CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Wednesday, December 5, meet the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

MANPOWER

TABLING OF CONSULTATION PAPER ON TRAINING

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, pursuant to the provisions of Standing Order 46(2), I am tabling in both official languages two copies of a consultation paper on training.

* * *

Mr. McGrath: I rise on a point of order, Mr. Speaker. I am waiting for the usual House business question. It has not arisen yet so I am wondering if the House Leader can tell us what the business is for tomorrow and the rest of next week.

Some Hon. Members: Oh, oh!

Mr. Speaker: All that proves is that the longer you have been here, the sneakier you can get! I sense that there is an understanding that the House business question is to be deferred slightly. I am prepared to hear the question now or just accept that there is an understanding and we are going to move to Statements by Ministers.

Mr. Gray (Windsor West): Mr. Speaker, I just want to confirm that your understanding is correct. The House Leaders are going to meet after Routine Proceedings, after which we are going to come in and ask the indulgence of the Speaker so I can ask the traditional Thursday question. I appreciate the assistance of the Hon. Member for St. John's East (Mr. McGrath), but I think he should use the opportunity he has behind the curtains to talk about this to his House Leader.

INTERNATIONAL CIVIL AVIATION ORGANIZATION

MOTION COMMEMORATING FORTIETH ANNIVERSARY OF FOUNDING

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, tomorrow is the fortieth anniversary of the founding of the International Civil Aviation Organization. ICAO has gained the respect of the world community as a model of international co-operation and harmony. It is an example of how well the United Nations system can work. The fact that ICAO headquarters is located in Canada is a source of pride to all Canadians.

With unanimous consent, Sir, I would like to move the following motion:

[*Translation*]

That this House note that December 7, 1984 marks the fortieth anniversary of the signing in Chicago of the Convention on International Civil Aviation and congratulates the International Civil Aviation Organization (ICAO) for its outstanding achievements in developing safe and efficient civil aviation throughout the world.

[*English*]

Mr. Speaker: The introduction of such a motion requires unanimous consent. Is there unanimous consent for the introduction of the motion?

Some Hon. Members: Agreed.

Mr. Les Benjamin (Regina West): Mr. Speaker, we fully agree with the Minister's statement and welcome his motion. It is not only an example of how UN agencies can work, it is concrete evidence for member nations to use in similar commitments in other UN agencies and in the UN itself.

If you have had the privilege of flying westbound from Europe to Canada, Mr. Speaker, crossing the awesome ice cap of Greenland, it is comforting to know that navigational aids to which Canada contributed $800,000 under the 1956 agreement are in place in Greenland, Iceland and the Faroe Islands. That is an example of working together internationally which needs to be followed. The legal work of ICAO has resolved differences in national codes of law that would have otherwise handicapped international air operations.

Now is the time, Mr. Speaker, to transfer the example of ICAO in the United Nations to the number one priority for the UN and all humankind, for peace, disarmament and non-participation in the nuclear madness. Without all of that, all else, including the magnificent work of ICAO, will go for naught.

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): I want to join with the Secretary of State for External Affairs (Mr. Clark) and the hon. gentleman to my left in stating the appreciation of the Liberal Party of Canada for the work of ICAO during its 40 years of existence. I think the Minister's motion is appropriate. We only have to reflect back a few months to the unfortunate Korean Airlines flight 007 incident to recognize that in today's world it is important that organizations such as ICAO, under the auspices of the United

Nations, are able to speak for all people everywhere in a non-partisan manner so as to assure the safety of passengers, no matter where they fly or on what airline, irrespective of geo-political differences.

Therefore I, too, would like to join in congratulating ICAO on its excellent work. I share the Minister's pride in that that organization has seen fit to continue its good work based in Canada and I urge all Members to endorse the Minister's motion.

Mr. Speaker: Is the House prepared to adopt the motion?

Some Hon. Members: Agreed.

Motion (Mr. Clark, Yellowhead) agreed to.

Mr. Speaker: The Hon. Member for Regina West (Mr. Benjamin) now wishes to rise on the motion?

Mr. Benjamin: Mr. Speaker, I believe that under the rules we can briefly ask the Minister questions on his statement. That is what I wish to do.

Mr. Speaker: There is also a tradition that we do these things in the context of equal time. We have exceeded equal time at this point. Does the Hon. Member have one question perhaps?

Mr. Benjamin: Mr. Speaker, if it is not already happening, is consideration being given to using the auspices of ICAO to marshal cargo and passenger aircraft in the international community for the transport of aid such as food and medical supplies as well as to aid workers into the drought areas of Africa?

Mr. Clark (Yellowhead): Mr. Speaker, when the Hon. Member spoke he very properly made reference to the importance of international, particularly United Nations, organizations, of which ICAO is a stirring example. He will know that as a result of the initiative of the Secretary General of the UN, Mr. Perez de Cuellar, there has been the establishment of a co-ordinating agency in the UN to bring together, as much as is possible, the efforts of countries interested in responding to the crisis in Ethiopia. I can only assume, and it is an assumption, not an affirmation, that as part of that international co-ordination work the auspices of ICAO are being used. If not, certainly we recommend that they be.

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PETITIONS

REDUCTION IN POSTAL SERVICE

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, I would like to present to the House a petition from the residents of Riverside, Albert County, in my constituency who are protesting the proposal by Canada Post to reduce office hours from 40 hours a week to 30 hours a week. I hope the Government will take this petition seriously and ensure that the already depleted standard of service is not further reduced.

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, the following question will be answered today: Nos. 13 and 40.

[*Text*]

DEPARTMENT OF FISHERIES AND OCEANS LAWYERS

Question No. 13—**Mr. Howie:**

How many lawyers are employed by the Department of Fisheries and Oceans?

Mr. Mel Gass (Parliamentary Secretary to Minister of Fisheries and Oceans): There are four lawyers assigned to the Department of Fisheries and Oceans from the Department of Justice.

ROYAL COMMISSION ON THE ECONOMIC UNION AND DEVELOPMENT PROSPECTS FOR CANADA

Question No. 40—**Mr. Howie:**

To date, what was the total cost of the Royal Commission on the Economic Union and Development Prospects for Canada and what is the estimated total cost of the Commission?

Mr. Len Gustafson (Parliamentary Secretary to Prime Minister): The total cost for the period of November 5, 1982 to October 31, 1984 was $13,971,363. It is estimated that the total cost of the Commission will be between $19,500,000 and $20,000,000.

[*Translation*]

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

Mr. Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

● (1510)

GOVERNMENT ORDERS

[*Translation*]

BORROWING AUTHORITY ACT, 1984-85 (No. 2)

MEASURE TO ENACT

The House resumed consideration of the motion of Mrs. McDougall that Bill C-11, an Act to provide borrowing authority, be read the second time and referred to the Standing

Committee on Finance, Trade and Economic Affairs; and the amendment thereto of Mr. Althouse (p. 948).

Mr. Speaker: The Hon. Member for Hamilton East (Ms. Copps) has the floor.

Ms. Sheila Copps (Hamilton East): Thank you, Mr. Speaker. I would like to continue the debate started this morning. Am I in order?

Mr. Speaker: I am informed by the Clerk that the Hon. Member's time has expired.

Ms. Copps: This morning, I was told by the Chair that I still had two minutes.

Mr. Speaker: I am sorry, but the Clerk at the Table tells me that the Hon. Member's time had already expired.

[*English*]

Mr. Deans: Mr. Speaker, I rise on a point of order. Without contradicting anything that has been said, the Acting Speaker told me personally, prior to one o'clock when he was leaving the Chamber, that the Hon. Member had three minutes left.

Mr. Speaker: Would the Hon. Member be trying to drive a wedge between the Acting Speaker and the Speaker? That would be an achievement, in context!

Some Hon. Members: Oh, oh!

Mr. Speaker: I am advised, according to the book, that the Hon. Member started at 12.50. Is that correct?

Ms. Copps: Mr. Speaker, I do not want to make an international incident out of this but it seems to me that if the Acting Speaker advised myself and the Hon. Member for Hamilton Mountain (Mr. Deans) that I had minutes remaining, I am not sure which takes precedence, the Acting Speaker or the Clerk.

Mr. Speaker: The clock takes precedence. However, may I suggest a resolution to this matter? Would the House consent to hear the Hon. Member for Hamilton East (Ms. Coops) for two more minutes, by unanimous consent?

Some Hon. Members: Agreed.

Mr. Speaker: I thank the House for its courtesy to myself, the Acting Speaker and the Hon. Member for Hamilton East.

[*Translation*]

Ms. Copps: Mr. Speaker, I shall be very brief. I merely wish to add my voice to those Hon. Members who have already expressed their support for the amendment asking the Government to postpone borrowing these billions of dollars for at least six months. If we look at the situation in the steel industry in my riding, we see that the Prime Minister has as yet failed to react to the urgings of the Liberal Party to take a tougher stand at meetings with the U.S. Administration.

The House is aware that this Government and its Prime Minister have received a very clear mandate from the Canadian people, and it is now their responsibility to show Canadians it is the boss and that it is going to do everything in its power to create thousands of jobs. However, in the riding of Hamilton-East there are many jobs that are going to disappear altogether as a result of the Government's failure to act. I know the Member for Sault Ste. Marie (Mr. Kelleher) is concerned because he has steel mills in his riding, and there are other Members who are also anxious to see this Government and its Prime Minister ask the President of the United States to postpone a decision by Congress to prohibit entry of certain types of steel from Canada into the United States if they are not labelled as to country of origin.

Mr. Speaker, all Canadians have seen the Prime Minister and heard his promises, and they now expect him personally to do what he can to convince the President of the United States.

[*English*]

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I am pleased to participate in this debate on Bill C-11 through which the Government is requesting borrowing authority from this Parliament. Our Party has introduced an amendment requesting that this matter not be dealt with at this time.

Why would a reasonable Party such as the New Democratic Party present such an amendment? Which provisions of the Bill have forced us to introduce a hoisting amendment? Through Bill C-11, the Government has indicated that it needs $5.3 billion to fulfil its commitments to the end of the fiscal year, in March, 1985. We have no difficulty with allowing the Government the authority to borrow that amount. The Government has also indicated, quite correctly, that it requires a cushion of approximately $2 billion for unforeseen circumstances. Again, ours being a reasonable Party, we can understand the request for another $2 billion. Therefore, we believe that the request for $7.3 billion is reasonable.

Mr. Riis: We are reasonable people.

Mr. Rodriguez: We are reasonable people. It is a reasonable proposal. Therefore, we have no difficulty in consenting to that borrowing requirement.

The crux of the argument concerns the Government's request in this Bill for an additional $16 billion.

Mr. Riis: No.

Mr. Rodriguez: Of course not. That $16 billion is for the fiscal year 1985-86. In other words, it is a pig in a poke.

There is a very serious principle involved in this issue. While I might not agree with the Conservative Party and, in fact, have never agreed with them, I have always considered the Conservative Party to be very principled.

The previous Liberal Government introduced Bill C-125 to borrow money into the next fiscal year.

Mr. Riis: The Liberals?

Mr. Rodriguez: The Liberals wanted to. At that time the Conservatives clearly identified their principle. Let me suggest to the young Conservative members here that they should not be influenced by the more experienced practitioners of Tory politics in the House.

Mr. Riis: Why is that?

Mr. Rodriguez: Perhaps those Conservatives have sat opposite the Liberals for too long and have learned that you stand for principle when in opposition but when you become the Government you practise it in the breach more than in the observance.

It really disturbs me to see that these honest young Conservative rookies have been very silent. I want to tell them that they should not let their colleagues in the front benches lead them down the primrose path to unprincipled action in the House. They have been as silent as a tomb at midnight. Have they nothing to say on this principle?

Mr. Riis: I guess not.

Mr. Rodriguez: The Hon. Member says "I guess not". I might remind the Hon. Member who is a Conservative in the front benches to my left—if you can believe that there is a Conservative to my left—that he does not have to look to me for guidance. He has only to look to the Minister of Finance (Mr. Wilson). When he was the finance critic for the Opposition in the last Parliament, during a debate on Bill C-125 in which the principle of borrowing into the next fiscal year was the issue—

Mr. Riis: Did he favour it?

Mr. Rodriguez: No, of course he didn't favour it. These were his remarks which can be of guidance to the neophyte Conservative members who are sitting in the House today silent, thinking it is a big joke. One would think that they would want to get up and participate and ensure that their Party's leadership on the front benches maintain the principle that they stood for in the last Parliament.

• (1520)

Here is what the Conservative finance critic said in the last Parliament on this question: "There is a well established principle that Parliament only provides sufficient borrowing authority to a government to allow it to finance its operations within the current fiscal year". That was the principle and nothing has happened to change that principle. That is a reasonable principle.

There are Conservative members in this House who are prepared to sit and make catcalls from their benches. I welcome them to join in the debate and participate. They ought to be ashamed because every time a principle is breached, the rights of Parliament are trampled on.

As a matter of fact, if the Conservatives are looking for guidance they look to their own elders in the Conservative Party. Let me quote what the Hon. Member for Yellowhead (Mr. Clark) said. He was the former Leader of the Conservative Party. First he said that he was a baseball fan and always recognized when the Liberals ran the former Minister of State for Finance, Mr. Bussières, as a pinch-hitter to introduce a Bill. The Conservatives have run the Hon. Member for St. Paul's (Mrs. McDougall) as their pinch-hitter. The Tories did not put up the Minister of Finance to move this Bill. Here is what the Hon. Member for Yellowhead said: "This is an affront to this Parliament. No banker outside these walls who deals with a businessman or businesswoman, large or small, would grant a line of credit to a financially crippled business that refuses to provide projections of its cash flows". That is a good argument to support the principle on which the Minister of Finance stood for when he was finance critic in the previous Parliament. It is a fine principle and it is a fine argument, Mr. Speaker.

Mr. Blackburn (Brant): He was the Leader of the Party.

Mr. Rodriguez: That is right. He was the Leader of the Official Opposition at the time. We said that was a good principle. We are saying that if any of us went into the bank to ask the bank manager to borrow large amounts of money, we would be asked: "What is it for?" We would say: "We don't know; for anything that might come up". We will not get very far with that loan application. I think the Conservatives in this House owe it to the principled position which they took in the last Parliament to make sure they are not led down the paths of bad practices which we saw developed under the previous Liberal government.

Mr. Riis: What is their excuse?

Mr. Rodriguez: The Member asks what is their excuse. Maybe it is: "I am shy to make a speech in the House". It is only 10 minutes, gentlemen, only 10 minutes. I see the Speaker is telling me "time, gentlemen, please".

Mrs. Sheila Finestone (Mount Royal): I rise, Mr. Speaker, to speak to the motion calling for a six-month delay in the Government's borrowing bill. It seems to me that the people of Canada, and those of my Mount Royal riding, would consider me remiss if I just said "yes" to everything, like some other Members of this House do to what the Government proposes, without having the responsibility to ask for the contract and to read the fine print. We should all read contracts and look at the fine print before we sign a blank cheque.

For example, we have heard a lot of talk about jobs, jobs, jobs, as a priority. We have had no action. We have had lots of cuts, because that is where the action seems to be centered. We have had lots of concern about cutting the deficit and about setting a climate which would incite or invite investment. With all this hyperbole about how the private sector is going to improve working conditions and do the hiring, I want to know where, when, why and how we are going to make up for those thousands and thousands of jobs presently being cut.

I want to bring to the attention of this House the remarks made by the Economic Council of Canada in its twenty-first

annual review of the economy which was released November 27. Let me quote from it:

> Putting Canadians back to work should be the Government's primary concern . . . The unemployment rate is 11.3 per cent.

Mr. David Slater, the Council Chairman, said:

> We must grapple now with the high rate of unemployment because it is a serious economic and social problem.
>
> The deficit, too, needs addressing and the Government has already started bringing it under control. Reducing the Government's debt burden is important, but not sharply and suddenly with a broad axe approach to spending as some other groups would recommend.

Let me add to that "and as this Government seems to have done". The Council urged the Government to steer clear of making deep cuts in federal spending, especially on social programs. It would seem to me the Government has done exactly the opposite. We have been witness to very serious and deep cuts in all aspects of government right across the board.

I will not enumerate the size of those cuts, but I would like to bring to your attention, Mr. Speaker, the impact that has been observed by many different groups within our society. For example, a forecasting firm, Informetrica Limited, estimated that the Government expenditure cuts and increased revenue recovery announced on November 8 by the Minister of Finance (Mr. Wilson) would result in the loss of 12,000 to 31,000 jobs. The Conference Board of Canada, another economic forecasting firm, has estimated that some 15,000 to 20,000 jobs will be lost as a result of the spending cuts.

The Government takes the position that while some jobs will be lost as a result of the decreased expenditure levels, these will be more than offset by the increased business confidence that will result from the cut-backs. I say that would be marvellous if we could be so assured, but we have no such assurance. The simple fact is that people are hungry and they are concerned. They really want to know where their next job is.

At the same time, the Minister of Finance has refused to make public the estimates carried out by his Department on the number of jobs lost as a result of the cut-backs. I think that is irresponsible on his part. Why should we have to wait for outside forecasting companies to tell us what is going to happen? Why should the Minister not be responsible to Canadians and advise them as to the impact and then say that these cuts will be made up by changes in the economic climate and the investment climate? No, Mr. Speaker, that is not what the Minister has said. He has let everybody sit back and worry. I think that is irresponsible.

The Statistics Canada leading indicator released last week indicates that a period of weaker economic growth will begin some time within the next six months. Although that may not be on the Tory calendar, nonetheless that is what is on the Tories' future slate. This does not necessarily point to the onset of a recession, and I do not wish to bring doom and gloom on to the scene, but it does tend to confirm economic forecasts indicating a slowdown in economic growth and continued high unemployment.

In this context, reduced government expenditures are not what is prescribed by the Keynesian school of economic thought and it would not find the Tories' approach very solid. I think the Keynesian school of economic thought and many forecasters in the Economic Council believe that government expenditures should contribute to increased demand in a period of sluggish growth.

• (1530)

To obtain an idea of how women will fare relative to men in the advent of an economic slowdown, it is useful to consider the labour market situation over the past few years. We have seen a participation rate of women of 50.4 per cent in 1980, of 51.7 per cent in 1981 and 1982, and of 52.6 per cent in 1983. Their unemployment rates went up from 8.4 per cent in 1980 to 11.6 per cent in 1983.

This data brings to the fore the fact that during the 1982 recession, women generally fared better than men in the sense that they experienced a lower unemployment rate without any decrease in their participation rate. This tends to contradict the argument that women suffer more unemployment in cyclical downturns because they are not part of the core economy.

For example, it is generally thought that women do not participate in the labour force as consistently as men because they either have to leave the labour market or hold part-time jobs because of the added burden of domestic responsibilities.

Unfortunately, women do not have that luxury today. Women work because they have to. Two incomes are needed to make ends meet. The problem is that they do not accumulate as much job seniority as men and tend to be the first to be fired in economic downturns. That this did not happen in the last recession is because the hardest hit sectors were the primary industries, manufacturing and construction, which have a predominantly male labour force.

Women participate more in the services producing industries. In particular, women are predominant in the community, business and personal services as well as the finance, insurance and real estate sectors. Thus, how women will fare in terms of job opportunities in the coming year depends largely on the performance of these sectors. However, it is difficult to ascertain how the planned cut-backs will affect these sectors relative to the goods producing sectors. In this time of changing technology, it is very important to see what the Government's policy will be and how it will affect these sectors. Only then will I be prepared to see about giving it the kind of blank cheque it wants.

Current unemployment rates for October, 1984, show that women are now experiencing higher unemployment than men, 11.6 per cent for women compared with 9.7 per cent for men. While employment for women increased by 4 per cent between October 1984 and October 1983, the female labour force increased by 4.8 per cent. Neither male employment nor the male labour force are increasing as rapidly. Do I have one more minute? Thank you, Mr. Speaker.

We are translating these percentages into 179,000 more jobs for women and 156,000 more jobs for men between October

1983 and October, 1984. To the extent that the recent cutbacks may affect the services producing industries, women may have to face higher unemployment rates in the future. I would like to be assured that the haemorrhage of job losses, which are predicated by what has happened with government cuts, is going to be controlled. Until we know that, we should not accept the borrowing Bill. We should wait until we see what is behind the blank cheque request.

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, as a candidate in the last election, I could not help but be impressed with the commitment to political honesty and civilized behaviour that was communicated by members of the Conservative Party during that election. I understood that we differed in a number of significant respects that were cited by the Hon. Member sitting before me together with members of the Conservative Party with regard to political philosophy, but I was sure that they shared with me the concern about the cynicism generated by a pattern of hypocrisiy in politics that causes some significant questioning of what all of us share, namely a commitment to serve the Canadian people.

In view of their pronouncements during the election campaign, Members opposite are now faced with a very uncomfortable situation. They are asked to support Bill C-11, which would communicate a strong message of inconsistency, abandonment of principles, a message that constitutes an obvious denial of a point of view which was consistently and vigorously argued upon the introduction by previous Governments of Bill C-125 and Bill C-21.

The essential and proper argument made by the then Leader of the Opposition with respect to Bill C-125, and reiterated in the motion offered by my Party and since rejected, stated then what is obvious now. What is proposed is wrong, objectionable and contravenes parliamentary practice. It is a contradiction of the principle that there should not be borrowing beyond the fiscal year.

It is worth mentioning that because of opposition resistance, the Liberals had a seizure of conscience. On both previous occasions, they withdrew the objectionable Bills. Would the Conservatives want to be seen as less respectful of this House than the Liberals were on those two previous occasions? Would they want to seem less committed to the principle of honesty than the Liberals demonstrated themselves to be on those two previous occasions?

The government Party made a number of promises during the last election campaign, promises which were broken very quickly upon their ascension to government. They broke their promises with respect to Canertech, national parks, and access to information, particularly with regard to the PetroCan takeover of Petrofina. They broke their promises with respect to taxation, research, housing and racial equality. Above all, they promised change. The kind of change they brought about is the change that one experiences on that first cold day of a winter of discontent.

I will cite two examples. With respect to culture, they assured the Canadian people that they would not do anything that would affect culture in Canada in a negative fashion. If one looks at what they propose to do to the cultural mandate of the CBC as it is manifest in the city of Windsor, one finds a classic example of the kind of commitment this Government has to its promises. They propose to cut $2.5 million of an $8.2 million budget for CBET, involving the dismissal of 40 people, chiefly in programming, and the abandonment of a portion of the most lucrative television newsbroadcast in the country in terms of revenue. This was proposed for a community that already experiences significant isolation. This was proposed for a community that requires something to bind it to the rest of the country, something to ensure that its Canadian identity will be continued and reinforced. This was proposed for a community in which Canada's broadcasting system represents a window away from the United States. Fortunately, the Government took pause with respect to that initiative.

• (1540)

On the other hand, if one looks at what has been done to young people, I suppose it would have to be mentioned that government Members promised young people very little. What they have managed to do is to provide less. They claim that they have cut $85 million from Summer Canada, a cut that would account for some 41,000 student jobs. However, they have been misleading even with respect to this claim. The fact of the matter is that the Liberal Government, in two previous fiscal years, devoted first $170 million and then $200 million to providing jobs for some 81,000 young people. This Government has not announced any substitute for that. How can we be reassured by anything that government members might say with respect to the request for borrowing authority for the next fiscal year?

There must indeed be a crisis of conscience being experienced by back-benchers who have not been exposed to the kind of cynicism that being in power generates. It must be terrible for them to have it required of them to abandon principle by seeking Parliament to give what should not have been asked for in the first place. It is time for a catharsis of conscience on the part of the government members. I would ask them to tell their leaders that they have had enough compromise and enough abandonment of principle and that they will not act in a way inconsistent with what they believe. I ask of those Conservative back-benchers who have not been committed to the cynical point of view of their leadership to tell their leaders: "No, we have had enough, we are not going to go along with this kind of abuse". Join with us and with the rest of the Opposition in supporting the hoisting of this Bill.

[*Translation*]

Mr. Lapierre: Mr. Speaker, on a point of order. With only one Minister in the House, I do not think we have a quorum. Could you take a count of the Members?

Mr. Deputy Speaker: We counted twenty Members, including the Speaker. There were twenty Members present at the time the count was taken. So we have a quorum, but only just. The Hon. Member for Shefford (Mr. Lapierre).

Hon. Jean Lapierre (Shefford): —only just, Mr. Speaker. I see that despite the Government's massive majority, there are more Members on our side than on theirs, and I am sure, Mr. Speaker, that you must feel a little uneasy about this.

Mr. Speaker, I am delighted to be able to take part in this debate, and I want to thank my fellow Members for coming to the House in droves to listen to my speech. I would like to take this opportunity to point out to the House that what we are being asked to do in this Bill is, and I am sure those who know something about farming will appreciate this simile, we are being asked to buy a pig in a poke. I see the Parliamentary Secretary to the Minister of Finance (Mr. Lanthier) is here as part of his new duties in Parliament, and I know he is doing so at the behest of the people on the front bench when I see him violate one of the sacred principles so cherished by his fellow Members when they were in the Opposition—

I remember the debate on Bill C-125, when his colleagues claimed they were acting according to their conscience. They had a conscience at the time but they seem to be losing it now they are on the other side of the House. They are mistaken if they think this House is prepared to give them a free rein and let them spend and borrow additional funds, after what they have done to us since the beginning of this session, after the way they have cheated Canadians. Now, after only three months, the people of Canada are starting to realize this!

We saw the results of some polls today, and I think you will agree, Mr. Speaker, that it is a slow process, but after only three months they are already losing the confidence of the people of Canada. Five points, 5 per cent of Canadians have seen through this Government's game, and I am sure this is only the beginning of a general disenchantment. Imagine! Five points in three months! Mr. Speaker, it will not be long before the people of this country, before the majority of Canadians will start looking to this side of the House for other alternatives.

We must discharge our responsibilities while we wait for the next election call, Mr. Speaker, and that includes making sure that public funds are properly spent. In light of the experience we had with the economic statement and the Speech from the Throne, we have lost faith in this government and we simply cannot approve that borrowing authority until the government comes up with some kind of a program.

As you may recall, Mr. Speaker, the government was preaching virtue on the hustings, saying that Canadians would know everything, that the government would be a model of transparency. Well, Mr. Speaker, it has lost some of that transparency since the election and the opening of Parliament.

Economic and regional development is of great concern to me, so I am not prepared to issue a blank cheque. I would just like to know what their plans are before I agree to let them borrow more money. Will this additional money be used for—

[*English*]

—"Flora's hit squad"—

[*Translation*]

Will this additional money be used to pay for the 700-man strong unemployment insurance police squad?

Hopefully not, and I am glad that the Minister of Employment and Immigration (Miss MacDonald) is here, because I do hope those funds will not be used to pay those 700 people whose only goal will be to give a hard time to the most destitute Canadians.

Mr. Speaker, I know that this amendment is aimed at putting off the borrowing authority for six months. I am convinced that the adoption of the amendment will enable all of us, particularly the new Members, to reflect upon what the government has been doing so far. Since the festive season is a good time to make resolutions, I hope they will take that opportunity to resolve at least to keep their promises and not to change course every time the winds shift.

With respect to youths, am I going to let the Minister of State (Youth) (Mrs. Champagne) spend God knows how many billions of dollars on behalf of young people who have no reason to complain as it is? That is what she has been saying. According to her, priority goes to young people who are doing fine. I would certainly be worried if those funds were earmarked for young people who are already fairly well off and who have no problems. I know she is saying to herself: Let us forget about the 15 per cent of those who are in a bind because there will be economic fall-outs, Mr. Speaker.

I know that Members on the other side are distressed by this situation because, in their ridings, requests for help come from young people who are experiencing difficulties, not from the others who know where the next meal is coming from.

But that does not prevent the Minister of State (Youth) (Mrs. Champagne) from telling them that she must provide help for those who have no worries because that is how the Conservative policy works.

But that is a new policy they discovered after the election, because they would never have dared to say that before!

International trade is another subject I am very much interested in. I see the Minister of External Trade (Mr. Kelleher), who travels hither and yon, and who says: We are going to spend more on export aid, on seeking out new markets—and at the same time he is cutting budgets.

Is the additional borrowing authority we are being asked to give going to be used to continue this series of contradictions, this series of broken promises?

That is why I think that we, as Parliamentarians, cannot let the Government, acting on behalf of Canadians, borrow money without knowing what it is going to do with it. I remember well the debate on C-125. It was long and it was painful, and as one of our colleagues on the left said, finally the Government, thanks to the influence of its backbenchers . . . at the time backbenchers did have some influence on the Govern-

ment, while today, they all sit there without saying a word! Mr. Speaker, you have been listening to these speeches for several days, and you know that not a word has come from the Government side.

And I, especially as a Member from Quebec, $16 billion . . . and they were accusing us of not opening our mouths at the time, Mr. Speaker.

I see the Member for Duvernay (Mr. Della Noce), who spends his time speaking in his seat instead of on his feet.

Mr. Speaker, I realize they must feel uncomfortable, because they were supposed to be the great defenders of the people of Quebec. They claimed they were better than the Liberal Members, and now, they are letting themselves be run by the gang on the front bench, Mr. Speaker. I am thinking especially of the Parliamentary Secretary to the Minister of Finance (Mr. Lanthier), who at this very moment must feel he is being used and manipulated. Asking the House for $16 billion without knowing what they want to do with it! Mr. Speaker, I wish I had a chance to ask the Parliamentary Secretary what he would do with the $16 billion. I would bet you anything he has not a clue!

Mr. Speaker, thank you for reminding me I have only two minutes left. I could spend the rest of the afternoon talking about this very serious matter of asking a responsible Parliament to turn not one but two blind eyes to what the Government is going to do with this money. I know now that many Conservative Members used to say that they were small businessmen, and that of course makes me wonder whether they were ever able to walk into the bank manager's office and apply for a loan without telling him what they would do with the money.

They kept saying that common sense would be the hallmark of their government, that everything would be crystal clear, that there would be no doubt about the course of government. Here we are debating the first major piece of legislation, for we must recall that the economic statement was supposed to be a budget, but there was no way for us to debate it directly, and so we are waiting for the real thing. If Hon. Members opposite know where they are going, Mr. Speaker, I wish they would bring down a budget in the House just so we might have a clue as to what the money is for and find out which orientation the government will follow. I know that the silent Members would like to know what their government is going to do, but their leader practically read them the riot act: Stop asking questions and come in to vote when you can, that is what counts.

Mr. Speaker, I thank you for your attention and I am convinced that the longer we can put off the adoption of this measure, the clearer the conscience of Members on the other side will be.

• (1550)

[*English*]

Mr. Derek Blackburn (Brant): Mr. Speaker, I am very happy to have the opportunity to enter into this debate. However, I regret that we have to prolong this debate. If the Conservatives had the same sense of public principle today as they had in the summer of 1982, we would not have to extend this debate to get the argument across that what they are doing in Bill C-11 is precisely what the Liberal Government attempted to do at that time. However, the Liberal Government finally found the sense of public decency and changed; it accepted the recommendation of the Opposition and divided the Bill.

It is totally unacceptable for a government to ask for permission to borrow a certain amount in funds—inevitably from the taxpayers—for one fiscal year and then ask for an extra $16 billion for the purpose of a contingency fund.

The second thing I find distasteful is the request to borrow $23.3 billion. All we have heard from the Government since the first day of the Thirty-third Parliament is a long litany of cut-backs and termination of programs. One would have to ask the question: Why does the Government need all this money if it is going to cut back? One would have thought that the amount of money would be considerably less than the $23.3 billion which is being requested.

I want to talk about these cut-backs because the Government has indiscriminately, right across the board, cut back on virtually everything, with the possible exception of National Defence. If we listen to the longer range plans of the Government, as those plans evolve into the winter, spring and fall, I suspect that National Defence will end up spending more money in fiscal year 1985-86 than those funds which are presently allocated.

The Government wants $23.3 billion for the purpose of spending money for the balance of 1984 and for a contingency fund for 1985-86. There is something wrong. I want to bring the cuts to the attention of my constituents. I want to bring the umbrella of funding down to a basic unit, that is the constituency unit.

I happen to represent a constituency which, economically speaking, is as badly off today as it was during the depths of the recession in the summer and fall of 1982. The riding of Brant is not unlike many other constituencies, particularly those of Atlantic Canada, the remote northern areas of Canada and the interior of British Columbia, to give several examples. In the federal riding of Brant all-out war will be declared on the Unemployment Insurance Commission by the recipients of the benefits of the Unemployment Insurance Act.

It has been mentioned in fairly reliable circles that the Government will bow to the demands of the Canadian Federation of Independent Business and reduce the number of benefit weeks from 52 to 26. We could imagine what would happen in a constituency such as mine, where Massey Ferguson is at the brink of disaster. There are about 1,700 employees on long-term lay-off. The company will not terminate half or even a

third of those employees, who will probably never return to work, because if it did terminate them the company would have to pay severance pay and it does not have the money to do that.

This Government wants to include severance pay and vacation pay as declared earnings. That will hurt people on long-term lay-off. If the maximum benefit period were cut from 52 to 26 weeks it would mean that, in a riding such as mine, hundreds of men and women would be forced to go on welfare. That means the local tax base will be increased at a time when the general economy is down in my constituency and in the province, and at this time there are provinces worse off than Ontario. These are retrograde steps, giant steps backwards to the 1930s. That is what this Government is giving us. Nothing in the Conservative philosophy has changed since the days of R. B. Bennett, and we know what happened then. I predict that if this Government is determined to continue with its massive cuts and spending programs to help rejuvenate the economy, not only will it lead us into another recession but it will take us into a depression in many parts of this country.

• (1600)

The cut-backs in the unemployment insurance program are bad enough, but in ridings like mine where there is massive long-term unemployment, the Minister of Employment and Immigration (Miss MacDonald) has indicated that there is going to be the reintroduction of inspectors. They were called "Benefit Control Officers", I believe, back in the 1970s. Back in the 1970s the Government of the day decided to hire retired police officers, many of them on more than adequate pensions for that period of time, to go around and knock on doors to see if Mrs. Smith or Mr. Jones was actively searching for work. How do you actively search for work day in and day out in a city like Brantford which has a population of 75,000 and 8500 people out of work chasing some 260 jobs? How can one be expected to go out day after day, pounding on doors looking for work when there is that kind of ratio of jobs to workers? But this Government wants to force a further indignity upon the recipients of unemployment insurance benefits who will have their privacy invaded by a knock on the door by an inspector, an updated version of the Gestapo—with perhaps not the same physical tactics—asking, "When is the last time you were out looking for a job?"

It is despicable, Mr. Speaker, to think that we would go back to that time. The Conservatives across the way, along with our Party, fought this action back in the 1970s. They have now changed their minds on that. They have also changed their minds about the method of going about borrowing funds. They have forgotten the principles they espoused in 1982. Now they have come up with quasi police officers who will be checking up on those persons they suspect are not actively looking for work.

The ERDA program was basically a good one. It would take federal funding grants out of the political arena and provide moneys to industry through municipalities. It would grade municipalities according to need regardless of who its Member of Parliament was. The former Minister of Industry, Trade and Commerce had the full backing of our Party for this program. But what is the Government of the day doing, the Conservatives who supported the ERDA program? It has gutted the program by reducing its funding.

I would like to say in conclusion, Mr. Speaker, that we are going to hold up this legislation as long as we can to remind the Conservatives that if they had principles in the summer of 1982, they had better find those principles in the fall of 1984.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): Order, please. It is my duty, pursuant to Standing Order 45, to inform the House that questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Hamilton East (Ms. Copps)—General Agreement on Tariffs and Trade—(a) Steel labelling provisions of United States. (b) Request for retaliation; the Hon. Member for Winnipeg North (Mr. Orlikow)—Income Tax—(a) Rates charged by discounters. (b) Cheque-cashing scam; and the Hon. Member for Algoma (Mr. Foster)—Forestry—(a) Jackpine budworm infestation. (b) Request for authorization to use insecticide.

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1984-85 (No. 2)

MEASURE TO ENACT

The House resumed consideration of the motion of Mrs. McDougall that Bill C-11, an Act to provide borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs; and the amendment thereto of Mr. Althouse (p. 948).

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I am glad that former speakers on this side of the House have been so effective that they have driven that 40-man Cabinet from the benches across the way, with the exception of one. We have a 2.5 per cent attendance of the famous Cabinet which was going to do all this wonderful governmental work in the years to come.

Mr. Epp (Provencher): It is quality that counts.

Mr. Hopkins: At least the Minister is my partner with White Shell and Chalk River.

As others have said before me, Mr. Speaker, Bill C-11 is divided into two parts. Part I asks for the authority to borrow $7.3 billion in the currrent fiscal year of 1984-1985. Part II asks for the authority to borrow $16 billion for the fiscal year 1985-1986. Many of us have sat in this House of Commons over the years and have heard the present Government—then the Opposition—shout, scream and complain about borrowing Bills. and here—a few months after Parliament has reconvened—we have a borrowing authority Bill totalling $23.3 billion. What has changed? The problem with this Bill, of course, as has already been pointed out, is that it is traditional for a government to present estimates of expenditures and revenues prior to asking for borrowing authority. This Bill is almost equal to taxation without representation.

The Conservative Government of today has not only failed to present the Estimates but it has not yet presented a budget. We on this side of the House feel that the economic statement which was delivered a few weeks ago may well be considered a budget. All we have seen so far is that "smuggled in" budget, camouflaged as an economic statement. We have studied this statement and its accompanying documents in an attempt to discern the future direction of this Government, but, believe me, Mr. Speaker, as the days go by it is becoming more and more difficult to decide in just what direction this Government is going to go.

During the last election campaign, in riding after riding across Canada, we as candidates heard our Conservative opponents say, "The day after a Conservative Government is elected, we are going to have tens of thousands of jobs". Never before, Mr. Speaker, have I had so many people lining up at my constituency office and my office here in Ottawa looking for jobs. Our Conservative opponents said as well that in order to get things done, one needed a representative on the government side of the House. And I throw that back to my hon. friend across the way. Those Hon. Members on the backbenches opposite are going to have a marvellous time before this Parliament is over because it is not just the opposition Members who are not going to have the programs to work with in the future. The programs are cut for every Member of Parliament regardless on what side of the House he or she sits. Let us stop this nonsense. We do not have to be on the government side of the House to get things done. What we need, Mr. Speaker, is a Government which has the guts, the intestinal fortitude and the humanitarianism to bring in legislation which is going to produce jobs for those people out there who are in need today.

Ms. Copps: Right on!

Some Hon. Members: Oh, oh!

Mr. Hopkins: And we did that as a government. I hear some shouting from across the way. I must be touching on some pretty sensitive nerves, Mr. Speaker. We brought in many jobs, and what did we hear during the election campaign? All those jobs were wasted money. In other words, those Hon. Members opposite were telling us, as they told us in this House, that money spent on human beings is wasted money. But we do not buy that as Liberals. We have compassion for those who are in need, for those who are out there looking for jobs today.

I would just like to bring to the attention of the House something which happened immediately after the last election campaign. There was an earlier agreement in place ready to be signed with the Province of Ontario. That province did not sign that agreement for months. So what happened? The money, some $75 million for forestry, was sitting there waiting for the agreement to be signed, but a few days after the Tories came into power the agreement was signed. Then what did some of the Tory Members says? It took months, they said, and the Liberals never signed an agreement with that Tory Government in Ontario. They forgot to say it was a Tory Government in Ontario but they said it only took them a few days. The only reason for that, Mr. Speaker, was that the Liberals had it already in place. It had been sitting there on the shelf and the Tories refused to come and sign it. So let us set the record straight on a number of these things.

• (1610)

Mr. Mantha: Feel better?

Mr. Hopkins: The Hon. Member for Nipissing (Mr. Mantha) asks me if I feel better. I hope he feels better when some of these cuts start hitting northern Ontario. He and his colleagues are going to have to answer for them. The picnic is beginning to start. I suggest that he not shout too loudly at this point because four years is a long time.

There have been other things said here which are rather misleading, Mr. Speaker. For example, that the Liberal Government was not doing anything on defence. That is the biggest inaccuracy that could be stated. The often repeated charge that Canada was not fulfilling its commitment to NATO with respect to real growth in defence spending is simply false. The NATO commitment was 3 per cent, and this year defence spending will grow in real terms by 4.1 per cent. That is under Liberal planning and Liberal Government, but that was after we had taken $50 million out of the defence budget to put in a $307 million employment initiative program announced by our present House Leader during the campaign. If that money had been left there, we would have reached a 4.6 per cent increase in real terms in defence spending.

There is another very important point that is often overlooked or not even considered because it is hardly ever mentioned by the critics. If one were to use the NATO method of calculation, because ours is based on the gross national expenditure of the Department of Finance, Canada's performance would appear better still. It would have been over 5 per cent.

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

Mr. Hopkins: We did. The Hon. Member does not know what is going on. Under NATO guidelines, Canada, as a result

of Liberal policy, is hitting the 5 per cent mark in increased defence spending. The Hon. Member for Nipissing had better get his facts straight before he starts shouting out on the floor of this House.

Since 1974, defence spending has increased every year in real terms except during the Clark Government. In 1974-75, some $2.5 billion was spent on defence. Defence spending this year, under a Liberal budget, because this Government has not brought in a budget but simply an economic statement, will be $8.7 billion, and we projected $11.1 billion in 1986-87. At least 50 per cent of that was going into Maritime Command and on upgrading our capital equipment in the Department of National Defence.

So let us not have rumours spreading all over this land that the Tories are coming in with this great new ballgame for the Department of National Defence. We were well on our way and we have handed them an excellent program to go on. We are going to be here to see to it that they carry out those promises, bring in that extra manpower, and buy that extra equipment. As the Minister of National Defence (Mr. Coates)—

The Acting Speaker (Mr. Paproski): I regret—

Mr. Hopkins: I was just going to refer to my good friend, the Minister of National Defence, in very kind terms.

The Acting Speaker (Mr. Paproski): I regret, but the Hon. Member's time has expired.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, during the recent election campaign we heard very little from either the then government Party, the Liberals, or from the then Official Opposition Party, the Conservatives, about the horrors of the deficit. What we heard from the then Leader of the Opposition, the current Prime Minister (Mr. Mulroney), was that the important issue before the people, the question that had to be answered, concerned jobs, jobs and jobs. Not only did he not worry about the deficit, but he made some 400 individual promises which the Conservatives would keep if they became the government. All of this would of course cost substantial amounts of money.

What has happened since the Government said that jobs, jobs and jobs was the issue? Now the most important, in fact the only issue facing the people of Canada is to get the deficit down.

Mr. Deans: At any cost.

Mr. Orlikow: Precisely. It is pretty obvious that what the Conservative Government is doing is listening to the rhetoric of President Reagan and ignoring the reality of what he is doing. President Reagan rails against deficits and savagely cuts social programs for the poor and the needy. President Reagan endorses the idea that the U.S. should enact a constitutional amendment which would prohibit deficits at all. But the reality is that he has brought to the U.S. the biggest deficits they have ever had; much, much bigger than they were during World War II. Indeed, the deficit in the eight years President Reagan is likely to be in office will probably amount to more than the entire deficit created in the U.S. in the almost 200 years prior to his being president. He talks about the deficit but he does not worry about it. He has improved the unemployment situation in the U.S. It is now down to the point at which it was when he was elected four years ago. He accomplished this by spending hundreds of billions of dollars on defence. That is what has fueled the recovery in the United States. What is going to fuel the economy in Canada?

This Government is cutting back on the budget by several billion dollars in the hope that the private sector will get busy and create jobs, Mr. Speaker. Why would the private sector begin to invest billions of dollars? That is what is required to put people back to work. Why would it do that when most of the major industries in this country are operating at only about 70 per cent of capacity? Private business in this country, as in any other, only operates when it can see a profit. No one can criticize it for that. If it is working at only 70 per cent capacity, there will be no major investment from the private sector.

I fear that the cuts announced by this Government so far are only the beginning. When the Prime Minister meets the premiers, I fear next February he will tell them that the funds transferred to the provinces through the Establish Programs Financing Agreements are going to be either reduced or held at the present level. That is going to mean increased expenditures and deficits for all the provincial Governments. I remind Members of Parliament, especially Conservative Members who preach about how inequitous deficits are, that every provincial Government has a deficit. Seven of those provincial Governments are Conservative. They have deficits because they are not, and should not be, prepared to make major cuts in the services which they provide for their people, and neither should the federal Government be.

• (1620)

We now have 11.5 per cent unemployment. Every economic research agency in the country which has looked at the prospect for the next few years has predicted that we are going to have more double digit unemployment for the next five to 10 years.

Mr. Deans: You mean it is going to get worse?

Mr. Orlikow: My hon. friend, the Member for Hamilton Mountain (Mr. Deans), asked if it is going to get worse. Yes, Mr. Speaker. Economists whom I have talked to, who have been much more correct over the years in their estimates of what would happen in the next year or two than the economists in the Department of Finance, have estimated that the policies of the present Government will lead to another 100,000 to 150,000 unemployed in a year from now. That is not surprising, Mr. Speaker, because the Government is more intent on reducing the deficit than it is on providing the jobs which are so necessary.

The Government talked about making our industry more efficient and more able to compete, not only in Canada but in world markets. We know from what has been done in Japan, Sweden and the United States that the way to get our industries more efficient is to invest heavily in scientific research and development. Our country has one of the worst records of all the countries that belong to the OECD. Most of the other countries are spending 2.5 per cent of Gross National Product on scientific research and development. Canada is spending substantially less than 2 per cent.

When the Conservatives were in the Opposition they joined with us and the scientific community in saying that we must do better, that we must reach 2.5 per cent of GNP invested in scientific research and development. When they got into office, however, they cut research and development funds for virtually every Department of Government. Most Canadians work in agriculture, forestry and the fishery. In every one of these fields as well as in the Government research agencies we have seen cut-backs. We have not got the details yet, but I am sure that the cuts in research will amount to tens of millions of dollars, probably to $100 million.

That means there will be cut-backs in research done in our universities. That means that our industries will become less efficient. If you look at the United States you will see that the new jobs which have been created in high technology are clustered very close to the major universities. They are in Massachusetts close to the Massachusetts Institute of Technology. They are in California close to their major universities. Those universities do the basic research, and industry picks up the new techniques that it finds in those institutes and applies them in a commercial way. Instead of encouraging universities to work with industries, the Government is cutting back.

I will close, Mr. Speaker, by predicting that a year from now we will have substantially more unemployed than we have right now.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Gray (Windsor West): Mr. Speaker, I rise on a point of order. Before Your Honour took the Chair it was understood that after a meeting between the House Leaders I would come into the House and ask the traditional question on House business, and my colleague, the Government House Leader, would be in a position to respond. Pursuant to that understanding, and with your permission, I would be delighted to ask my colleague, the Government House Leader, his plans for the business of the House for the coming week.

Mr. Hnatyshyn: Mr. Speaker, we have had some discussions in which I have apprised my colleagues, the House Leader of the Official Opposition and the House Leader of the New Democratic Party, of the intention of the Government with respect to business of the House. I would like to inform the House that it is our intention to carry on today with Bill C-11, the borrowing authority Bill. If this Bill receives second reading today and is referred to committee, we would then enter into a discussion at the second reading stage of Bill C-12, which is a Bill relating to the Excise Tax Act and the Excise Act.

It is our intention also to deal with these items tomorrow. If Bill C-11 has not passed today, we will continue with that debate tomorrow. After we finish it, if we do not manage to finish it today, we will deal with Bill C-12.

I want to designate next Monday as the final allotted day in this Supply period at which time we will, I understand, be dealing with the motion which is now on the Order Paper in the name of the Leader of the New Democratic Party. Since it will be the final Supply day, we will also want to consider at all stages the Supplementary Estimates and the Appropriation Bill.

I am pleased to announce to the House that on Tuesday we will have an opportunity to start debate, if not complete it, on a Bill relating to Investment Canada. This Bill will be introduced by the Minister of Regional Industrial Expansion. It is proposed that he will be introducing this Bill for first reading tomorrow. On Wednesday we hope to carry on with deliberations on that Bill and have second reading if we will not have reached it by that time.

On Wednesday I propose to call Bill C-3, the Bill relating to the courts of Ontario and Manitoba, which will be at report stage, and Bill C-5, the Bill respecting the Freshwater Fish Corporation, also at report stage. I understand that there is a disposition to deal with those two Bills on Wednesday next at report stage and third reading. In that event, if we will not yet have finished the Bill relating to Investment Canada, we can go back to that Bill on Wednesday and have some more discussion on it.

That, Mr. Speaker, is my intention for business of the House for the next week, always subject to the caveat that if circumstances change and we make progress, I would re-arrange the order to bring on further legislation. I look forward to the co-operation of the Opposition in this regard.

Mr. Deans: Mr. Speaker, I know that it was no doubt owing to inadvertence on the part of the Government House Leader, but one item that I understood was to come up for some short debate was a statement with relation to International Human Rights Day. Such statement was to take place on Monday next. The duration of such a statement was not to exceed one half hour and each of the Parties was not to exceed ten minutes in time.

• (1630)

As I recall, that was the arrangement to which we agreed. I just want to verify that that is the understanding for Monday next, given that it is an Opposition day and that it is unusual to interrupt Opposition days with other than simply the routine business.

Mr. Hnatyshyn: Mr. Speaker, it was not by inadvertence, it is simply that everyone in the House knows that my word is my bond. I did not think it was necessary to mention that in public after I had discussed this matter. Of course, the Leader of the New Democratic Party may not have the same faith in his House Leader.

Therefore, I am quite pleased to make it understood that we do not intend to spend a lot of time on that matter, but it is an important day. The House Leader of the NDP (Mr. Deans) will know—and I raised this issue—that because December 10 is the anniversary of the Declaration of Human Rights, we have traditionally had statements in the House on that day. It was my suggestion that we carry on that tradition and try to respect the fact that it was an allotted day. It was with that in mind that, as usual, I am always thinking of the Opposition and want to make sure that every possible consideration be given to their every wish.

Mr. Deans: Mr. Speaker, given that the Government House Leader, in his normal and customary way, is trying to accommodate the desires and wishes of the Opposition, and given that we have been attempting to achieve some reasonable resolution in the debate on the government's borrowing authority Bill for some days now, I just want to say that it was my request that we try to find some way to resolve this matter. I would very much like to hear very quickly what the resolution of this particular question might be.

Mr. Hnatyshyn: Mr. Speaker, I do not want to take up too much time of the House. I know that these questions are intended to be serious and not for the purpose of using the valuable time of the House when we could be considering the borrowing authority Bill. I would simply say that the Minister of State for Finance has engaged in conversations with representatives of the New Democratic Party. I am informed today by the House Leader of the Liberal Party that the Liberal Party is satisfied with the proposal put forward at this stage of the discussions. The Hon. House Leader of the New Democratic Party knows that the Minister of State for Finance has just arrived back in town. As a matter of fact, even now I have a telephone call from the Minister whom I will call as soon as we have finished this point of order.

Mr. Foster: I wish to rise on a point of order.

The Acting Speaker (Mr. Paproski): Is this a point of order on business of the House?

Mr. Foster: Yes.

The Acting Speaker (Mr. Paproski): I would like to return to the motion. However, I will recognize the Hon. Member for Algoma (Mr. Foster).

Mr. Foster: Mr. Speaker, the Hon. Government House Leader seems to be in a very friendly and co-operative mood this afternoon. Perhaps it is because the House is in the same mood.

A reference to one of the House committees that was mentioned in the economic statement concerned agriculture, agri-bonds, Section 31 and the capital gains. Could he tell me if that reference will be made in the next week or so? Will it be going to the Agriculture Committee or to another committee? Could he bring the House into his confidence and tell us exactly what is happening, because there are some urgent matters with regard to the farm financing issue. I hope he can advise the House in this respect.

The Acting Speaker (Mr. Paproski): I will allow this, but we should get back to the Orders of the Day.

Mr. Hnatyshyn: Mr. Speaker, I would be glad to discuss fully the matter at this time but a solid and firm rule which I have maintained is that I always deal with the Hon. Member's distinguished colleague, the House Leader of the Official Opposition, the Hon. Member for Windsor West. I never go behind his back. I always try to consult him first with respect to House business.

Perhaps if the Hon. Member for Algoma would lean forward, the Member for Windsor West would have a chance to discuss these important matters with him.

The Acting Speaker (Mr. Paproski): Order. I think we should return to the debate on the amendment.

* * *

BORROWING AUTHORITY ACT, 1984-85 (No. 2)

MEASURE TO ENACT

The House resumed consideration of the motion of Mrs. McDougall that Bill C-11, an Act to provide borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs; and the amendment thereto of Mr. Althouse (p. 948).

Mr. Alan Redway (York East): Mr. Speaker, after reading the newspapers, watching television and listening to the radio during the last few years, I have been extremely concerned about the manner in which the House of Commons conducts its business. It seems as though the House of Commons has been paralysed by inaction when trying to solve the problems of the country. I believe that this concern is shared by the vast majority of Canadians. I also believe that among a great number of important issues in the last election, this was an issue that concerned almost every Canadian. Canadians wanted a Parliament that could get on with solving the problems of the country.

For the last few days I have listened to the debate in the House continue on with the same points being discussed over and over again. I am beginning to feel that frustration that used to well up in me, and I am sure the same frustration is being felt by many Canadians in viewing this debate during the last few days. The same points have simply been repeated over and over again.

It seems to me that there comes a time when Canadians want Members of this Parliament to deal with the pressing problems of the day. Members of the opposition Parties have spoken about pressing problems such as unemployment and problems in the economy. We were elected in order to deal with those issues. The Opposition has amended this legislation twice and I believe it has made its point very well. I believe that Canadians understand its point and I do not think it is necessary for opposition Members to keep repeating it.

I suggest that it is time to get on with the business of this country and to solve the problems of this country. If Members of the House are unable to discipline themselves to solve this problem on their own, I hope that the task force on reforming the rules of the House of Commons can solve these problems. After going through an election only three months ago, surely Hon. Members must realize that Canadians want Members of Parliament to get on with solving the problems of the country rather than simply dragging out debate endlessly for the purpose of tactics, stalling and filibustering.

Mr. Waddell: Mr. Speaker, I rise on a point of order. The Member still has some time left. Would he permit a question?

The Acting Speaker (Mr. Paproski): I recognize the Hon. Member for Winnipeg North Centre (Mr. Keeper) on debate.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, it is rather strange that a member of the Conservative Party would talk about delaying tactics in the House of Commons and about the need for the House of Commons to get down to work.

Although he is new to this place, he should know that his Party hijacked the House for days on end and weeks on end for what it believed at that time was an important principle. He should know that that Party when in opposition justified its tactical manoeuvers in this House in forwarding a principle that was important to the Canadian people. We are following in its footsteps, Mr. Speaker. We are using all of the tools that are available to us as Members of Parliament to give a message to this Government, to let this Government know that it is trampling on principles that are important to parliamentary democracy.

• (1640)

If the Member who has just spoken would take the time to read *Hansard* from the last session of Parliament, and if he were to read speeches of Members of his own Party who dealt with the matter we are dealing with today, he would see what I mean. Members from his own Party said to the Government of the day, a Liberal Government, that it was an affront to Parliament to come to the House of Commons and to ask to borrow money for the next fiscal year without any documentation on what that money was to be spent for. Those Members used every instrument available to an opposition Party in a democracy to bring the Government to its knees. They won.

Mr. Shields: Yes, we won on September 4.

Mr. Keeper: The Tories forced the Government to negotiate. My Conservative colleague says that they won on September 4. Yes, the Tories won the election on September 4, but it is rather strange that after only three months in power they should display such arrogance. They have begun to act like their Liberal counterparts who were on the other side such a short time ago. They think the only thing that matters is what happens on election day. The Tories have to keep in mind that, if they want to be in power again, they must respect this House of Commons and the people of the country.

It is important for this new Conservative Government to remain humble, to keep its feet on the ground, to remember that this country is governed by a parliamentary democracy and that one of the basic principles of a parliamentary democracy is the accountability of the executive to the Commons, and to remember that the accountability of the Government for the expenditure of money is to the representatives of the people. The Conservatives should keep in mind that some time ago another executive, a King by the name of Charles, lost his head because of this kind of action.

This Government today is losing its head. It is acting without common sense whatsoever. It is asking for money without any description of the purpose for which it wants the money. If we were to allow this Government—and the Government not think that we will allow it because we will not—to borrow money during this fiscal year for the next fiscal year without any justification, we will have the Government coming to us next year saying, "Not for the next fiscal year, but for the year after that as well".

Mr. Deans: They will put one Bill forward at the beginning for the entire Parliament. How ridiculous and absurd it is.

Mr. Keeper: Absolutely, Mr. Speaker. The Tories could call this House of Commons together and bring forward a borrowing Bill that would allow them to borrow all of the money they want to spend for a four-year period, if we allowed them to get away with what they are doing now.

We hear from the back-benchers of the Conservative Party on this side that that would be a good idea. They would love just to call the House of Commons together for one sitting to pass one borrowing Bill and then go off quietly in some corner to govern the country.

Mr. Shields: What garbage.

Mr. Keeper: The Conservatives are so used to being in opposition, they have had so little experience when it comes to governing, that they have to learn. Like all people, they have to learn the hard way. They have to learn that their power is not unlimited or absolute. They have to learn that their power is democratic. They can only enjoy power as long as they have the confidence of the people and as long as their actions are held accountable to the representatives of the people in this House. This means not only the representatives of the people in the Liberal Party and the NDP, but the representatives in the Conservative Party as well. It is astounding to see so many Conservative Members silent while their Cabinet, their Gov-

ernment, arrogantly disrespects the authority of the House of Commons.

Mr. Rodriguez: It is the arrogance of silence.

Mr. Keeper: The Conservatives arrogantly disrespect the principles upon which the democratic system in this country works. It is incumbent upon every Member in this House to assert the authority of this House. The fundamental authority of this House is to hold the executive accountable for the spending of public dollars. We must and we will insist that this Government, before it gets any borrowing authority, justifies the purposes for which it seeks that borrowing authority.

Can you imagine, Mr. Speaker, the Conservatives have come to us and asked us for authority to borrow $16 billion—not $16,000, not $16 million, but $16 billion. There is not one iota of description of that for which it is going to spend this money. That is utter, complete arrogance. The Conservatives have come to us without any statement of purpose for the borrowing of the money, and this is such a large sum of money. This arrogance even outdoes Liberal arrogance.

Some Hon. Members: Oh, oh!

Mr. Keeper: When the Liberals were in office they came to this House and asked to borrow money for a fiscal year in the future. After a period of debate, after the Opposition brought the principle of accountability for expenditures to the House of Commons to the attention of the Liberal Government, the Liberal Government backed down. The Liberals at least backed away. But what we see now is a new level of arrogance. The Conservatives are even more arrogant in office when it comes to the spending of the public dollar than the Liberals were. Can you believe that, Mr. Speaker?

That is the Party that claims to take to heart the reform of Parliament, that claims to be the Party which respects parliamentary democracy, the Party that is tearing at the very roots and at the very principles of parliamentary democracy. I hope this Conservative Government comes to its senses. There are enough Members here who could listen to reason and could get up to speak. Why do they not go to their cabinet Ministers and say, "We will not stand for the rape of Parliament or the arbitrary spending of public dollars"? Why do these back-benchers not stand up and be counted rather than act like a group of tame sheep? We can hear them baa-ing. It would be good to hear them say something, anything, rather than the silence we get. This is an important principle. When the Conservatives were in opposition they made a number of good points as it affects this institution. Those points deserve to be respected by the Conservative Party now that it is in office. The fact that Conservatives say one thing in opposition and do another when in office breeds cynicism throughout the land. It brings into disrespect the profession of politics. It brings into disrepute every Member of the House of Commons.

I call upon this Government to wake up to its own conscience, to listen to its back-benchers who, while silent in this House, I am sure behind the curtains are counselling the Government to respect this House of Commons, to respect the fact that the executive, the Government, is accountable for the money it spends to the elected representatives of the people.

• (1650)

There is no way that this borrowing authority is going to be granted to this Government. It may think that there is, but there is no way. I call upon it to enter into reasonable negotiations to find a way that respects this House of Commons and respects accountability for public expenditures. I call upon it to negotiate and come to a reasonable proposal with regard to borrowing authority.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I will be very brief. I appreciate the words of the Conservative Member a few moments ago. Sometimes it appears that there is a lot of repetition and that we are almost too political in our statements in the House. Sometimes the Government does respond. A good example is something that happened a couple of days ago. I wish to congratulate one of the Conservative cabinet Ministers.

I do not want it to go to her head, but I want to mention publicly in the House of Commons—and I am sure Conservative back-benchers have done the same—that the other day the Minister of Employment and Immigration (Miss MacDonald) got approval for $6 million to try to solve the problem confronting us in part that of Newfoundland. The Minister deserves credit for listening to her opposition colleagues and members of her Party on this problem. As I said, I do not want that to go to her head because there are many other matters on which to disagree and which we will continue to raise in this House of Commons.

In my few remarks, I want to stick to the Bill before the House and to state why it should be terminated. One need not look at the major items that are under dispute. The Hon. Member said that he has not heard anything new. I went over the notes in the financial statement and the expenditure and program review of the President of the Treasury Board (Mr. de Cotret). I notices one small item which states that land rental rates around airports are to be automatically increased to meet a budgetary figure of $23.5 million of increased revenue through three initiatives. That does not sound like a big item. It is a minuscule part of that revenue-generating program, but it is supposed to generate considerable revenue.

This gets back to how decisions are made. What group of people inside or outside the Government have decided on specific items to increase revenues to the Government? I am sure the Minister of Transport (Mr. Mazankowski) will agree that to increase land rental rates around airports violates long-standing agreements and understandings with provincial Governments and municipalities in this country. Most airport land is actually owned by provincial Governments. Through Orders in Council the provincial Governments give permission to the Ministry of Transport to operate that land for airport-related purposes. When sections of land around airports are to be used for other purposes, the consent of the provincial Government is required as well as that of the federal Government.

As the Minister of Transport knows, these agreements are usually reached on the basis of an understanding and a $1 per year rental fee. Municipalities use that land in certain cases, and private industry in a lesser number of cases. Provincial government agencies are the major users for industrial parks and other purposes.

To generate revenue automatically from the lease of land that has been granted for a specific purpose violates long-standing agreements. Imagine what would happen to industrial parks around airports. They would obviously have to increase charges to users. We are talking here about provincial government agencies. If that airport uses a municipal water supply for which a set rate is paid, the municipality could well increase the charges to the federal government Department that is increasing the charges for the use of the land. It could go so far as to dispute the grants in lieu of taxes paid on airport-related buildings and properties.

It is not a simple matter of a revenue-generating source. We must consider who will be influenced. There was no consultation with the provincial Governments before this decision was taken. I am sure of that. It was handed down from on high to be initiated by the Minister of Transport. The transportation commitment of this Government given in Halifax, Nova Scotia, on August 2, 1984, was to accelerate the construction of airport and other federal transport-related projects. All we see in the financial statements are cuts and increased revenue generated from the leasing of those facilities.

At the same meeting on August 2, the Government announced that a fund would be set up to finance the cost of a submarine cable between the mainland and the Island of Newfoundland. I do not see the cost of a cable from Labrador to Newfoundland in this financial statement. I do not see it in any statement made after this Party came to power. A cable is needed. You have to do something. You cannot put it over the Gulf of St. Lawrence because that would be an awfully big bridge. You cannot put it on top of the water because that would damage shipping. I suppose you could put it under the straits. That was tried. This is why I raise the matter today.

We saw the history of this commitment over television a few years ago in Newfoundland. A Conservative Government announced it would put a cable under that section of the Atlantic Ocean. It said it would build a tunnel through which cars as well as the cable could pass through. They even set off the blasts, both at the same time, one on the mainland and one on the Island. The television cameras were there to record the big explosions. The holes are still in the ground. The Conservative Party still has not given up on its promise. That is exactly what it is, a promise.

There is no mention of a cable in the financial papers. The cable will go the same route as the tunnel. It is just a promise. I could go on to list 380 other reasons for stopping the present legislation from being passed by the House.

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. With regard to House business, in the exchange earlier today, I indicated that discussions had been initiated by the New Democratic Party with respect to the borrowing authority Bill, Bill C-11. It has not been possible for the Minister, who is in Cabinet at the present time, to carry on those discussions. In order to allow for the discussions to carry on, I propose to change the order of business for tomorrow. We will reverse the business by starting tomorrow with Bill C-12, which deals with the Excise Tax Act, followed by Bill C-11, the Borrowing Authority Act, after Bill C-12 has been disposed of at second reading.

• (1700)

The other business for tomorrow will be the same as I announced previously, and this will be true with respect to Monday, Tuesday and Wednesday of next week as well. However, tomorrow we will deal with the Excise Tax Act and will allow discussion to continue on the borrowing authority Bill.

Mr. Guilbault (Saint-Jacques): Mr. Speaker, indeed we have been consulted regarding this move and are ready to agree to it. In fact, we are ready to do anything to help the Government reflect on the situation of Bill C-11. We will co-operate.

[*Translation*]

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

PRIVATE MEMBERS' BUSINESS— MOTIONS

[*English*]

The Acting Speaker (Mr. Paproski): Shall all orders and items preceding No. 150 stand by unanimous consent?

Some Hon. Members: Agreed.

* * *

CONSTITUTION ACT, 1982

ADVISABILITY OF AMENDMENT TO INCLUDE PROPERTY RIGHTS

Mr. Don Blenkarn (Mississauga South) moved:

That, in the opinion of this House, the government should amend the *Constitution Act 1982*, to include property rights and, that the Governor General issue a Proclamation under the Great Seal of Canada to amend section 7 of the Canadian Charter of Rights so that it reads as follows:

Constitution Act, 1982

"7. Everyone has the right to life, liberty, security of the person and enjoyment of property, and the right not to be deprived thereof except in accordance with the principles of fundamental justice."

He said: Mr. Speaker, this matter has been before the House on a number of occasions. The last occasion it was before the House was in a debate held on April 29, 1983, as reported in *Hansard* commencing at page 24996 or thereabouts. The matter to be debated on that day was brought before the House by the Progressive Conservative Party and was supported by the Minister of National Health and Welfare (Mr. Epp (Provencher)), the Minister of Labour (Mr. McKnight) and the Minister of State for Science and Technology (Mr. Siddon) in their previous capacities.

Not only has this provision been supported by government Members in the past, and I would assume by government Members now, it has been supported by this Party for a great long period of time. You will recall, Sir, that the issue forms the essence of the Canadian Bill of Rights passed by this House on August 10, 1960, and copies of that Bill of Rights are displayed by all Members of this House. The Canadian Bill of Rights sets out the right to own property and to not have property taken away without due process of law.

Indeed, the right to property is so fundamental in our jurisdiction that the history of property rights goes back to the Magna Carta of 1215. At that time, the barons of Runnymede forced the king to recognize their rights to property. The right to property is not just a part of our history but is a part of the history of all civilized countries in the world, as evidenced by the 1948 United Nations Declaration of Human Rights which specifically protects the right of property in Article 17 which reads:

(1) Everyone has the right to own property alone as well as in association with others.

(2) No one shall be arbitrarily deprived of his property.

That being the case, this right was a question of debate when we were organizing the patriation of the Constitution. Through the negotiations relating to that Constitution, we came out with a flawed Charter. We came out with a Charter that was supposed to be a Charter of Rights but that left out a fundamental right. Indeed, the right to own property is so fundamental that without the right to own property, none of the other rights are worth anything. They cannot be defended. If one cannot own property, how can one pay a lawyer to defend the rights of freedom of speech or of assembly? How does one have an assembly if one cannot have a private hall? A private hall must be a piece of property.

At this time, we have a flawed Charter of Rights. We have a Charter of Rights that is really not worth very much when dealing with the rights of human beings. Therefore, I call on this House, as has the Legislature of British Columbia and, as I am told, as has the Legislature of New Brunswick, to do what must be done under the amending formula, and that is, to restore that which should have been present in the first place and that which was promised by the negotiations but which was somehow left out in order to get the New Democratic Party on the side, as some say. I am sure even members of the New Democratic Party would want to know that people have rights that can be enforced and supported.

If the state owns all and if the state can control, then the entire system under which we have been operating means little. If the state can take away that which one has, then one's right to speak out and to protect what one says is non-existent. Therefore, I call upon the House to do something it should have done a long time ago, and that is, to pass a resolution amending the Charter of Rights so that it can be whole and so that it can be a Charter of Rights that really means something.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, it is a pleasure to participate in the debate on the resolution proposed by the Hon. Member. Obviously, all Members of the House will be aware that this is not a new issue but one which has been raised and talked about extensively in the past. In the time that I spent in the Ontario Legislature, a similar issue was dealt with after having been proposed by a member of the Party which I represented. I believe that the Hon. Member for the provincial riding of Waterloo North, Mr. Herb Epp, has proposed a resolution along that line in the hope that the Ontario Legislature could obtain Ontario's consent for such inclusion in the Constitution.

Although I am in agreement with the principle of this motion, I have some reservations. I am of the view that if this resolution is passed, it should be discussed thoroughly at the committee level, and the committee should listen to witnesses from various parts of the country who could discuss possible side effects that could result from the final passage of such an amendment to the Charter of Rights.

We all know that the Canadian civil liberties group has expressed some reticence with regard to the passage of such a resolution and is of the view that it could indeed have severe repercussions. One also wonders what would happen to certain expropriation procedures which exist at this time. Again, having spent some time at the provincial level, I know of the number of agencies and government Departments that have rights of expropriation at this time. You will recognize, Mr. Speaker, that if all of these rights were denied by the passage of such a resolution, there could be serious side effects. When dealing with the construction of roadways, the erecting of hydro towers or any other such matters, we can see that this matter is of tremendous concern to many Members of the House.

● (1710)

There is another concern that must be reckoned with of course, that is, the fact that certain provinces are not yet in agreement that this should be done. In looking through newspaper articles, the last reference which I could find indicated that at least four provinces were not in agreement. I understand that Saskatchewan, Alberta, Prince Edward Island and Newfoundland had not, at the time of the newspaper article, given approval to such a measure. That does not mean that we have to wait for the approval of seven provinces before initiat-

ing a measure, but it does indicate that not everyone is in accord with such a resolution.

One also has to look at what happened in the United States with the Bill of Rights. We know that the Bill of Rights was used for many years to prevent the stoppage of child labour. It was also used to prevent groups from unionizing. It was also deemed that the establishment of minimum wage laws could infringe upon the Bill of Rights.

Given that some of us approve of the general intent of this Bill, we certainly would not want to see the passage of such a measure within the space of a few minutes of discussion. It requires a very thorough airing in the House and in committee. We should call upon witnesses from all sides of the issue who could assist us further in making a final decision.

I listened very attentively to the Hon. Member who proposed this motion. He alluded to the fact that our present Charter of Rights and Freedoms is somehow deficient. I think he said that the Charter of Rights was flawed because it did not have a reference to property rights. It is incumbent upon us to remind the Hon. Member that there was an attempt in the past to get such a motion passed in the House, but the whole thing was turned into a joke by certain members of the Conservative Party. Certainly, the previous Government cannot be faulted for that. I would like to refer to an editorial from *The Calgary Herald* of May 4, 1983. It is entitled: "Property issue a joke". It reads:

> Given the importance of proposed property rights amendments to the Constitution, this week's procedural hijinks by all members of the House of Commons over the issue are irresponsible at best and disgusting at worst.
>
> Conservative MP Elmer MacKay may well be right when he said the Tory's presentation of a property-rights resolution in the form of a non-confidence motion was "one of the stupidest things our party has ever done.

It is important to remind members of the Conservative Party who think that the Charter of Rights is imperfect, deficient or flawed, as the mover of the motion has said, that they are to blame for that so-called flaw. They participated in the hijinks in this House.

Mr. Shields: It was the socialists.

Mr. Boudria: Some people say it was the fault of the socialists, but I am not here to take sides. Some Members may be against the motion, but that is the right of Hon. Members. I am not questioning that right. What I am questioning is the fact that a motion was introduced in the House in the past which was formulated in such a way that it was at the same time a non-confidence motion. Because it was worded that way, the Government was forced to vote against it. It also created the situation in which the motion could not be reintroduced in the House. That was the fault of the opposition Party—the Conservative Party.

I find it interesting that a Conservative Member has brought forward this resolution. This deathbed repentance is very nice to hear. But to do so and at the same time state that the Charter is flawed, and to suggest that the past Government which was the author of the Charter of Rights was less than competent in its duties when it made the Charter, is not entirely correct. I am sure the Hon. Member will want to correct the fact that it was not others but indeed his own Party which sabotaged any attempt to get such a motion passed.

Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice): Mr. Speaker, I listened with great attentiveness to the very persuasive arguments which were made by the Hon. Member for Mississauga South (Mr. Blenkarn). Having served with him for the past six years I know how sincere he is with respect to this particular matter. There is nothing more important to him than economic freedom as part of political freedom. Therefore, it is with some diffidence that I speak. To some extent I agree with the Hon. Member who has just spoken, as to the thorns and the thickets involved in this issue.

Here we are, in Private Member's Hour, discussing a matter which involves the Constitution. It is a question of public law. It is a public issue. Many people have expressed a great number of concerns. There is no doubt how I feel with respect to this matter; I would like to see the entrenchment of property rights in the Constitution. But I do not think that Private Member's Hour is the appropriate forum for such a monumental decision.

A number of years ago I heard Horace Carver speak. At that time he was the Attorney General of Prince Edward Island. He spoke about lands which were being purchased on the ocean front in Prince Edward Island. At that time he expressed concern that people were coming from New York and other off-shore areas to purchase valuable land because they were people who had money. As a result, Islanders were being left out. They could not compete with people who were coming from offshore. He expressed the concern that his province wanted to implement legislation—which it did—which indicated that anybody who was not a national should be able to come to Cabinet, but only then could an order in Council be passed.

Women's groups have made submissions to all political Parties indicating that they fear the courts may undo what the legislatures have done in the past. Those are legitimate concerns. Therefore, to debate this particular issue during a Private Member's Hour gives me a great deal of trouble.

It was the Conservative Party under John Diefenbaker which introduced the Canadian Bill of Rights in 1960. That projected the rights of individuals with respect to the enjoyment of property. More recently, during the process leading to the establishment of the Canadian Charter of Rights and Freedoms, the Progressive Conservative Party supported the constitutional protection of property rights. In the spring of 1983, my Party introduced in Parliament a resolution to amend the Constitution by entrenching property rights. This resolution was defeated by the Liberal Government of the day, but my Party has continued to support, as I do, the principle of expanding the protection of property rights.

• (1720)

Underlying this commitment is a recognition of the significance of property rights in our society. The concept of prop-

erty is deeply rooted in our traditions. When the Progressive Conservative Party introduced a motion in Parliament in 1983 to entrench property rights in the Constitution, the Hon. Member or Richmond South Delta (Mr. Siddon), now the Minister of State for Science and Technology in the present Government, spoke very eloquently to the motion. He said, and I am quoting from page 24999 of *Hansard* for April 29, 1983, that:

> If we go back in history we find that—the right to own and enjoy property is fundamental to Canadian history—It goes back to the time of King John, the Magna Carta and the constant struggle through history, which went hand in hand with the evolution of the parliamentary system, and with the evolution of property rights and individual rights as a means of escape from monarchism, feudalism and the baronial entitlements, previous systems under which some citizens had many more rights, powers and privileges than others.

Today, Mr. Speaker, the concept of property is the basis of the economic life of our country. It is of fundamental importance to our social institutions and to our everyday lives. The protection and regulation of property rights is a pervasive and essential ingredient of our law. But we should clearly understand what we mean when we speak of property, because the concept of property is quite broad.

Our laws recognize a wide range of property interests. We may own real property or land, or personal property such as an automobile or a book but, as we know, there are also less tangible types of property, an easement over someone's land or a mortgage on someone's property. Equally, the right to be paid a debt or a share in a company is a form of property. Then there is what has been called "intellectual property". An example is a patent, the right to manufacture and use a particular invention. Other examples are rights in names or trademarks. Yet another example is copyrights, exclusive rights to make copies of books, pictures, designs or movies. The goodwill in a company is a form of property that is protected at law. And more recently the individual's right to personality has been recognized, the right to control the commercial exploitation of one's image or reputation. The point I am making, Mr. Speaker, is that we have to understand just how broad a concept the notion of property is.

While we often use the word "property" to refer to the fact of owning something such as land or an automobile, we also mean the rights and powers relating to these things. We mean the right to possess, use, enjoy and dispose of these objects to the exclusion of everyone else. While simple ownership may in some cases give us pleasure, we want to be able to use and enjoy our property. We want to be able to farm our land, to build on it, to use it to contribute to our own economic and social well-being and that of this country of Canada. Property rights are much broader than the simple right to own property.

With such a broad concept of property it is not surprising that the law touches upon property rights in so many respects. Governments regulate the process of acquiring and disposing of property. They create schemes for the orderly acquisition and disposition of interests in real and personal property. Governments also regulate the use of property. Zoning and land use regulations allow us to plan the development of our communities. Environmental laws control land use and allow us to preserve our natural heritage and prevent pollution. We tax the use of property and, indeed, we are required to pay taxes with money, a form of property.

An absolutist conception of property was at the root of matrimonial property regimes based on the notion that partners to a marriage shared everything except each other's property, a concept upheld in the Murdoch case in the Supreme Court of Canada. It is a concept which I feel very few people in the House would agree with. Enlightened legislatures have acted in family law reform legislation to ensure a more modern appreciation of property interests in a marriage relationship and thereby have protected the interests of women in particular.

As in other controls in the commons interest, these protections are rational and represent a necessary balance. In my opinion, the protection of property in the Constitution can only take place in the context of an assurance that these modern developments will not be brought down by interests that are narrow and self-centred. And I say this, Mr. Speaker, not to undermine the concept of constitutional protection for the enjoyment of property, but to show that there are important concerns that must be resolved in any proposal of a constitutional character. That is why I feel that Private Members' Hour is an entirely inappropriate forum for discussing this matter.

There are many important societal interests that require the Government to regulate the ownership and use of property. Several provinces are concerned about the effect that entrenching property rights might have on their ability to enact other laws. Only two provinces, British Columbia and New Brunswick, have passed resolutions supporting the entrenchment of property rights in the Constitution. To date, to my knowledge, no other province has acted. They remain concerned about the consequences of entrenching property rights.

The amendment of the Constitution to entrench property rights is not a unilateral process. Amending the Canadian Charter of Rights and Freedoms to entrench property rights requires resolutions of the legislative assemblies of seven provinces with at least 50 per cent of the population, as well as resolutions of the Senate and House of Commons. No government acting alone can entrench property rights. Rather, we need a consensus between the federal Government and the provinces. The Prime Minister (Mr. Mulroney) has referred to a new era and spirit of co-operation and conciliation between the provinces and the federal Government. Building a consensus, particularly on matters of constitutional reform, requires a judicious approach. The federal Government is in a position to employ its considerable authority and prestige to reach a consensus on the matter of the entrenchment of property rights because we have a four-year mandate.

Acting precipitously runs the risk of provoking a dissenting province to opt out of a constitutional amendment as it is allowed to do by Section 38 of the Constitution Act, 1982. Hon. Members will appreciate that if a constitutional amendment is adopted, a province which disagrees may avoid accept-

ing the change, if it is one which "derogates from the legislative powers, the proprietary rights or any other rights or privileges of the legislature or Government of a province". Subsection 38(3) provides that such an amendment shall not have effect in a province which expresses its dissent by resolution of the legislative assembly. An amendment to entrench property rights in the Constitution would certainly appear to be an amendment coming within subsection 38(2). It is possible, therefore, that the result of premature action on our part might create constitutional property rights protections that would not apply in one or more provinces because we had not succeeded in building the necessary consensus. The importance of property rights is such that constitutional protection should, if at all possible, be provided on a consistent and uniform basis across the country. We should not lightly put ourselves in a position where it might be necessary ultimately to proceed without the assent of a province. We should strive to reach agreement, but the opportunity to do this has not been available to the present Government.

So as to allow other speakers to address this House on this fundamental issue, I will conclude by saying that I believe that this matter should be addressed during the four years of our mandate. We must build a consensus with the provinces. Private Members' Hour is not the time to talk about public law Bills. I would like to say that I agree with the whole concept of entrenchment but we are dealing in illusions if we do not form a consensus.

Mr. Rod Murphy (Churchill): Mr. Speaker, this is the second opportunity I have had to speak on a Conservative motion with regard to property rights and the Constitution. The procedure the Conservative Government is following on this particular issue is interesting. The first time I spoke on this subject was on April 29, 1983. We were debating an opposition motion, with a vote, which, of course, meant that members of the Liberal Party had to vote against the motion, despite what they may have felt about its particular merits, because the Conservative motion was a non-confidence motion. In other words, Hon. Members on the government side would have had to vote against their own Government in order to support the resolution which was before them.

• (1730)

It is interesting that we have this second occasion to discuss property rights. It is not a government measure. For that matter, it was not mentioned in the Throne Speech. This is strictly a Private Members' Bill on which the government Members are speaking with the purpose of killing the Bill. If the Conservative Government were serious about property rights in the Constitution, it would start the process as an official government measure.

I have to agree with the last speaker from the Conservative Party who said that Private Members' motions to amend the Constitution are not the route we should take. There is no way that this House, after a one hour debate, should try to amend the Constitution of this country. We had a debate on April 29, 1983 on this matter and I spoke about the need for a process which allows the provinces, the public, business and labour groups, environmentalists, native peoples and others to come before this House to talk about their concerns. The problem with the route being taken now is that it does now allow for public participation.

The last time the Conservative Party tried to bring this measure before the House they wanted it passed in a four-hour debate in one afternoon. It did not want the groups I mentioned, nor I suspect did the Conservative Premiers, to have the opportunity to speak in front of a committee of this House on the rights they were concerned about. At the time the motion came before the House in 1983, I talked about the process and the need to allow the public to get involved in the changing of our Constitution. I put forward a motion to that effect. I realize you were not in the House at that time, Mr. Speaker, so I will point out that negotiations took place which, had they been accepted by the Conservative Party—and it was the Conservative Party that killed the property rights—we would have had a committee of this House listen to people from different parts of Canada, those groups that I have mentioned. But the Conservative Party did not want that to happen. That Party, by introducing a Private Members' Bill, does not allow for public participation, and that proves it is not serious about property rights.

Mr. Blenkarn: Oh, come on.

Mr. Murphy: It is a pure political sham. If the Conservative Government were serious about this, it would have been in the Throne Speech.

Mr. Blenkarn: This is Private Members' Hour, remember?

Mr. Murphy: I hear the mover of the motion, Mr. Speaker, rambling on. That same Member talked strongly against the borrowing authority which the Liberal Government introduced. What he said is now in the record of *Hansard*. What he says on this side of the House when he is in opposition, and what he says on that side of the House when he is a government Member, are two things that tend to be completely opposite. The people who elected us expect us to say the same thing whether we sit on this side or that side. I would hope that that Hon. Member would have had the integrity to say the same thing when he is on that side as he did when be was on this side. Obviously he cannot do that at the present time.

When I last rose to discuss property rights regarding the Constitution I moved an amendment which I would like to read into the record. The amendment was that the House of Commons:

—favours a constitutional amendment to entrench the principle of the right of Canadians to own their own homes and farms; that such entrenchment in the Constitution must embody wording which does not create new problems for Canadians; for example, for provincial governments and others who wish to ensure that the ownership of recreational land be restricted to Canadian citizens—

Mr. Blenkarn: Can't have a cottage.

Mr. Murphy: It goes on to say:

—or that good farmland be restricted to agricultural use only, or that labour rights, native peoples' rights or environmental protection not be jeopardized.

Mr. Blenkarn: You can't have a bank account.

Mr. Murphy: Perhaps the Hon. Member who introduced the Bill will be kind enough to sit and listen instead of yapping like a dog.

In putting forward my motion, Mr. Speaker, I suggested that the House resolve:

—that the subject matter of property rights be referred to a committee consisting of representatives of all parties in the House of Commons, which committee will hold hearings to ascertain the views of interested groups and individuals.

I tell members of our Party, members of the Liberal Party, and especially members of the Government Party, that if you are serious about property rights, then deal with it in a serious manner. Allow those groups to come before one of our committees to explain their situation. The hypocrisy of bringing a Bill forward as a Private Members' Bill, which I suspect the Government will talk out, proves that Members opposite are not serious. Amending the Constitution of Canada is such a serious and important matter that we cannot do it on the basis of what I call a 55 minute debate in the House of Commons. We must amend our Constitution through a process which allows the public to participate.

It is interesting to be in a position where I can quote a Conservative provincial Government speaking out against the Bill before us. It is no secret to the Members of this House that it is the provincial Conservative Governments which say they do not want a constitutional amendment protecting property rights. For example, Prince Edward Island, with its Conservative Government, is concerned about making sure that recreational land remains available for Canadians. That province does not want a constitutional amendment which will prevent it from passing laws making sure that that limited and valuable resource is available for Canadians first. I will quote a member of the Alberta Government, which I suspect you recognize happens to be Conservative. The then Minister of Federal and Intergovernmental Affairs, Mr. Horsman, said that the debate made clear that the Government of Alberta's position is that the constitutional responsibility for property and civil rights is that of the provinces. It should properly remain there and not be entrenched in the Charter of Rights and thus become subject to any control by the federal Government. That is a Conservative Government, Mr. Speaker, talking about why it does not want property rights entrenched in the Constitution. Because the Government of British Columbia passed a resolution on this very matter, the Alberta Government also addressed that fact. It said that it is true that the case for inclusion was put forward by the Province of British Columbia at those meetings, but no extensive discussion took place relative to the matter. In other words, the other provinces did not feel convinced that that was a matter on which they had to join the others in support.

• (1740)

The British Columbia Government, the token secret Tory Government in this country, put forward the position for property rights. The other provincial Governments at that time which, as Mr. Speaker knows, are by and large Conservative Governments, did not support the Government of British Columbia. After a brief survey of other provinces by the Province of Alberta it was clear that there was very little support given by other provinces for inclusion of the subject of property rights in the Charter. This is not the New Democrats saying that property rights should not be in the Charter. This is the Government of Alberta telling us that that Government and other Conservative Governments across the land did not want property right in the Constitution.

Let us have no more hypocrisy and false debates in the House of Commons. Talk to your political friends and colleagues. If they want property rights in the Constitution, have them come to the House of Commons and explain that they really want property rights in the Constitution, because it is apparent that that is not what they want.

There is a reason for that. We talked about the Government of Prince Edward Island wanting to protect recreation land. I am sure you realize, Mr. Speaker, as do Hon. Members, that recreational land in Prince Edward Island is largely owned by non-Canadians. I am sure that you are aware, Mr. Speaker, because you are a very wise and honourable person, that in many other provinces there is a concern, as there is in the Province of Manitoba. I am sure that my friend, the Hon. Member for Brandon-Souris (Mr. Clark) would like to get up and speak on this. Manitobans are concerned that farmland is being bought by people from West Germany and the Netherlands and by people who are not interested in farming. The Government of Manitoba, like many other western Governments, is very concerned that it have the right to pass legislation to make sure that the limited agricultural land in the country remains available to Canadian farmers. It does not want a clause in the Charter which would prevent it from passing legislation which would restrict that land for agricultural use.

The same thing applies with regard to workers, native people and others who are very concerned about what is happening in the country. Native people are concerned that if property rights are in the Constitution they may not be in a position to get the land to which they are entitled. The very fact that it is called land entitlement tells you that they are entitled to that land. They are concerned that something in the Constitution may prevent them from negotiating for what is their due.

The workers and tenants in the country are afraid that property rights may restrict their rights. When I spoke on this matter in April of 1983 I quoted from an article from the Winnipeg *Free Press*. At that time a representative of mortgage holders told the Winnipeg *Free Press* that one of the major reasons they wanted property rights in the Constitution was that they would have more rights to the assets of the companies than the workers who work there. That mortgage

holder was saying that if property rights are put in the Constitution, those who own property such as bonds and assets would have more rights to the assets of a company when it went bankrupt than the workers who work there. In other words, you could work there for 10 years and the company could owe you $5,000 or $50,000 in pension benefits. They could owe you $20,000 in wages and more in benefits and pension rights, but, according to the mortgage holder who was speaking to the Winnipeg *Free Press*, you would not have any rights. The person who would have rights is one who is not that badly off and has assets, bonds, and some kind of securities or bills owing from that particular company.

We are not speaking against property rights, Mr. Speaker. We in this caucus happen to represent farmers. Some of our caucus members are farmers and own their own farms. Most of us own our houses. Some of us have cottage land which we own. We are not against property rights. However, we want to make sure that property rights will only be included in the Constitution once we have protected the rights of other Canadians by recognizing the rights of tenants, native people, and people who are concerned about the environment. That is something that I have not had a chance to talk about, Mr. Speaker. We must recognize the rights of a provincial government to ensure that the limited land available is best used for the purposes of the whole public. Once that is guaranteed and we have found a process to ensure that we have not taken rights away from the province and the individuals, we can have property rights in the Constitution, but only then.

It is very important that the House not deal with property rights in the artificial manner in which the Conservative Party has brought them before us on the last two occasions. It cannot be brought forward as a motion against the Government. It cannot be brought forward as a Private Members' Bill. It must be brought forward as a serious piece of government legislation which allows the provinces and all those affected to speak before it is passed.

Mrs. Mary Collins (Capilano): Mr. Speaker, I would like to add my congratulations to the Hon. Member for Mississauga South (Mr. Blenkarn) for bringing forward this very important motion. I agree with the Hon. Member for Cambridge (Mr. Speyer) that obviously Private Members' Hour does not provide an adequate opportunity to discuss the concept of entrenchment of property rights in the Constitution. However, it does provide an opportunity to discuss some of the issues. I hope some of those issues will be brought out during this debate.

I too am sympathetic to the idea of entrenching property rights in the Constitution. I reiterate the support of my colleagues and my Party in this respect. In considering the entrenchment of property rights I believe we cannot discuss it in a vacuum. I believe that we muste understand the context of the real world in which constitutionally entrenched property rights would operate. We should and must take into account the important interests of society which justify reasonable and fair restrictions of property rights. Not the least of these interests are the interests of women. That is the area I would like to address today.

• (1750)

It is imperative that we act in a manner that least affects the exceedingly hard-won gains that women have made toward equal opportunity and employment and economic issues in recent years.

Let us consider the issues that women's groups have brought forward. They have argued that the entrenchment of property rights might jeopardize the interest of women, and we need to analyse some of those issues to reassure ourselves and society at large that such an initiative is well and thoroughly considered. For example, women are concerned that the protections we have won under the family law reforms might be annulled by the application of constitutional property rights protections. Matrimonial property legislation now provides for the division of assets upon divorce and separation.

The courts are empowered to divide assets among separated or divorced persons irrespective of the apparent legal title to those assets. Spouses are deemed to have acquired an interest in property by virtue of the marriage relationship. The extent of the interest varies with the circumstances. The types of property to be divided on marriage breakdown range from the matrimonial home to automobiles, from personal possessions to pension rights. The practical effect of these laws is to recognize the mutual contribution of homemakers and breadwinners to the success of the family as an economic and social unit. They also prevent the equal partners in marriage from suffering unequal burdens upon marriage breakdown.

What women's groups are asking is whether the entrenchment of property rights could be accomplished without dismantling the matrimonial property systems that have been set up under family law reforms. We should recall the wording of the clause proposed in the resolution of the Legislature of British Columbia, my home province. That resolution proposed that Section 7 of the Canadian Charter of Rights and Freedoms should be amended to add the right of enjoyment of property to the rights already enumerated therein. Everyone would have the right not to be deprived of the enjoyment of property except in accordance with principles of fundamental justice.

The constitutional protection of property rights proposed by the Legislature of New Brunswick is worded somewhat differently. That Legislature resolved that the Charter should be amended to add Section 7.1 which would read, "Everyone has the right to the enjoyment of property and the right not to be deprived thereof except by due process of law".

The women's groups are concerned that whatever form of wording is chosen the result will be to allow the courts to interpret "due process of law" or the "principles of fundamental justice" as a guarantee of substantive due process.

Let me explain. Under the Fifth and Fourteenth Amendments to the United States Constitution, no person may be deprived of life, liberty or property without due process of law. In American jurisprudence, due process has in the past been

given a substantive as well as a procedural connotation. Due process has involved the American courts in assessing the substance of legislation. In the early years of this century, the American courts frequently challenged legislation on due process grounds.

Members may recall the case of *Lochner versus New York*, an early leading case in which the United States Supreme Court struck down a statute prescribing maximum weekly and daily hours of work for bakers on the grounds that it affected the deprivation of property rights without due process of law.

The American courts also applied a substantive due process of law doctrine to invalidate statutes relating to minimum wages and child labour.

Women's groups have expressed the fear that Canadian courts might adopt a substantive due process approach to property and other rights and they worry that on such an approach important reforms in the interest of women will be put at risk. Most Canadian courts have so far taken the view that fundamental justice refers to procedural due process only. That accords with the views expressed during Parliament's consideration of Section 7 of the Charter. Women's groups have taken the position that a substantive due process interpretation cannot be ruled out and, indeed, in two recent Superior Court decisions, the courts have suggested that the protections afforded by Section 7 of the Canadian Charter of Rights and Freedoms and fundamental justice specifically, may be more than procedural.

That question is now pending before the Supreme Court of Canada, and I shall therefore not to go into further detail on that legal issue. However, if the courts were to adopt a substantive due process approach to property rights protections, womens' groups are afraid that socially progressive legislation such as matrimonial property laws might be struck down by the courts on policy grounds as restrictions on the property rights of spouses. The provinces are similarly concerned, we have heard, that a substantive due process approach might endanger these and other important pieces of provincial legislation.

Women's groups are also concerned about the hardship and the cost of judicial review of family laws under property rights guarantees. Their view is that the cost and the burden of judicial review would fall on individual women. They point out the so-called "persons" case, a case that we all know and admire so much. In 1928, the "Famous Five" had to fight hard and finally appealled to the Privy Council to determine that women were indeed persons for the purpose of being appointed to the Senate.

The point that is made on behalf of women is that there is a financially limited capacity to individual women to take on these cases. Their concern is that important test cases would have to be mounted to determine the scope of entrenched property rights and their application to newer controls on individual property rights. The argument is that the cost and hardship of constitutional litigation would fall on those who are least able to bear it.

I would note that women's groups have acknowledged the positive aspects of the entrenchment of property rights. They have suggested that if property rights were entrenched, procedural property rights guarantees could be beneficial to women under a broad interpretation of property. They have taken the position that a broad interpretation of property might include interests in such things as social benefits. The property in such benefits would be premised on the expectations that arise from social assistance legislation. Under this interpretation, recipients could not be deprived of such benefits except by procedural due process.

Again, in the United States, the Supreme Court has on a number of occasions applied the due process clause of the U.S. Constitution to protect that so-called new property. The Supreme Court has held that an expectation of academic tenure, a driver's licence and disability benefits are property interests deserving of protection under the due process clause. It seems that women's groups might be more favourable to the entrenchment of property rights if "property" were given a broad interpretation along the lines of the American example, an interpretation which would provide protections in respect of social benefits received by women.

Women's groups as well as other groups and provinces have sincere concerns about the effects of entrenching property rights. We have an obligation to take their views into account and to seek, if possible, a consensus on this matter. Even if it is not possible to achieve unanimity, in the spirit of consultation and conciliation, we should make an effort to reconcile those with different views.

My Party is committed in principle to the entrenchment of property rights, but we cannot do so hastily and without reflection on the possible impact of such constitutional amendments on the interests of over half of the population. There are important and legitimate concerns that the Government needs to address over the first portion of its mandate. I look forward to the opportunity of discussing this matter not only in Private Members' Hour but on future occasions when it comes forward.

Mr. Deputy Speaker: The hour provided for the consideration of Private Members' Business is now expired.

• (1800)

PROCEEDINGS ON ADJOURNMENT DEBATE

[*English*]

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

GENERAL AGREEMENT ON TARIFFS AND TRADE—STEEL LABELLING PROVISIONS OF UNITED STATES. (B) REQUEST FOR RETALIATION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I rise in my place this evening with great regret because the Prime Minister (Mr. Mulroney) has chosen to ignore the very critical issue of steel labelling, and the Prime Minister's representative here tonight, I hope, will be able to tell the House, and in particular the workers in my riding of Hamilton East and the workers in ridings across Hamilton, just what initiatives this Government has in mind with respect to the steel labelling issue.

The Prime Minister is no doubt aware that during the election he personally thought this issue was so important that he sent letters to constituents across my riding urging them to support the Progressive Conservative Party because he would personally lead the fight to save steel jobs. Yet we have seen, since the election of this Government, a Prime Minister who treats the issue of steel jobs and the labelling issue with the same kind of lack of interest and denigration with which he has treated a number of other very serious subjects explored in this House.

I was frankly shocked, when I raised an issue which involved the lay-off and the potential lay-off of more than 2,000 steelworkers in Hamilton, that the Prime Minister was not even aware that the current labelling requirements as passed by the U.S. Congress are a violation of GATT.

Will the Prime Minister and the Minister of International Trade (Mr. Kelleher) clarify to this House whether the International Trade Minister—who has already stated publicly that the labelling requirements are a non-tariff area and thus a violation of GATT—is speaking for the Government or whether it is the Prime Minister who is doing so. I understood that the Prime Minister, in his completely inadequate response to my question on this issue this week, was unclear whether the labelling issue was a violation of GATT. I would support the statement by the Minister for International Trade that the labelling provisions is a violation of GATT and that the Prime Minister has an obligation to the voters of my community and to the steel workers across Canada, including the steel workers in Sault Ste. Marie who are watching this issue very closely, as well as steel workers in other parts of the country. The Prime Minister has an obligation to get tough with the Americans and he has an obligation to suggest to his very good and great friend, the President of the United States, that if the U.S. Congress is not prepared to exempt Canada or to lift the labelling requirements with respect to steel imports, then it is time that the Canadian Government followed the initiative suggested by the steel industry, and that is, with retaliatory measures.

The Prime Minister in the House talked about retaliatory rhetoric. He joked. He threw the question off into oblivion because he felt it was not an issue that should be dealt with seriously by parliamentarians here in the House and by the people of Canada. I would like a clarification from the Prime Minister as to whether he believes that the labelling requirements are a violation of GATT. If he believes, as does his Minister for International Trade, that they are a violation of GATT, why does the Prime Minister not shrink back from the commitment he made to the electorate of Hamilton East when he said that if he were successful in becoming the Prime Minister of this country he would personally lead the fight to save steel jobs?

We know that over 2,000 jobs are already on the line as a result of a downturn in steel production since the election of this Government. More than 2,000 people in my community have already been laid off or are facing a potential lay-off in January of next year. Yet, faced with this, the Prime Minister stands in the House of Commons and laughs and jokes and tells the workers, who are looking forward to a very bleak Christmas, that he does not have answers. He is only concerned with retaliatory rhetoric.

The response of the Prime Minister is not sufficient. I am sorry the Prime Minister is not in the House tonight to deal with an issue that involves the potential loss of thousands of jobs for Canadian steel workers. I ask that his representative clarify the GATT requirements and clarify the position that this Government is taking. Will he clarify to the Canadian voters why the Prime Minister did not see fit personally to intervene with the President of the United States after the United States Congress introduced the tariff regulations which are in violation of GATT?

• (1805)

These are very serious questions. The voters of Hamilton want answers to these questions. The Prime Minister's comic relief in the House earlier this week is certainly not good enough.

Mr. Stewart McInnes (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, it gives me pleasure to reply to the Hon. Member's question on behalf of the Prime Minister (Mr. Mulroney) and the Minister for International Trade (Mr. Kelleher).

The Government submitted a note to the U.S.A. administration on October 1 identifying the proposed marking regulation affecting steel pipes and fittings, which was contained in the draft U.S.A. Trade and Tarrif Act of 1984, as a serious non-tariff barrier to Canadian exports and inconsistent with U.S. obligations under the GATT. Our Ambassador in Washington also wrote to key Congressmen and met with administration officials outlining our concerns over the new marking law.

After passage of the legislation by Congress on October 9, the Government submitted another note setting out our concerns. We also made representations to the U.S. administration on the technical aspects. A further note was submitted on November 1 after the Bill was signed into law. In this representation, we sought the least restrictive application of the marking regulation, while pressing for repeal of the legislation when Congress reconvenes in 1985. In addition, the

Minister for International Trade called Mr. Brock, the United States Trade Representative, on this issue.

In part as a result of our representations, the administration issued a directive on November 14 which instructed U.S. Customs to administer the new regulation on an interim basis for 120 days. This is in fact a moratorium of the law that was enacted by Congress. Application of the new marking law on this basis will cause minimum disruption to Canadian trade and provide time for the administration to seek repealing legislation.

In addition to our bilateral representations in Washington, we raised the issue in the GATT. Consultations are scheduled to take place in Geneva on Friday, December 7. In our view, the new marking law is inconsistent with United States GATT obligations, in particular Article IX:4, which deals with marks of origin.

In light of these developments, both the Prime Minister and the Minister for International Trade have indicated that it would be premature for the Government to discuss the possibility of retaliation at this time.

The Government, as it has from the beginning, continues to work closely with the Canadian industry to safeguard access to the important U.S. market. Indeed, the Minister met with the industry and provincial representatives in Toronto on Monday of this week to ensure that there is a co-ordinated plan of action. Canadian exports of pipe and fittings to the United States totalled approximately $125 million U.S. in 1983, down from approximately $233 million U.S. in 1982. Exports to the United States in the first half of 1984 are already over $125 million U.S.

I want to assure the House and the Hon. Member that the Prime Minister is very sensitive to this Government's obligation to the steel industry. His primary consideration is that jobs that are in jeopardy be preserved. It is in furtherance of that particular concern that these measures have been taken. We have had a very reasonable and appropriate reaction from our U.S. friends. I trust this answers the inquiry of the Hon. Member.

INCOME TAX—RATES CHARGED BY DISCOUNTERS. (B) CHEQUE-CASHING SCAM

Mr. David Orlikow (Winnipeg North): Mr. Speaker, several days ago I brought to the attention of the Minister of Consumer and Corporate Affairs (Mr. Côté) the plight of several hundred thousand Canadians who are being ripped off by companies which discount income tax refunds. This situation is growing more serious every year.

In the 1970s, when Members of Parliament and the Government learned that some people were having their income tax refunds discounted 50 per cent to 60 per cent, legislation was passed entitled the Tax Rebate Discounting Act. That was in 1978. It provided that discounting companies such as BenTax and H & R Block could provide cash advances on income tax refunds and charge a fee of 15 per cent of the total amount of the tax rebate. Since 1978, the number of Canadians who are having their tax refunds discounted more than doubles every year. In 1982, there were 60,000 Canadians who did this. In 1983, there were 153,000 and in 1984 there were 380,000 who did this.

• (1810)

Let us ask ourselves who the people are who have their tax refunds discounted. They are not Members of Parliament, bankers, lawyers or doctors. The clients of the discounters are the poor. They are the single mothers who are heads of families. They are native people and people who are on welfare. In fact, 64.5 per cent of those who discounted their returns in 1982 had total incomes of less than $8,000 per year. They are people living in poverty. The median income of those people was $5,700 per year, and 41 per cent of them were women claiming the child tax credit, a social program intended to help lower-income families. Those people who discount their tax returns are not getting the benefits which Parliament wanted them to have.

The discounters themselves estimate that 50 per cent to 65 per cent of their clients are unemployed or on welfare. These people need the money in March or April when they discount their return, but they need it later on as well. They receive no benefit from doing this. They take a substantial loss by getting the money to which they are entitled early.

In 1983, the discounters charged an average of $114 per return. On the basis of the number of returns they processed in 1984, discounters made about $43 million. They took that money out of the hides of poor people. They took it despite the fact that the legislation was designed to help those people.

The 15 per cent fee which is permitted to be charged by the discounters under this law works out to an exorbitant rate of interest if calculated on an annual basis. Given the fact that most of the returns are processed and returned by Revenue Canada within one or two months, discounters are basically providing loans to their clients at annual interest rates of 90 per cent or more.

Not only are the large companies I have already mentioned getting into the business, but there are now smaller companies which are not in the financial business at all entering the business. There have been instances of car dealerships enticing people to buy or lease a car by offering to cash tax rebates minus the 15 per cent fee, of course.

I believe that the Government can take action. The Minister said his Department is studying the matter. The Government is studying it but is doing nothing. I believe that the Government could pass legislation making it illegal to have tax rebates discounted. Just because something is not illegal does not make it desirable.

I believe that rebating serves no useful purpose. The Government should give consideration to an outright ban of such discounters. It could make tax rebates non-transferable. If the Government does not want to ban discounting, it could pass legislation to bring discounting rates into line with normal consumer loan rates. After all, the risks are minimal yet the interest rates charged are exorbitant. Using normal consumer

loan rates of about 15 per cent on an annual basis, such companies would get a fair return for giving money to people a month or two before they would normally receive their rebates. As I pointed out, the average return is back in four weeks and 15 per cent is charged, which would work out to 180 per cent annually. If the return takes two months, the effective rate of interest is 90 per cent.

● (1815)

If the Government is not prepared to amend the legislation, I would urge it to meet with the banks and the credit unions to persuade them to extend discount options to their customers at the rate of consumer loans. That would at least reduce the social cost of the discount to poor families.

The banks have been given the ability to become the most profitable organizations and the largest corporations in the country. Surely we can ask them to show some social responsibility. Surely we can ask them to show some consideration for these people who are among the poorest in the country. Surely we can ask them to co-operate in getting rid of this blight which is being forced upon them.

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, the Hon. Member for Winnipeg North (Mr. Orlikow) has asked two questions. He is concerned about the tax rebate discounting process which is now being followed, as well as with cheques which are being cashed for a fee.

With respect to the tax rebate discounting question, I wish to assure the Hon. Member that the entire issue is being studied very carefully by this Government. By way of background, I wish to remind the House of the purpose of the Tax Rebate Discounting Act. It is to protect the interests of taxpayers who give up the rights to their anticipated tax refunds, in exchange for a minimum of 85 per cent of the value of the refunds, in order to receive immediate cash. The statute was enacted in 1978 at the urging of provincial Governments.

The legislation appears to have addressed successfully the problems it was intended to remedy. Consider the situation of those who, as the Hon. Member puts it, simply cannot wait to receive the money in the usual fashion. These people may have very urgent and pressing financial needs and may be unable to obtain credit in the traditional ways. No longer is it necessary for them to seek out loan sharks or to lose as much as 50 per cent of their tax refunds. Now they can obtain at least 85 per cent of their refunds in advance in an atmosphere which is legitimate and business-like.

Nevertheless, this Government recognizes that, as with any new piece of legislation, particularly when it relates to a growing industry, certain new factors may be encountered. That is why we must continually, as the Hon. Member has mentioned, monitor these processes which from time to time may get slightly out of hand. However, we have no reason to suspect that they are out of hand. Indeed, representatives from discounters and such concerned groups as the National Anti-Poverty Organization have already been studying it. We are in close contact with them in order to try to avoid any possible rip-offs which might be occurring in the industry.

With respect to the Hon. Member's question on cheque-cashing operations, I wish to advise the House that this matter is also under consideration.

The Hon. Member has suggested that legislation should be passed to outlaw these businesses. Indeed, the recent development of this type of business, which now has at least 20 offices operating across Canada, could give rise to concern. Such concern, however, need not lead directly to the conclusion that cheque-cashing services should be outlawed. The rapid growth of cheque-cashing services indicates that some Canadians are prepared to pay up to 10 per cent of the value of a cheque merely to have it cashed. Their reasons for doing so may derive from such legitimate interests as greater convenience.

Although the Department has received no complaints from the users of cheque-cashing services, the House can be assured that we will continue to monitor the development of the cheque-cashing business.

In closing I wish to thank the Hon. Member for Winnipeg North for the opportunity to address his concerns.

● (1820)

FORESTRY—JACKPINE BUDWORM INFESTATION. (B) REQUEST FOR AUTHORIZATION TO USE INSECTICIDE

Mr. Maurice Foster (Algoma): Mr. Speaker, I raised a question with the Acting Minister of Forestry a few days ago in the House concerning the jackpine budworm infestation which has swept across Ontario this past year. Actually, in 1983 there were some 67,000 hectares of jackpine infected. By this year, 1984, there is over 1.5 million hectares infected. Of this amount, 1.5 million acres are in northeastern Ontario. In the Eddy forest products limits north of Espanola and up towards Timmins, some 150,000 acres to 200,000 acres, which have high concentrations of jackpine, are highly infected. In total, some 800,000 acres are infected.

I asked the Acting Minister if he would make representations to the Ontario Government to put in place a control program for 1985 so that the decision could be made now. In that way the control program can take place in late June of 1985. I also asked the Acting Minister if he would make representations to the Minister of Agriculture (Mr. Wise) to have the biological insecticide, Bacillus Thuringiensis, approved on an emergency or operational basis for use during the 1985 year.

We must appreciate, Mr. Speaker, that the economic viability of whole communities such as the town of Espanola are at stake here. We are talking about thousands of jobs both in the plant and in the bush. I appreciate that the Ontario Government has not been too active with regard to this kind of control program. I am told that in this past year only 3,000 hectares were actually under a control program for the spruce budworm, which is a similar type of infestation, whereas in Nova Scotia some 21,000 hectares are under control. Quebec has some 600,000 hectares under control and New Brunswick has

over one million hectares under control. But just to put this into perspective, I am told this is one of the fastest expanding infestations which has ever been witnessed by scientists. It has spread from 67,000 hectares in 1983 to over 1.5 million in 1984. I am told that with respect to the Eddy forest products limits alone, their losses by stunted trees and so on during this one year will equal their total plantings during the next five-year or ten-year period under its reforestation program. We can see, therefore, the economic loss and danger to the forests.

I was trying to make the point in the House that there is an urgency for decisions to be made now. The B.T. insecticide needs to be approved for use in the infected jackpine stands in Ontario. I am told that the effectiveness of this insecticide for use with the jackpine budworm infestation can be provided within a two-week to three-week period. Then it is simply a case of the Minister of Agriculture approving it.

I also want to point out the urgency of a decision being made by the Ontario Minister of Natural Resources to approve a plan for next year. It is not just a case of turning on the plan at the whim of the Minister. There are long-term preparations which have to be made. Pesticides have to be ordered. I am told there is a three-month delivery date and there has to be a period of public hearings or approvals after the Minister makes the decision. Planes have to be contracted for. These decisions cannot be put off until January or February at the whim or convenience of the Ontario Minister.

● (1825)

I know, Mr. Speaker, that we are very fortunate to have a Minister of Forestry in the Government of Canada who has extensive experience in these problems in New Brunswick. I am very pleased that he is in the House this evening to respond to my representations. I simply hope that he will give an indication that the federal Government, through the Minister of Agriculture, will act expeditiously to approve the insecticide and that he will use his influence with the provincial Minister of Natural Resources and the Minister of Agriculture to approve a control program at a very early date. I say this because, although the actual responsibility for the control program is under the Ontario Minister of Natural Resources, our scientists at the Great Lakes Research Laboratory in Sault Ste. Marie are very involved in the actual egg counts, the scientific analysis and investigation of this infestation. Clearly, given the experience of our Minister, his recommendations and representations will have a great deal of influence on the Ontario Minister of Natural Resources in this matter.

Hon. G. S. Gerry Merrithew (Minister of State (Forestry)): Mr. Speaker, I want to thank the Hon. Member for Algoma (Mr. Foster) for his kind comments. I have had some considerable experience in dealing with such matters, coming as I do from the Province of New Brunswick. I also want to apologize to him for being absent when he asked his question. I was addressing a very major group of the Western Forest and Conservation Association in California regarding issues of great concern to Canada—and the Canadian forest industry.

When we have an infestation of any insect, as we have lots of them in this country, it is a matter of great concern to our country and certainly to the forest industry. Believe me, we have agonized in some detail over these infestations and how to deal with them effectively. As the Hon. Member has rightly pointed out, management of the forests and the spray programs are essentially the responsibility of the provinces. We have been working very closely with the province here and I will outline in some detail the steps we have taken to ensure that his legitimate concerns are being addressed.

There is unfortunately only one chemical at this time which has been registered for the jackpine budworm, and that is Fenitrothion, which we have used of course in the Province of New Brunswick. However, the CFS has been working in the Forest Pest Management Institute in Sault Ste. Marie in collecting insects and doing research to find out if it is possible to have a biological insecticide suitable for fighting the jackpine budworm. We would prefer that if it is possible to do and within reasonable cost.

My officials in Sault Ste. Marie met today with the manufacturer of another chemical, Aminocarb, to discuss possible testing of that insecticide to combat the jackpine budworm as well. The Hon. Member may be aware that there is a group called the jackpine working group. They met yesterday to discuss ways of controlling infestation. Present at the meeting were members of the Ontario Ministry of Natural Resources, my own Great Lakes Forest Research Centre and, of course, the Forest Pest Management Institute. We invited representatives as well from the E. B. Eddy Company, a very large employer in the Hon. Member's riding. In the near future we hope to be able to provide the test data to the manufacturers and to Agriculture Canada on the results of our testing. I mention that because of course the registration of pesticides is their responsibility. If they are proven to be effective against the jackpine budworm, it will then be incumbent upon the manufacturer to seek a label amendment from Agriculture Canada. If that is approved, the new insecticide could be available in time for the program next spring.

Believe me, Mr. Speaker, having been a forestry Minister in a province of Canada I know how much time it takes to take all the necessary steps to make sure you have a program prepared to go. I do want to inform the Hon. Member that while steps are being taken by CFS, the decision to go or not go in the Province of Ontario does rest with the province. While we understand that there are some people who have concerns, rightly so, about spraying chemicals or even biologi-

cal insecticides, we want to say that they can only be applied if approved by the federal Government and by the provinces, and applied by licenced applicators according to the label instruction. Having worked on these programs for a number of years, I know the controls are pretty tight.

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

At 6.30 p.m. the House adjourned.

HOUSE OF COMMONS

Friday, December 7, 1984

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

HAZARDOUS SUBSTANCES

STORAGE AND TRANSPORTATION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, the tragedy in Bhopal stresses the urgent need for all levels of Government in Canada urgently to enforce and, where necessary, implement new safety measures to ensure that this will never occur in Canada.

First, the Government of Canada should produce a public map showing the location and quantity of all lethal gases stored in Canada.

Second, by way of close co-operation, the federal Government should seek from the responsible provincial agencies the assurance that inspections of these locations are carried out by qualified people, that valves and control equipment are in top condition at all times, and that adequate buffer zones surround new installations.

Third, the federal Government should immediately review the existing regulations governing the transportation of hazardous substances.

Fourth, the transportation of hazardous and lethal substances should be rerouted away from urban areas.

Fifth, trains transporting hazardous material should not be permitted to stop on sidings in populated areas.

Sixth, for the long term, the federal Government should initiate a study that would determine to what extent lethal substances, be they pesticides, manufacturing goods, et cetera, are essential to our economy and civilization, search for non-toxic means of accomplishing these same ends, and promote the fledgling use of non-toxic biological products.

Seventh, in co-operation with the Provinces and municipalities—

Mr. Speaker: I regret to inform the Hon. Member that his time has expired. The Hon. Member for Humboldt-Lake Centre (Mr. Althouse).

AGRICULTURE

FARM DEBT MORATORIUM ADVOCATED

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, recently the Saskatchewan Government introduced a farm debt moratorium which will stop foreclosures on farm lands from December 1 of this year to the end of December of next year. This measure attempts to provide temporary protection to farmers who are threatened with the loss of their property because of high debt.

The moratorium does not, however, protect farmers from having their livestock, grain or machinery seized. What good is land without the machinery to farm it with?

I would like to bring to the attention of the House two recent cases of foreclosure in Saskatchewan. Both of these cases resulted in farm-gate defences by their neighbours. The first involved the seizure of cattle at a farm near Kisby, and the second the seizure of machinery near Choiceland. These examples should make the case obvious. The need for a complete debt moratorium, as has been called for by Mel Swart in the Ontario Legislature, to include all parts of a farming operation, is evident.

In addition, it is time that Governments began to address the fundamental reason for farm bankruptcies—unreasonably high interest rates. During the moratorium, farmers' interest rates will continue to accumulate and farmers will not be able to farm with their high debt load. It is time to reduce the interest rates in order to save farmers. If the Government is serious about maintaining efficient farms, it should extend legislative protection to secure farms not only against seizure of land, but seizure of all farm assets, until—

Mr. Speaker: I regret to advise the Hon. Member that his time has expired. The Hon. Member for Parry Sound-Muskoka (Mr. Darling).

* * *

THE DISABLED AND THE HANDICAPPED

TEACHER OF DEAF CHILDREN PERMITTED TO STAY IN CANADA

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, in a world struggling with death, destruction, derision and deceit, I bring you good news.

Through the hard work of interested groups and the generosity of the Government's Minister of Employment and Immigration (Miss MacDonald) many deaf children in this country will learn to communicate.

S.O. 21

Mary Lou Meiers, a young lady from the United States who has a special gift for working with deaf children, will be allowed to continue her work in Canada. Presently employed at the Bob Rumball Centre for the Deaf in North York, Ontario, Ms. Meiers was issued a Minister's permit to stay in Canada.

A vocal faction of Lions International petitioned to keep her here, as well as friends and families of those persons she has helped.

Ms. Meiers' temporary working permit was originally to expire early in the new year. The compassion of a great many people will allow her to apply for landed immigrant status from inside Canada.

Her work with the deaf has been described as "almost magic" by those who know her. It is indeed to the advantage of all Canadians to have this woman working with our children here in our midst.

I trust my colleagues in this place, regardless of political stripe, will join me in welcoming this talented teacher to Canada on a full-time basis.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

YOUTH

INTERNATIONAL YOUTH YEAR

Mr. Michel Champagne (Champlain): Mr. Speaker, Hon. Members, 1985 is drawing near and has been designated International Youth Year.

Throughout the country, preparations are being made for a worthy celebration of this invaluable resource, our Canadian youth.

Mr. Speaker, I hope this year will not only be one of celebration and rejoicing but also a year of decisions by our Government that will have an impact on the lives and expectations of our young Canadians.

Mr. Speaker, the coming to power of the Progressive Conservative Party has confirmed that a new concept is emerging that is not based on the adversarial but on the search for consensus.

That is why I am anxiously awaiting our chance, as Members of Parliament, to take an active part in International Youth Year, and I am sure we will have an active part to play.

As a junior Member of this House, I am hoping for a better future for our children, as the year 2000 approaches. I am profoundly aware of the problems of youth today, a youth that refuses, and rightly so, to engage in confrontation.

Mr. Speaker, under the previous Government, it was all nothing but talk as far as youth was concerned. However, under this Progressive Conservative Government and our Minister of State (Youth) (Mrs. Champagne)—

Mr. Speaker: I am sorry, but the Hon. Member's time has expired.

The Hon. Member for Humber-Port au Port-St. Barbe (Mr. Tobin).

* * *

[*English*]

ENERGY

HIBERNIA OILFIELD—ENVIRONMENTAL IMPACT STUDY

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, yesterday the Minister of Energy, Mines and Resources (Miss Carney), I would say in a generous manner, inadvertently misled the House by misquoting earlier statements which were made by the Prime Minister (Mr. Mulroney) in Question Period. The Minister suggested that the Prime Minister had committed himself to tabling a document called an environmental assessment impact study if it were available.

Since that time the Minister and I have had time to check *Hansard* wherein the Prime Minister categorically, and to the contrary, confirmed on four different occasions that the Government had a copy of the report and undertook to table it in the House.

Because Statistics Canada has confirmed that 50,000 more people have been added to the unemployment rolls in the country, that report is critical to Newfoundlanders in assessing the kind of deal which will be made between the Minister and her counterpart in the Province of Newfoundland. The fact of the matter is, that a six-month suppression of the report will allow a deal to be signed, without the benefit of its detailed information for Newfoundlanders, and will allow a provincial election to be called long before Newfoundlanders ever understand the detail of the Mobil report.

That report indicates what the mode of production will be, the timetable for production, the rate of development, and most important, it indicates the number of jobs which will accrue to Newfoundlanders out of the development. That information is being deliberately suppressed by a deal made between the Minister of Energy in Ottawa and the Minister of Energy in Newfoundland.

• (1110)

On behalf of all Canadians, particularly those living in Newfoundland, I call on the Minister of Energy to come clean and to quit misquoting and misinterpreting—

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

LABOUR CONDITIONS

LOW UNEMPLOYMENT RATE IN MANITOBA

Mr. Rod Murphy (Churchill): Mr. Speaker, the unemployment figures for the nation were released to the public this morning. They again point out that Manitoba has the lowest unemployment rate across the nation. What they also point out, Mr. Speaker, is that the Government can make a difference.

An editorial in the Toronto *Star* earlier this week pointed out how the Manitoba Government has taken a deliberate step to create both short-term and long-term jobs for the people of that province. It also pointed out that Manitoba does not have a secret, that it is just a matter of a concerted effort of job creation. The Manitoba Government has made that a priority. It has worked with private enterprise in order to create more jobs, to further research and development, and to help train the young people of that province.

I will conclude, Mr. Speaker, by quoting from the article in *The Toronto Star* on December 5, 1984:

> It's a forward looking, integrated approach to the economy that seems to be paying dividends for the people of Manitoba. Canadian political leaders in other jurisdictions should take note.

* * *

ATOMIC ENERGY OF CANADA LIMITED

MEDICAL SCIENCE RESEARCH

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, Atomic Energy of Canada Limited has a long list of positive achievements which should and must be made known to Canadians and to the world. The now famous cobalt therapy unit for the treatment of cancer was developed at Chalk River, Ontario, and was first put into practice on October 27, 1951, in a hospital in London, Ontario. There has been a very effective and practical offshoot from the industry, leading to the development of the advanced application of medical isotopes which, in turn, had led to the saving of lives, and in many, many cases has prevented unnecessary surgery.

Continued research into the results relating to isotopes will become an even greater diagnostic tool for medical purposes in the future. This research is proceeding with indepth emphasis on future medical applied science. The development of isotopes will keep Canada in the forefront of medical research.

It is my intention, Mr. Speaker, to continue to bring forward more information of a positive nature with regard to the role that Atomic Energy of Canada plays in many areas in the development of our nation. This is not a time to be pessimistic about a Canadian success story. It is not a time, when all negative comments about nuclear research in Canada can be publicized, not to have those negative, and sometimes uninformed comments corrected and, indeed, balanced off in the media. The realistic and constructive achievements which have come out of the laboratories of Atomic Energy in the past, which are coming out now, and those achievements which will continue to come out of that great body of professional and expert personnel in the future, should be put on the record—

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

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[*Translation*]

GOVERNMENT ADMINISTRATION

ADVANTAGES RELATING TO ADOPTION OF BILL C-11

Mr. Jean-Luc Joncas (Matapédia-Matane): Mr. Speaker, my statement concerns the Act to provide borrowing authority. Bill C-11 seems to be particularly controversial, judging from the tone of the present debate. The purpose of this legislation is to authorize the Government to borrow $16 billion for the year 1985-86. This part of the legislation will become effective at the beginning of the next financial year. There seems to be a lot of confusion among Opposition Member's especially because this type of clause is unusual in a borrowing authority Bill. It may be unprecedented, but we must not forget that the size of the present deficit which our Government inherited is also unprecedented. There are many arguments in favour of adopting this part of Bill C-11, which, unfortunately, I cannot detail to the House today, because of lack of time. However, I hope to do so on another occasion.

Mr. Speaker, the least I can say is that this Government has promised Canadians sound fiscal management. Adopting Bill C-11 will be a step in the right direction. It will enable the Government to meet its borrowing requirements at the lowest possible cost while avoiding any disruption of the financial market. It guarantees the flexibility required for effective management of Treasury requirements, for the benefit of all Canadian taxpayers.

* * *

[*English*]

FREEDOM OF SPEECH

INTIMIDATION OF INDO-CANADIANS IN VANCOUVER

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, as a Member of Parliament from the City of Vancouver I have a significant number of Indo-Canadian constituents, and I am proud of that fact. So, too, of course, do the Hon. Members for Vancouver South (Mr. Fraser), Vancouver East (Ms. Mitchell), Vancouver Quadra (Mr. Turner), and Vancouver Centre (Miss Carney).

I would like to express to this House my deep concern about what appears to be a campaign of intimidation by a minority hard core group within that community. The target is the moderates in that community, some of whom have told me they have been threatened and their right to free speech denied.

● (1115)

In Canada, Sir, we believe in free speech from all points of view. Moderates should not be afraid to speak out on the tragic events which have recently shocked their community, ranging from the events at the Golden Temple at Amritsar to the tragic assassination of Mrs. Indira Gandhi. I personally deplore the situation in Vancouver where some of my personal friends have been threatened. I have talked with and written to the other Vancouver MPs about this situation. Should it persist, the Government of Canada has many means at its disposal to enforce Canadian law to guarantee free speech in the community.

ORAL QUESTION PERIOD

[*English*]

LABOUR CONDITIONS

NOVEMBER UNEMPLOYMENT STATISTICS

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. In view of the statements made by the Prime Minister that tens of thousands of new jobs would be created in Canada, and the fact that the Minister and her colleagues took credit for increasing the number of jobs during the month of October, is she prepared to accept the blame for her economic policies which resulted in 50,000 people being added to the jobless in November?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, it is true that the unemployment figures remain unacceptably high. But I would say to you, Sir, this is a legacy of the years of fiscal mismanagement of the previous Government. I would like to add that, despite this burden, the number of people employed in Canada in the last two months has gone up by 65,000. Some 250,000 new jobs have been added in the last year, 25 per cent of which have been created in the last two months. This is indeed an indication that the policies of this Government are beginning to take hold.

Mr. Dingwall: Mr. Speaker, the Minister is saying to the unemployed in this country: "Carry on in your despair and hopelessness, and when we, as Tories, get around to it, we might do something about it".

FIRST CHANCE PROGRAM

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, is the Minister prepared to activate the First Chance Program so that 900,000 young Canadians will have an opportunity for employment? Is she prepared to get new money to activate that program?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the First Chance Program was an unfunded fantasy. It was a hoax that the Leader of the Opposition was trying to perpetrate on the young people and taxpayers of this country. What we have said instead is that there would be $1 billion dedicated to direct job creation and training, worked out with the provinces, our economic partners, and with the young people of this country, to make sure there are real solutions to the real problems confronting young people.

Mr. Dingwall: Mr. Speaker, the only fantasy in this House is the Minister and the rhetoric of her Cabinet colleagues.

CANADA WINTER WORKS PROGRAM

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, is the Minister prepared today to activate the $1 billion of reallocated money under the Canada Winter Works Program, because the demand exceeds the present budget by six times? Is she prepared to move on that today?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the first thing we did on assuming office was to allocate $430 million for Canada Works projects this winter, something which the previous Liberal Government had not even budgeted for. That Government had not included in its Budget any plans for this winter, despite the fact it knew unemployment would be highest at this time of year. That $430 million will add another 70,000 jobs this winter just at a time when the jobs are needed most. The Hon. Member should be aware that, with that allocation, 170 constituencies got more money than they did last year under the same program.

* * *

[*Translation*]

YOUTH

GOVERNMENT ASSISTANCE—CRITERIA

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my question is directed to the Minister of State (Youth).

Considering the present crisis situation with respect to youth unemployment which has now reached 18 per cent, and considering that young people are losing hope and are freezing outside, does the Minister not think it is shameful that she speaks only to those who are well off? What are her moral criteria for helping young people who are less in need of Government assistance and neglecting those who have very real problems and are waiting for some kind of action by the government that is attuned to those problems?

● (1120)

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, I certainly did not say we are going to neglect young people in difficulty. As the Minsiter responsible for

International Youth Year, it is part of my responsibility to celebrate this year despite the problems facing youth today. Of course, thanks to programs like those announced by the Minister of Employment and Immigration, we shall also be working on jobs. We are now working on involving young people in the community and getting them to help other young people who are not as well off.

[*English*]

MINISTER'S POSITION

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, do I take it from the Minister's answer that she will approach the Prime Minister to change the title of her Ministry to the "Ministry of State for Untroubled Youth"? Does she realize that this situation is a tragedy and not a soap opera?

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, I do realize that the tragedy of youth is not a soap opera. The Government is doing its best to better the—

[*Translation*]

Mr. Speaker, this Government is doing its best to improve the situation in which Canadian youth finds itself today.

* * *

EMPLOYMENT

GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Minister of Employment and Immigration.

According to Statistics Canada this morning, there are now more people unemployed than there were three months ago, and we all know that the Progressive Conservative Party was elected on September 4 of this year.

I just want to know what this Government is going to do to create new jobs today. What does it intend to do now to create jobs for the unemployed in this country?

[*English*]

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Hon. Member obviously was not paying attention when I responded to a similar question just a few minutes ago. For his benefit I will repeat what I said then. Perhaps it will get through to him this time.

As I mentioned, there have been 65,000 people added to the workforce in the last two months. There are 70,000 new jobs which will be created by the Canada Works Program which we announced earlier this year. The highest amount is dedicated to Canada Works during the winter period. That will bring the jobs into creation at the very time they are most needed. I am sure the Hon. Member knows that the deadline for those projects was earlier this month.

LEVEL OF UNEMPLOYMENT

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, there are more people unemployed now than there were when the Conservative Party took office three months ago, and 50,000 more than last month. What is the Minister going to do now for those additional unemployed people?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, it is really not possible to add $430 million to the Canada Works Program every month. That is just not possible, although the Hon. Member might think that is the way to go about it. He should look at what that program will indeed do, beginning with the 70,000 new jobs that will be brought onstream this month as a result of the $430 million already allocated. We have done that despite the fact that it was not budgeted for by the previous Government and certainly had not been planned. We have moved to make sure—

Mr. Speaker: With great respect. The Member for Yorkton-Melville on a supplementary question.

• (1125)

REQUEST FOR MINISTERIAL ACTION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, despite what the Minister says, there are more people unemployed now than there were three months ago when she took office. What will she do before Christmas for these unemployed people to put them back to work? What will she do?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, it does seem very difficult to get through to the Hon. Member.

Mr. Deans: It is a lot more difficult when you are unemployed.

Mr. Nystrom: What are you going to do?

Miss MacDonald: I have told him that there is $430 million allocated to bring on jobs beginning this month—that is, the months of December, January and February. Seventy thousand new jobs will be created, beginning this month.

* * *

EDUCATION

FUNDING OF STUDENT LOANS PROGRAM

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, my question is directed to the Hon. Secretary of State. If the Government will not do anything about the 18 per cent of our young people who are now out of work, perhaps it will at least do something for our youth in school.

Hon. Larry Grossman of the Conservative Government of Ontario has just announced his intention to raise tuition fees for university students by 10 per cent per year. Of course this will discourage young people and even deny them an opportu-

nity to go to university for the education they need to find work. In view of that fact, will the Secretary of State ask the Minister of Finance to reconsider the freeze that he imposed on the $5 million that was earmarked for student loans next year in this Tory double whammy of increasing tuition fees on the one hand and reducing student loans on the other?

Hon. Walter McLean (Secretary of State): Mr. Speaker, let me assure my hon. friend of my deep concern about opportunities for students in our universities. On Monday I will be meeting with provincial Ministers who are responsible for education, and our conversations will include the issue which is, at the first level, the provincial responsibility for funding for universities and the question of tuition fees for students.

Mr. de Corneille: I thank the Minister for his answer.

TUITION FEES QUERY

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, I wish to direct my supplementary question to the Deputy Prime Minister, in view of the absence of the Minister of Finance. Before the Minister of Finance imposed this freeze on $5 million for student loans, did he, in the spirit of dialogue and consultation, consult with Mr. Grossman or any of the provincial Tory Ministers of Finance to see if they were going to raise tuition fees?

Hon. Walter McLean (Secretary of State): Mr. Speaker, as the Minister responsible for the Canada Student Loans Program, let me indicate to the Hon. Member that the Canada Student Loans Program was adjusted in 1983. The weekly limits were adjusted from $56.25 to $100. With the built in escalators for this year, there is a weekly limit to $105. Therefore, the question of cutting back is erroneous. After a review of the over-all expenditures, it was agreed that the escalators were adequate at this particular time, until there is an opportunity to review the over-all funding with the provinces and set the Canada Student Loans Program in that context.

* * *

LABOUR CONDITIONS

UNEMPLOYMENT CREATED BY TECHNOLOGICAL CHANGE

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. She has just finished telling the House that she does not care about the unemployed in this country—

Some Hon. Members: Oh, oh!

Mr. Rodriguez: She does not care about the young unemployed. In light of her report that was tabled in the House yesterday that clearly shows that 8,333 Canadians will be coming on to the unemployment rolls every month as a result of technological change, with serious implications for single industry communities, can the Minister tell the House, without any flim-flam, what she intends to do about unemployment?

Mr. Hnatyshyn: Bring back Judy Erola.

Some Hon. Members: Oh, oh!

• (1130)

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the paper that I tabled yesterday in the House of Commons, the paper on training, is a very positive attempt to come to grips with the real problems of technological change, working together with our partners in the economy, in economic and social areas, to tackle the problems of economic change. But a very real part of the problem that we face in developing the highly skilled labour force that we need in this new era is to overcome the negative attitudes that exist toward technological change. The Member is a living example of that kind of negative approach. I would urge him to take a positive view, to read the paper carefully, and to work with us to help bring about the changes that are indeed needed if we are to have that kind of skilled labour force.

Mr. Rodriguez: In view of the fact that the Minister said I should be positive—and I do hope, and sincerely hope, that all the things the Minister projects in the paper will come true—I want to know what the Minister intends to do about unemployment now.

Mr. Speaker: The Hon. Member for Ottawa-Vanier (Mr. Gauthier).

Miss MacDonald: Mr. Speaker, as I have indicated—

Mr. Speaker: Order. The Hon. Member for Ottawa-Vanier.

Mr. Gauthier: Thank you, Mr. Speaker.

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THE CONSTITUTION

QUEBEC UNILINGUAL TRAFFIC TICKET—GOVERNMENT POSITION

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question is addressed to the Deputy Prime Minister. It deals with previous questions that I asked this week of the Prime Minister which were not answered, and which questions were put to the Minister of Justice which also were not answered. It concerns English-speaking Canadians' right to receive documents in the courts of Quebec in their language. The Prime Minister boasted last spring, and has boasted also over the air waves, that he has defended with great vigour the English-speaking minorities in the Province of Quebec against abuses of Bill 101. Can the Deputy Prime Minister tell the House whether the Government will withdraw its factum from the Supreme Court of Canada?

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, speaking on behalf of the Prime Minister, of this Government, and this Party, I can assure the Hon. Member that we are deeply committed to the Official Languages Act which we supported when it was introduced by the previous Government almost six years ago.

With respect to the specific question, which falls within the jurisdiction of the Minister of Justice who is absent today, I shall take notice of the Hon. Member's question and ask the Minister to be in touch with the Hon. Member.

[*Translation*]

FACTUM PRESENTED BY GOVERNMENT

Mr. Jean-Robert Gauthier (Ottawa-Vanier): A supplementary, Mr. Speaker. Does the Deputy Prime Minister, considering that he probably did not read either the factum presented by the Tory government, that the Minister of Justice as well did not read it, and that nobody on the other side seems to know what is going on... I agree that the government endorsed the Official Languages Act, and I also agree that minority rights must not be restricted—

[*English*]

Mr. Speaker: The Hon. Member knows the rules.

[*Translation*]

Mr. Gauthier: Will he withdraw the factum to enable the government, the Minister of Justice and himself to read the document, come back to the House, consult with the government and the Prime Minister, and then perhaps take the appropriate action?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I have very grave doubts whether I would have the jurisdiction to intrude in that depth into the responsibilities of the Attorney General of Canada, as his own Leader pointed out in the House a few days ago.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF MR. FRANCISCO LABASTIDA OCHOA, MINISTER OF ENERGY, MINES AND PARASTATE INDUSTRY FOR MEXICO

Mr. Speaker: May I interrupt proceedings to advise Members of the presence in our gallery today of Mr. Francisco Labastida Ochoa, Minister of Energy, Mines and Parastate Industry for Mexico.

Some Hon. Members: Hear, hear!

LABOUR CONDITIONS

LONG-TERM UNEMPLOYED

Mr. Ian Deans (Hamilton Mountain): My question is for the Minister of Employment and Immigration. She knows that we have added 50,000 to the rolls of the unemployed in the last month alone, and that we have 244,000 people who have been unemployed for between six months and a year already. She knows her program will provide only 70,000 jobs during this winter. There is a tremendous short-fall. Will the Minister bring forward new programs now to try to meet at least the requirements of those who seem to be long-term unemployed?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, as I have said many times in this House, $1 billion has been dedicated by this Government to new job opportunities and to developing human resources. That $1 billion will be spent to the benefit of Canadians in this field. It will not be frittered away on partisan boon-doggling as it has in the past. I would say to the Hon. Member that that $1 billion will be allocated in a way that will bring real solutions to the problems of unemployment.

PLIGHT OF UNEMPLOYMENT INSURANCE EXHAUSTEES

Mr. Ian Deans (Hamilton Mountain): I have a supplementary question for the Minister of Employment and Immigration. Doesn't the Minister recognize that the 244,000 people who have been unemployed for over six months have lost benefits, are not able to meet their commitments, and cannot wait for the Government to introduce its programs to spend the billion dollars? Will she move now to provide them either with an income or with a job opportunity?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, it is because we recognize that the problems of the unemployed have not been solved by the kinds of past programs he is advocating that we will take the time necessary, and without any excuses whatsoever, to work out the best possible programs that will address the needs of these people who are in such desperate need.

Mr. Deans: When?

Miss MacDonald: I can tell the Hon. Member that those consultations are going on right now. They are going on with labour unions, with business, and with provincial Governments. When we present those programs, it will be with the undertaking that they do the job.

* * *

[*Translation*]

ENVIRONMENTAL AFFAIRS

DISASTER IN INDIA—MEASURES TAKEN BY GOVERNMENT

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is directed to the Minister of Environment.

To avoid a tragedy such as that which has just stricken the State of Madhya Pradesh in India and which resulted from leaking lethal pesticides responsible for over 1,600 deaths since last Monday, can the Minister tell me and the House what emergency measures are provided to avoid a similar industrial accident and protect the health, security and environment of Canadians?

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, the chemical product involved in the Bhopal disaster is not manufactured in Canada. To that extent, a similar incident cannot happen here, but it is true that we do handle very dangerous toxic materials and every kind of emergency measure is provided to cope with disasters. Still, the Bhopal tragedy was so serious that I have asked my department officials to get together with their provincial and private sector colleagues and reassess those emergency measures to make sure that they are effective.

* * *

[*English*]

ENERGY

VENTURE OFFSHORE DEVELOPMENT COSTS

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, on Monday I asked a question of the Hon. Minister of Regional Industrial Expansion, and today I would like to direct this question to him. I mentioned there was a report that indicated the cost of bringing the Venture gas on shore was less than the $3 billion projected by Venture. Can the Minister now confirm that this report is known to his Department and it was prepared by Marshall, Macklin and Monaghan of Toronto?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): The answer is no, Mr. Speaker.

REQUEST FOR TABLING OF REPORT

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my supplementary question is for the Minister of Energy, Mines and Resources. Let me mention to the Minister that this report was commissioned by Petro-Canada. Will the Minister of Energy undertake to table this report in conjunction and consistent with her present status of wanting the Canadian public to have the information Petro-Canada has which is of interest to the Canadian public and the industry in Canada?

Hon. Pat Carney (Minister of Energy, Mines and Resources): I will phone Mr. Dye and see if he has got it, Mr. Speaker.

Some Hon. Members: Oh, oh!

Miss Carney: I can assure the Hon. Member that we are only into our preliminary analysis of the Venture field with the officials of Mobil. We are working on the basis of that analysis and the numbers which will flow from it.

I am aware of the earlier report but it is not, I believe, the relevant document to be used at this time.

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AUDITOR GENERAL

PETRO-CANADA PURCHASE OF PETROFINA—ACCESS TO DOCUMENTS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I have a question for the Deputy Prime Minister on a related subject. The Auditor General and this House have had enormous difficulties getting the information which has now been promised to come from Petro-Canada with respect to the Petrofina purchase. Will the Deputy Prime Minister assure the House that other investigations by the Auditor General will not be blocked on the grounds that the background documents needed to carry out these investigations are secret Cabinet papers?

• (1140)

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the Prime Minister has indicated in the House repeatedly, as has the Minister of Energy, Mines and Resources, that all documents relevant to the audit of the Auditor General are made available to him. In addition to that, the Prime Minister has taken a further step by indicating that Mr. Hopper should be invited to appear before the Standing Committee on Public Accounts, chaired by the Hon. Member for Trinity.

I might suggest to her that the Committee, which is master of its own processes, may wish to consider inviting Mr. Dye to be present when Mr. Hopper is testifying, and inviting Mr. Dye to put any questions he pleases to Mr. Hopper when he appears before the Committee.

I do not know what further steps might be taken in order to have a totally open inquiry into the affairs of Petrofina than that vehicle.

ACCESS TO BACKGROUND PAPERS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, will the Deputy Prime Minister assure the House that Mr. Dye is not blocked in a similar way with respect to his investigation of subjects like the F-18 fighter jet purchase, or the purchase of frigates? Will he assure the House that the Auditor General can do his job as a servant of Parliament and have access to background papers, if they are required to do his job?

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I reject the implication in the Member's question when he infers that the Auditor General has been blocked with respect to his inquiries into Petrofina-Petro-Canada. We have explained that repeatedly and repeatedly.

Mr. Waddell: Look at what he said.

Mr. Nielsen: I've read what the Auditor General has said, but for the moment, if the Hon. Member would listen to what we are saying, I think he might come to the conclusion that we are trying to assist in every possible way to ensure that the Auditor General is able to achieve his statutory task as a servant of Parliament, not of the Government, in every area in which he has a right to make inquiries, in order to fulfil his statutory responsibilities. We will assist in every way we possibly can within the law.

* * *

LABOUR CONDITIONS

YOUTH UNEMPLOYMENT—REQUEST FOR REINTRODUCTION OF FIRST CHANCE PROGRAM

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. It arises out of her answers this morning. We are all disturbed by rising unemployment, particularly among our young people. We risk discouraging an entire generation if we do not do something about it. She called the program a hoax, but wouldn't she reconsider reinstating the First Chance Program, approved by Treasury Board, which would have helped train a hundred thousand young people a year, give them some experience, and make them qualified for jobs?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, the Leader of the Opposition shows very well the contrast between the way his Party approaches things and the way this Government does. He never explained nor was money allocated to the First Chance Program. He never explained where he would find the money or where he would re-allocate the resources. Instead, contrast that with a Government which has had the courage to review the fiscal framework, to look at the various programs which it has offered and, as a result, to dedicate $1 billion to human resource development, to training, and to new job opportunities. That is there; that is something more than the fantasy which the Leader of the Opposition proposes.

NAME OF PROGRAM

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I think the young people of the country will be very interested to learn that a program to train and qualify them in large numbers for jobs is treated by the Hon. Minister as a fantasy. If she is going to play politics with the youth, why doesn't she rename the program, seek out the co-operation of the provinces, business and labour, and give young people a chance?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, obviously with his heavy duties the Leader of the Opposition has not had a chance to read the training paper which I tabled in the House yesterday. I urge him to do so. However, I also want to say that the fund about which he talked was not only a fantasy, it was an unfunded fantasy. We do not intend to mislead the young people of the country in that way. That is why we are working out with them, with labour, with business, and with the provincial Governments, the proper programs—

Mr. Speaker: Order.

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NUCLEAR ARMAMENTS

CRUISE MISSILE TESTING

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Secretary of State for External Affairs. It is with regard to the concern among many Canadians about nuclear weapons technology. Would he advise the House what his position is regarding the testing of the Cruise missile and the concern among Canadians that this may well be the prelude to the installation of Cruise missiles on Canadian soil which will be directed across the Canadian Arctic, against the Soviet Union?

Right Hon. Joe Clark (Secretary of State for External Affairs): Mr. Speaker, the position of the Government on the testing of the Cruise is well known. We are proceeding with the testing of the Cruise. Indeed, as has been reported in the press, the next test will occur between the period of the first of January and the end of March, 1985. There will be a more precise indication, I think a 48-hour notice, to avoid any non-authorized air traffic in the affected air corridors. I think the other implications which the Hon. Member draws are unfounded.

YOUNG PEOPLE'S FEARS

Mr. Jim Fulton (Skeena): Mr. Speaker, my supplementary question is directed to the Minister of National Health and Welfare. It is in regard to the same concern shared by Canadians. In a recent poll in the City of Toronto it was indicated that 10 per cent of young people suffer seriously from nuclear fear. Would the Minister advise the House, and Canadians generally, what steps he is taking to provide information to parents, to teachers, and to young people on how to deal with this very serious dilemma of nightmares and nuclear fears?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member raises a serious question. Obviously all of us share the hope that the Geneva Talks, as the Secretary of State for External Affairs has indicated many times in the House, will bring positive results. Average citizens want that matter addressed seriously. Other Members of the House and I are hopeful that positive results will occur.

Oral Questions

GRAIN

TRANSPORTATION DIFFICULTIES OF PEACE RIVER FARMERS

Mr. Albert Cooper (Peace River): Mr. Speaker, my question is directed to the Minister of Transport. He is well aware of the serious transportation problem of many grain farmers in parts of the Peace country. We have been ignored by previous Governments. When can we expect some action to deal with this very serious problem?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I applaud the Hon. Member for his efforts in trying to alleviate the problems of farmers in the Peace River district, and to provide a better transportation service for grain at more equitable rates. Within the next few weeks I should be in a position to announce a mechanism which will be put in place to review various alternatives and options that could best serve the farmers of the Peace River district. I hope I will have the Hon. Member's support and input, as well as the input of Hon. Members who reside in that area.

* * *

ENERGY

HIBERNIA OILFIELD—MODE OF DEVELOPMENT

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. Yesterday the Minister put words in her Leader's mouth which were never uttered by him in the House of Commons. In the interests of clarity today, would the Minister explain what she meant when she said yesterday that her Government will not accept "a formal environmental impact statement until such time as Newfoundland decides the mode of development"? Is the Minister saying that the Government of Newfoundland alone and unilaterally will decide the mode of development or production for Hibernia oil?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I would have thought the Member would have risen on a real problem which is being created off Newfoundland, that is, the iceberg that is bearing down on Hibernia and threatening two rigs.

• (1150)

Again, I can only refer the Hon. Member to *Hansard* which shows that the Prime Minister said nothing of the sort.

Mr. Tobin: Read *Hansard*?

Miss Carney: Mr. Speaker, am I allowed to read from *Hansard*? When asked if he would table it, he said very clearly—

Mr. Tobin: Where? Where?

Mr. Speaker: It seems to me it is reasonable that if someone has been asked to answer a question that the House listen to the answer. It is reasonable to ask that the House listen to the answer.

Miss Carney: The Prime Minister was asked if he had a copy of the study and if the Prime Minister would undertake to obtain a copy. The Prime Minister said:

> Yes, I will make that undertaking on behalf of the Minister.

When he was questioned repeatedly on November 27, the Prime Minister said:

> Mr. Speaker, I hoped that the Minister would be back in the House today. She has been detained in Toronto. She will provide my hon. friend with an answer as soon as she returns.

He always said that, if and when we had the report, it would be tabled. I have told the Hon. Member over and over again that I do not have a final report that is acceptable to me and to the Government of Newfoundland because the mode of development has not been decided upon.

Some Hon. Members: Oh, oh!

Miss Carney: As I tried to explain yesterday, one does not determine an environmental impact of a development until one knows how one is going to drill for the oil.

JOB CREATION QUERY

Mr. Brian Tobin (Humber-Port au Port-St. Barbe): Mr. Speaker, I hope you will be almost as generous with me as you have been with the Minister who again has been misleading the House, I hope inadvertently. I invite everyone, including the gentlemen of the press, to read *Hansard*.

An Hon. Member: And women.

Mr. Tobin: And the gentlewomen of the press.

Would the Minister confirm that, as part of that environmental assessment impact study, an attitudinal study conducted by Mobil indicates, based on statements that have been made by the provincial Government, that 50,000 Newfoundlanders expect to get jobs on that development? Will she tell us what the real, sober estimate is for jobs in the Hibernia development as outlined by Mobil Oil in a report that she is suppressing?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I am really astounded by the Hon. Member's question. I have said I have not received the report. Therefore, I have not read it. I do not have a report that establishes the environmental impact of the development of Hibernia on Newfoundland.

May I point out that when the Hon. Member's Party was in power, it totally excluded Newfoundland from having any say whatsoever in the development of the offshore.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. The Hon. Member for Churchill.

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FEDERAL-PROVINCIAL FISCAL ARRANGEMENTS

DISCUSSIONS WITH PROVINCE OF QUEBEC

Mr. Rod Murphy (Churchill): Mr. Speaker, my question is directed to the Acting Prime Minister. During the election campaign the Prime Minister promised that he would, without delay, open a new round of negotiations with the Province of Quebec on equalization. Did the Prime Minister, in his meeting yesterday, start that process?

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I believe that the Hon. Member would agree with me that it would be much more fruitful if he asked that question of the Prime Minister when he returns to the House on Tuesday.

Ms. Copps: Give up your seat!

Some Hon. Members: Oh, oh!

ECONOMIC STATEMENT EFFECTS

Mr. Rod Murphy (Churchill): Mr. Speaker, much has been made of the fact that Manitoba and Quebec are the provinces that are suffering now with the problem of the equalization formula which the Liberal Government imposed on the country. It is hurting those people. Will the Deputy Prime Minister tell us if the Government, in its effort to consult with and keep provincial Governments informed, will provide the information that the Manitoba Government requested specifically, which was to have the economic effects of the last economic statement provided—

Mr. Speaker: With great respect, I find it difficult to find that question supplementary to the first question.

* * *

[*Translation*]

SOCIAL SECURITY

BENEFITS FOR WIDOWS AND WIDOWERS AGED 60 TO 64 YEARS—EXCLUSION OF SINGLE, DIVORCED AND SEPARATED PERSONS

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I should like to direct a question to the Minister of National Health and Welfare concerning the spouse allowance for widows and widowers.

Could the minister confirm the fact that 80,000 senior citizens between 60 and 64 years of age and in desperate financial need will be denied the benefits of this program simply because they are single, separated or divorced?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, in an earlier answer to the Hon. Member I indicated general patterns regarding the possible legislation for widows and widowers between the ages of 60 and 64. For the exact details, the Hon. Member will have to wait for the legislation to be tabled.

[*Translation*]

Mr. Malépart: I have a supplementary question, Mr. Speaker. The minister cannot give as an excuse the lack of money, for he is well aware that the government will recover $20 million in welfare benefits. Does he not think that it would be better to ask the Minister of Finance to spend $36 million on these people instead of spending it to buy new uniforms for our Armed Forces personnel?

[*English*]

Mr. Epp (Provencher): Mr. Speaker, I want to indicate to the Hon. Member that, unlike the previous Government which—

Mr. Nunziata: Hey, put it on fast-forward.

Mr. Epp (Provencher): I would be glad to do so, but you wouldn't even understand that.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Gauthier: That's the fourth time today.

Mr. Speaker: Hon. Members may find that it is Friday, but I think that it would be appropriate, no matter what the answers to the questions are, if everyone listened with some dignity and courtesy. I think that would be appropriate.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): Mr. Speaker, in response to the Hon. Member's question, I would say that the pension reform as well as the paper on the elderly benefits were much better in approaching the matter over a general pattern to see where we best can strengthen not only the elderly benefits package but also look to the future. I hope the Hon. Member would like to join us in that exercise.

* * *

TELEVISION

ADVERTISEMENTS PROMOTING WAR TOYS AND GAMES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is for the Minister of National Health and Welfare. I am sure he knows that in this pre-Christmas period children are being bombarded by television advertising which promotes the sale of war toys, war games, and violence-related products. This comes at a time of high international tension and threat

of war. Would the Minister give consideration to the possibility of doing something about this kind of advertising in view of its adverse effects on children?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, in terms of the specific question raised by the Hon. Member I think it is advisable for the House to know that there are consumer groups that have raised the question of advertising of war toys that are on the market at Christmas. I would think it is a better approach for consumers to take appropriate action rather than for the Government to legislate.

WESTERN EUROPEAN GUIDELINES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, a number of Governments of western European countries have sat down with the industry and worked out voluntary guidelines to limit that kind of advertising. Would the Minister consider that?

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

Mr. Deans: He did. He said: "Would the Minister consider that?"

Mr. Speaker: Is the Hon. Member for Hamilton Mountain asking to rise? Does the Hon. Member have a question?

Mr. Deans: Just trying to be helpful.

Mr. Orlikow: Mr. Speaker, I wonder if the Minister would consider having his Department sit down with the industry to work out guidelines.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, in reply to the question put by the Hon. Member for Hamilton Mountain—

Some Hon. Members: Oh, oh!

Mr. Epp (Provencher): —I want to indicate to him that, through the Ministry of Consumer and Corporate Affairs, meetings take place with advertisers in various industries, and if that is the appropriate forum, I am sure it can be considered.

* * *

FITNESS AND AMATEUR SPORT

REPORTED IMPORTATION OF DRUGS BY SOVIET ATHLETES

Mr. Gordon Taylor (Bow River): Mr. Speaker, my question is directed to the Minister of State for Fitness and Amateur Sport. Will the Hon. Minister either confirm or deny that three Soviet athletes have been charged with bringing drugs into the country?

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I thank the Hon. Member for his question. I have been informed that three Soviet weightlifters were indeed detained at Mirabel International Airport last evening. They were found to have in their possession restricted drugs, contrary to the provisions of the Canadian Food and Drugs Act. The matter is now in the hands of the Royal Canadian Mounted Police and, therefore, I am not in a position to make any further statements.

* * *

• (1200)

CLERK OF PETITIONS' REPORT

REDUCTION IN POSTAL SERVICE

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Fundy-Royal (Mr. Corbett) on Thursday, December 6, 1984, meets the requirements of the Standing Orders as to form.

* * *

PRIVILEGE

REMARKS OF MR. ROBINSON ALLEGED CONTEMPT OF PARLIAMENT

Mr. Speaker: I must advise the House that I have received a question of privilege standing in the name of the Hon. Member York South-Weston (Mr. Nunziata).

Mr. John V. Nunziata (York South-Weston): Mr. Speaker, my question of privilege relates to certain allegations which were made by the Hon. Member for Burnaby (Mr. Robinson) at the Standing Committee on Justice and Legal Affairs meeting on Monday. I have notified the Hon. Member of the proceedings today.

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

Mr. Speaker: I cannot hear a point of order during a question of privilege; the Member knows that.

Mr. Nunziata: Mr. Speaker, on Monday, under the cloak of parliamentary immunity, the Hon. Member for Burnaby alleged without substantiating evidence that Mr. Robert Foulkes, a former Vice-President of Petro-Canada, and Mr. Fred Rayer, a Vice-President for International Explorations, were CIA spies. The Hon. Member for Burnaby stated:

> I would also ask the Minister, while he is making those inquiries, to make inquiries about another allegation which I do not have any documentation on, but which I received from the same source as the source of this document—the authenticity of which, by the way, I have had confirmed through the American embassy; that is, the authenticity of the document—and that is an allegation that the CIA have been involved in the penetration at a very senior level of Petro-Canada. In this committee, Mr. Chairman, just so the Minister can be specific in making inquiries, the allegation is that a former Vice-President of Public Affairs of Petro-Canada, a Mr. Foulkes, as well as Mr. Rayer—that is, Bob Foulkes and Mr. Fred Rayer, who is currently working for Petro-Canada Resources as Vice-President, Explorations International—may have been either tasked by the CIA or originally involved with the CIA in some capacity, and the purpose for their having been tasked was to obtain information from Petro-Canada. As I say, I have no—

Mr. Deans: What is the privilege?

Mr. Speaker: With great respect, the Hon. Member is presumably raising a question of privilege. I appreciate he is reading into the record matters from the committee, but he does have an obligation to move very quickly, when raising a question of privilege, to explain how his privileges have been breached.

Mr. Nunziata: Thank you, Mr. Speaker. I simply wish to point out that the Member, in making his allegations in committee, indicated on two occasions that he was making the allegations without foundation—

Mr. Deans: What is the privilege?

Mr. Speaker: Could the Member please move quickly to explain to me how his privileges have been breached?

Mr. Nunziata: Mr. Speaker, it would be my respectful submission that the unsubstantiated allegations constitute a contempt of Parliament which reflects negatively on each and every Member of this Parliament.

Mr. Speaker, I will be asking you to conclude that a prima facie case can be made of contempt of Parliament; and if you so conclude, I move, seconded by the Hon. Member for—

Mr. Speaker: No. With great respect, the Hon. Member is now proceeding to attempt to put before me the motion he would move if I found a prima facie case of privilege. His obligation at the moment is to present the case which I must consider. He has yet to present a case. I cannot let this go on much longer without the Member presenting a case of privilege which has been breached.

Mr. Nunziata: Mr. Speaker, if I may, the case of privilege is as follows. It is recognized that a Member's freedom of speech is unrestricted and that there is parliamentary immunity. The purpose of that parliamentary immunity, as I indicated yesterday, is to encourage frank and open discussion in Parliament and in committee. It would be my respectful submission that the immunity is a shield but ought not to be used as a dagger. In this particular instance, that privilege was abused. As a result of that abuse, it has cast a negative shadow over each and every Member of this House. It would be my submission that that constitutes a contempt of Parliament.

I would like to cite Maingot's *Parliamentary Privilege in Canada* at page 193, wherein it reads:

> —the dimension of contempt of Parliament is such that the House will not be constrained in finding a breach of privileges of Members, or of the House. This is precisely the reason that, while our privileges are defined, contempt of the House has no limits. When new ways are found to interfere with our proceedings, so too will the House, in appropriate cases, be able to find that a contempt of the House has occurred.

In conclusion, it would be my most respectful submission that a contempt of this Parliament has occurred. Although Members of the House have parliamentary immunity, there are restrictions. When a particular Member goes beyond the realm of what is proper, this House has the authority to cite that particular Member for contempt. It must have that authority. If it does not have that authority, then this House could be brought into disrepute. Mr. Speaker, those are my submissions.

Mr. Speaker: The Hon. Member for Hamilton Mountain (Mr. Deans) on the same question of privilege?

Mr. Deans: Mr. Speaker, to begin with, I do not believe that there is a question of privilege. I would point out that the Member should perhaps go into the history of privilege to determine first whether he is prepared to stake his seat on a question such as this. Beyond that, the Member to whom he is referring has already issued a public statement to the effect that he regrets having done what the Member now claims is a matter of privilege. Second, the least he could have done was to wait until the Member was in his seat before he raised the matter in order to allow that Member to respond adequately.

Mr. Speaker: I have listened with great care and it would be my normal practice on these matters to reserve. However, I listened with great care to the technical argument put by the Member with regard to the quotation from Maingot which refers—and the Member would know if he read further in Erskine May and Beauchesne—to the capacity of the House to find that an attempt to interfere with the proceedings of the House itself is a contempt. That is the quotation he has read, to my knowledge, from Maingot.

The privilege of a Member of Parliament to make a statement in the House of Commons, or in a committee, is absolute. It would be very, very difficult to find that a Member, by making a statement that another Member—as is that other Member's equal right—found improper, immoral or wrong—which I take it is what the Member feels—it would be improper to find that a Member exercising his freedom to speak somehow could be in contempt. Otherwise the privilege of free speech would be null and void if a motion of privilege could deal with whether a Member had in fact caused a contempt. The contempt that the House deals with when Members speak is whether Members speaking in the House have caused a disorder in the House—whether they have used unparliamentary language.

I am indicating all of this in case the Member wants to write a further argument to me. Because it is a question of privilege with regard to another Member, I feel an obligation not to rule until that other Member had had a chance to comment or respond. Therefore, I will not make a ruling today. However, I will say to the Member that I think, frankly, at least with regard to his comments, he has mixed up an apple and an orange. That is, when something is, by definition in his mind, potentially contemptuous, that is not necessarily a contempt of the House. So I will reserve for the moment.

Standing Orders

STANDING ORDERS

CONTINUATION IN FORCE OF PERMANENT AND PROVISIONAL STANDING ORDERS

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, I rise on a point of order. After consultations with my colleagues, the House Leaders of the other two Parties, I would ask for the leave of the House to introduce the following motion by way of draft Order:

That, notwithstanding any previous Order of the House, all the current permanent and provisional Standing Orders shall continue in force, until otherwise ordered;

● (1210)

[*Translation*]

Provided that the provisions of Standing Order 43 shall be suspended during the Thirty-third Parliament.

[*English*]

I believe, Mr. Speaker, if you were to ask unanimous consent to proceed with this motion and, indeed, to have it passed unanimously, I believe you would find it forthcoming.

Hon. Herb Gray (Windsor West): Mr. Speaker, we are prepared to give our unanimous consent to the order which the Government House Leader (Mr. Hnatyshyn) is seeking.

I would just like to say as well, Mr. Speaker, that since you have reserved your decision on the motion of privilege raised by the Hon. Member of the Opposition Party who has just spoken, I would appreciate the opportunity to speak to his motion when you next have the matter before you.

Mr. Speaker: The Chair is now in another difficulty. There is no motion before it. I listened and looked for all those who wished to address the Chair at the moment with regard to the question of privilege which was raised. I indicated that I thought I should not make a ruling, even though I believe I am making it clear and that I am pretty close to one. However, I thought I should at least consider giving the Hon. Member who is mentioned in the comments an opportunity to speak since he is not here today. Other than that I presumed that all Hon. Members who wished to address that matter have done so.

Mr. Gray (Windsor West): Mr. Speaker, I want to clarify my position. I felt that since you wanted to give the Hon. Member who was the object of the comments of my colleague a chance to speak, and in order to facilitate the business of the House, I would reserve my comments—

Mr. Deans: No!

Mr. Gray (Windsor West): —until this matter was next before us.

Mr. Speaker: With due respect, I did not say that. Does the Hon. Member for Windsor West wish to make a comment on the question of privilege? If he does, I will undertake an extraordinary procedure. Since I have a request for unanimous consent on a House order, I suggest we dispose of it and then I will hear a further comment on the question of privilege if the Hon. Member for Windsor West chooses to make one.

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

Mr. Speaker: The Hon. Member for Hamilton Mountain (Mr. Deans) on the point of order raised by the Government House Leader?

Mr. Ian Deans (Hamilton Mountain): Yes, Mr. Speaker. I regret my hon. colleague tried to bootleg something in which was not before us. We did in fact discuss the draft order which has been proposed by the Government House Leader (Mr. Hnatyshyn) and we agreed to keep in force the existing Permanent and Provisional Standing Orders until such time in the future as it is deemed desirable to change them.

Mr. Speaker: Is there unanimous consent for the introduction of the motion described?

Some Hon. Members: Agreed.

Mr. Speaker: There being unanimous consent, it has been moved by Mr. Hnatyshyn, seconded by Mr. McLean:

[*Translation*]

That, notwithstanding any previous Order of the House, all the current permanent and provisional Standing Orders shall continue in force, until otherwise ordered;

Provided that the provisions of Standing Order 43 shall be suspended during the Thirty-third Parliament.

[*English*]

Shall that motion be adopted?

Some Hon. Members: Agreed.

Motion (Mr. Hnatyshyn) agreed to.

* * *

PRIVILEGE

REMARKS OF MR. ROBINSON ALLEGED CONTEMPT OF PARLIAMENT

Mr. Speaker: Given that this is the first time we have dealt with this, I will now hear the Hon. Member for Windsor West (Mr. Gray) on the question of privilege which was raised earlier.

There is a dilemma, and I am doing this deliberately. I therefore seek unanimous consent that the Hon. Member be heard. I did not indicate that I was going to reserve until I had heard everyone who chose to rise. That is what I believe concerns the Hon. Member for Hamilton Mountain (Mr. Deans). If the precedent is established that the Speaker may reserve and then other Members get up and make further speeches, a difficulty is created for the Speaker. I had not indicated I was going to reserve and the Hon. Member for Windsor West did not rise to be heard. May I seek the consent of the House at this time that the Hon. Member for Windsor West be heard on this matter?

Mr. Deans: I rise on a point of order, Mr. Speaker. As I understand it, the Hon. Member for Windsor West (Mr. Gray) is asking for permission to enter into this discussion at a later date. If that is what he is seeking, then I will not give unanimous consent. However, if the Speaker is intent on reopening the question for further discussion now and will allow comments to be made by those who wish to comment now, and then reserving to some later date in order to allow the Hon. Member—who has been accused in his absence and with the full knowledge that he would not be here by the Hon. Member who moved the motion—

Mr. Nunziata: I gave him notice.

Mr. Deans: —then, perhaps, we will consent—

Mr. Speaker: This is the dilemma of dealing with questions of privilege with regard to parliamentary privilege because it is beginning to get personal. I therefore suggest, as I suggested yesterday—without asking the Hon. Member to withdraw his comments at the time, so I will therefore not ask the Hon. Member to withdraw his comments at this time—that this is not the way to deal with this matter.

I am now left in a quandary. It is clear, I hope, what my intention was when I said I would reserve. I would reserve to decide myself whether it was appropriate to allow the Hon. Member for Burnaby (Mr. Robinson) to speak to the issue, and to make my own ruling. I did not indicate I was reserving to allow other Hon. Members to participate. I do not yet know in my mind whether it is reasonable to allow the Hon. Member for Burnaby to make a statement later. That I have to decide as well.

I therefore seek the consent of the House to allow the Hon. Member for Windsor West (Mr. Gray)—

Mr. Rodriguez: No!

Some Hon. Members: No!

Ms. Copps: It's an NDP gag!

Mr. Gauthier: There is no democracy there!

Mr. Speaker: I have sought the consent of the House to hear the Hon. Member for Windsor West. I find no such consent.

Some Hon. Members: Oh, oh!

Mr. Deans: If you want to put your muck raker up, put him up. Any time he wants to rise on debate, we will debate it!

Mr. Speaker: Order, please.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. About two weeks ago Wednesday became Tuesday. This week Wednesday has become Friday! With great respect to Hon. Members, shall we just proceed with House business?

ROUTINE PROCEEDINGS

[*Translation*]

CANADIAN BROADCASTING CORPORATION

BUDGETARY CUTBACKS—NECESSITY FOR CONSULTATION PROCESS

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, when my colleague the Minister of Finance (Mr. Wilson) announced his strategy for putting the Government's fiscal house in order, he asked all Government agencies to do their share to achieve the proposed budgetary cutbacks. As a result, the CBC has had to cut back its proposed budget estimates for 1985-86 by $75 million. This reduction represents 7.5 per cent of the total expenditures of the CBC.

Since there was a risk that this administrative obligation would affect the CBC's general strategy and its long-term operations, I decided, in agreement with the President of the Canadian Broadcasting Corporation, that a consultation process was necessary.

[*English*]

Mr. Juneau supported this process and on November 5 he stated in a letter to me, and I quote:

> It was agreed that if such reductions were made, important basic corporation strategies would be affected, and therefore it would be necessary that consultations take place between the corporation and yourself on the implementation of these reductions.

In his letter, Mr. Juneau pointed out that such consultations could take place while respecting the discrete responsibilities of the Minister and the corporation.

[*Translation*]

I am happy to inform the House that this emphasis on consultation has produced positive results thanks to the co-operation of the President of the CBC and his senior officials, who worked together with my special consultants, Mr. Gould, Mr. Audley and Mr. Paquin, all of whom were realistic in their approach and gave full consideration to the Corporation's creative resources, both from the regional and the network point of view.

Mr. Juneau has informed me of the main points of this strategy and has asked me to approve amendments to the pension plan, so as to open the possibility of early retirement for CBC employees and thus minimize the loss of jobs. I am happy to inform the House that I have given my approval for these amendments.

[*English*]

It is a pleasure to inform the House that my consultations with Mr. Juneau have been conducted in a spirit of co-operation and with a shared concern for the well-being of the Canadian Broadcasting Corporation and its excellent service to Canadians.

[*Translation*]

Mr. Juneau also informed me that he will be meeting the members of the CBC board of directors very shortly and will be ready to announce that the board has decided some time next week.

[*English*]

Hon. Herb Gray (Windsor West): Mr. Speaker, in giving his statement to the House, the Minister of Communications (Mr. Masse) has told us that there has been an agreement on a plan to help employees of the CBC who will be asked to take early retirement. In doing this, the Minister of Communications has lifted the veil only very slightly on what is going to happen to the CBC and its services for Canadians across this country. He is confirming that there will be substantial layoffs and a permanent loss of jobs for CBC employees. If this is the case, then while he has not lifted the veil further, as I thought he might do, and given us the details of the impact on programming services to Canadians all across this country resulting from the cuts announced in te mini-budget of the minister of Finance (Mr. Wilson) a few weeks ago, I think we can take it for granted, because of what the Minister has said at this time, that there will be substantial reductions in worthwhile programming and broadcasting services available to Canadians throughout this country. Certainly if people are being laid off one has to assume that they will be in the area of programming and news and public affairs. I think we would have to assume that those who will lose their jobs will not be those employed in the head office of the CBC here in Ottawa or in the major regional head offices in Toronto or Montreal. We have to assume that people involved in providing programming services to Canadians in regions like Windsor, Winnipeg and Moncton are going to be among those who will lose their jobs. As a result they will not be able to provide the programming which Canadians in these regions have every right to expect under the legislation passed by this Parliament.

• (1220)

One likely result of the plans of the CBC and the Government, Mr. Speaker, is that Canadians will have to depend on more productions made in other countries and imported into this country. That is a weakening of the essential cultural fabric of this country, something that Canadians have become proud of due to the efforts of the CBC supported by previous Liberal Governments, and which the Conservatives are now beginning to tear apart.

In conclusion, Mr. Speaker, we are going to have a lot more to say when we get confirmation of what we already have good reason to believe, that the impact of the Conservative Budgetary cuts on the CBC will hurt programming, particularly in news and public affairs, in the outlying regions of this country. We will have a lot more to say when we get these details but we can already conclude that, as with so many other aspects of the Conservative mini-budget, it is damaging a vital national institution. It is damaging the ability of Canadians to receive broadcasting in the areas of news and public affairs and local programming in their own communities. These cuts are damaging the essential cultural fabric of this country and when the next election comes, this Government, because of the damage it has caused to this country as a whole, not just the CBC, will stand condemned in the eyes and through the votes of the Canadian people.

Mr. David Orlikow (Winnipeg North): Mr. Speaker, the Minister of Communications (Mr. Masse) tells the House that the changes in the CBC programming have been done in consultation with the head of the CBC. It is a fine consultation when the Minister holds a gun to the head of the President of the CBC and tells him "We can consult but you have got to cut $75 million from your budget".

We know from information we have received from various regions that the CBC has proposed and will implement major reductions in the staff and services in most of the regions, including cities like Winnipeg, Vancouver, Windsor, Moncton and Ottawa. We know that not only will people be laid off, but regional and local programming will be severely cut in order to maintain the national programming. We know this kind of major cut will mean that the objective the CBC was given by governments in the past to increase regularly and to a large extent the production and distribution of Canadian programming will have to be cut back.

We say, Mr. Speaker, these cuts will very seriously inhibit the ability of the CBC to provide the kind of service which the people of Canada expect from the CBC. I would hope the Minister would agree that the Standing Committee on Communications and Culture could meet as soon as possible to hear from the President of the CBC so we can get the kind of details which we have not yet received as to actually what kind of cuts there will be and what kind of programming will be so adversely affected.

Mr. Speaker: Questions.

[*Translation*]

Mr. Gauthier: Mr. Speaker, I would like to ask the Minister a question about regional programming.

Can the Minister give this House the assurance that CBC regional programming, and I am thinking of production centres in places like Winnipeg and Western Canada for the French network and English programming in Quebec, will be maintained at the levels we have known in the past two or three years? Is regional programming going to be improve? Will such improvements be continued and can we expect continuation and completion of the five-year plan to promote minorities and bring the CBC to communities with a population of more than 500 people?

Mr. Masse: Mr. Speaker, I can assure the Hon. Member that first of all, during these consultations it was understood that consideration for creative resources both in the regions and in the networks would be given priority. Second, the President of the CBC will be discussing his proposal with the

board of directors of the Corporation and will then inform Canadians of the outcome of those discussions.

Mr. Cassidy: Mr. Speaker, I have two questions for the Minister responsible for the CBC.

First, could the Minister tell us now how many jobs will be affected by the CBC cuts? There are reports that some 800 jobs in the CBC's regional service will be affected, and this means 800 people. In addition to that, many contract employees will be laid-off, and they will not even be included in those figures because they are not part of the actual CBC staff. Therefore, how many people will be affected, and second, how do these cuts square off with the election promises of the Progressive Conservative Party, namely that no actual cuts in cultural expenditures would be made by a Progressive Conservative Government?

Mr. Masse: Mr. Speaker, so long as the Board of Directors of the Canadian Broadcasting Corporation has not confirmed the President's proposals, there is nothing official yet. If and when such decisions are made by the Corporation's Board of Directors, I think it will be up to the corporation's President to announce the decisions made by the Board.

[*English*]

Mr. Caccia: Mr. Speaker, will the Minister's announcement today lead to increased or decreased production by the CBC?

[*Translation*]

Mr. Masse: Mr. Speaker, the answer to that question will be found in the analysis the Hon. Member will make of Mr. Juneau's press conference, which will be a part of the nuts and bolts of the cuts affecting the corporation.

[*English*]

Mr. Murphy: Mr. Speaker, coming from Manitoba I have gone through a restraint program with the provincial Conservative Government that was in power from 1977 to 1981. We found that in the Department of Northern Affairs, for example, all the cuts were made to on-the-line people. There was no decrease at all in the headquarters of the Department. It is quite interesting to note that the number of bureaucrats working in the central office actually increased at the very time that there were cuts in the field. What guarantee do we have that the same thing will not happen with the CBC cuts?

• (1230)

[*Translation*]

Mr. Masse: Mr. Speaker, it has been stated here in this House, at the outset of the discussions on that matter, that the Minister of Communications expected and hoped that all the cuts would respect the whole question of creation both in the regions and within the networks. It is in that spirit and towards that aim that co-operation and consultation with the CBC has been carried out. You will get to know the results of the corporation's work and consultation after the Board of Directors will have approved the President's proposals and once these will have been published.

[*English*]

Mr. Speaker: The questions are going somewhat beyond the actual content of the statement. Some Members may not know our tradition here, which is to have a short period of questions after a ministerial statement. I am trying to get everyone who has risen in for one question. I think that will be the only fair way to use the traditional period of time, if that is agreed. The Hon. Member for Vancouver-Kingsway (Mr. Waddell).

Mr. Waddell: Mr. Speaker, I wonder if the Minister could confirm that there will be cuts in the Vancouver region and tell me the extent of those cuts, especially in production. In Vancouver, which is an exciting region, there is the feeling that everything is concentrated in the Toronto region and that Vancouver gets the worst deal possible with regard to cut-backs and so on. It is a real struggle to produce programming in Vancouver and to get money for that. Was it not possible for the Minister to set some guidelines to ensure that the cut-backs would be made where the fat is, rather than in the regions where there is a real need?

[*Translation*]

Mr. Masse: Mr. Speaker, the Hon. Member is asking me to interfere in a rather tactless way, to say the least, with the responsibilities of the Canadian Broadcasting Corporation.

When the Board has approved the President's recommendations, we will then be in a position to discuss the implications of such approval by the Board.

But as long as the Board has not been asked . . . has not made any decision, I do not think it would be proper to discuss such hypothetical matters.

[*English*]

Mr. Langdon: Mr. Speaker, most of us welcome the sense of consultation with which the Minister indicates this process is now under way. My question for the Minister is with regard to broader consultation with some of the communities and workers affected. There certainly have been requests, for instance from the Windsor-Essex County area, for meetings with the Minister and people who are responsible for these cuts.

Would the Minister be prepared to make a commitment that such requests will be accepted so that the degree of consultation in these cut-backs can be much greater, particularly for some of the remote communities or communities like Windsor which faces an overflow of programming from the United States which has no competition with the CBC in the form of private stations?

[*Translation*]

Mr. Masse: Mr. Speaker, I am taking it for granted that the senior officials of the CBC will be able, in accordance with good labour relations, to arrange the necessary consultations within their organization.

It is not up to the Minister of Communications to set up labour-management meetings at the CBC. I do not believe that this is the job of the Minister of Communications, and I have too much respect for CBC authorities to interfere in their daily activities which have nothing to do with the duties of the Minister.

Mr. Boudria: Mr. Speaker, I have a question for the Minister.

We are all aware that the Fédération des francophones hors Québec and many other groups are concerned about the cut-backs, especially as they affect regional programming. Can the Minister assure this House that the Halifax station, about which many people are concerned, will go forward and will open on schedule. With that in mind my colleague from Ottawa-Vanier (Mr. Gauthier) spoke earlier about the speeding-up policy of the CBC to serve French-speaking groups of over 500 people outside Quebec? This policy has already been established. I agree with what you said earlier about internal consultations within the CBC, but I still believe that a policy statement by the Minister would be in order to tell French-speaking people outside Quebec, especially in the Halifax region, that the programming will begin as expected.

Mr. Masse: I can assure you, Mr. Speaker, that I am convinced that the management of CBC have taken into account all the comments put forward both by the Federation and by some Hon. Members here in this House, in their analysis and implementation of the cut-backs dictated by the present economic situation which we have inherited from the previous Government.

[*English*]

Mr. Speaker: We have now taken more time than that taken by the statements of all Parties. I will recognize the two Members whom I have seen rising for some time who have not yet had a chance to ask a question, and that will be the end of it. The Hon. Member for Eglinton-Lawrence (Mr. de Corneille).

Mr. de Corneille: Mr. Speaker, the Hon. Minister certainly knows of the number of studies that have been made and of the great concern we have about the fragile situation which faces our Canadian authors, writers, artists and all those who work in the various kinds of drama and art in the country. He knows of the fragile condition that is facing this entire group in the face of the new satellite dishes and so on. I do not need to remind him of the very sensitive and fragile situation which exists and of the need for us to be able to develop and maintain a sense of Canadian culture.

Mr. Speaker: I have tried to explain to Members that we are in fact running over the length of the time of the original statements. Does the Member have a question?

Mr. de Corneille: Yes, Mr. Speaker; I was simply indicating the gravity of the situation. In light of the cuts that are being made, can the Minister say that the philosophy, position and direction of the Government will ensure that this fragile situation will not be accidentally destroyed by these tremendous cuts?

[*Translation*]

Mr. Masse: Mr. Speaker, I can assure the Hon. Member that the Minister is well aware of this situation and that the CBC, in accordance with its responsibilities and parliamentary mandate, has done its best to guarantee that the creative activities of the CBC mentioned by the Hon. Member will not be curtailed.

[*English*]

Miss Nicholson (Trinity): Mr. Speaker, I have just one brief question for the Minister. I am not sure that the Minister realizes the depth of concern among the people who depend on the CBC for their casual earnings, which are often low over the course of a year. I am talking about actors, musicians and writers.

Will the Minister move quickly to tell the House and the country exactly where programs will be cut so that those people who will lose opportunities of employment will know where they stand and can try to make other plans for their careers?

[*Translation*]

Mr. Masse: Mr. Speaker, it would certainly not be appropriate for the Minister of Communications to reply to such a question until such time as the chairman of the board of the CBC has referred to the board the management proposals and the board has endorsed these proposals; it is then that they will be made public by the Chairman of the Board. At that time, I am convinced that the Hon. Member will find sufficient evidence in the proposal or the public report of Mr. Juneau to realize that her concerns were shared and taken into account by the CBC.

* * *

• (1240)

[*English*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion) moved for leave to introduce Bill C-15, an Act respecting investment in Canada.

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

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, the following questions will be answered today: Nos. 6 and 58.

[*Text*]

MINISTERS CARS PURCHASED

Question No. 6—**Mr. Boudria:**

1. (*a*) How many government-owned Ministers cars have been purchased since September 17, 1984, (*b*) what was the make, year and model, in each case?

2. (*a*) How many were traded, (*b*) what is the make, year and model and price in each case?

Mr. Bud Bradley (Parliamentary Secretary to Minister of Supply and Services):

1. (a) (10)
(b)

Quantity	Make	Model	Year
3	Oldsmobile	88	1985
2	Pontiac	Parisienne	1985
1	Buick	Le Sabre	1985
1	Chevrolet	Caprice	1985
1	Mercury	Grand Marquis	1985
1	Oldsmobile	98	1984
1	Ford	Crown Victoria	1984

2. (a) None *
(b) Not applicable

*Note: A Chrysler New Yorker 1982 replaced by an Oldsmobile 88 1985 was declared surplus and transferred to DSS Disposal Operations. In general, vehicles are no longer traded-in to dealers but are declared surplus.

NUMBER OF GOVERNMENT EMPLOYEES

Question No. 58—**Mr. Howie:**

In each of the last three consecutive years for which figures are available (a) how many female workers were employed by the government, excluding Crown corporations (b) what was the total number of persons employed by the government?

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): The following table shows the total employment and the number of females employed in that part of the Public Service for which the Treasury Board is the employer (PSSRA 1, 1) for the years shown:

	Total employees*	Females*
December 1981	230,118	92,578
December 1982	234,201	96,087
December 1983	234,866	96,799

*These numbers do not include Crown corporations, agencies with Separate Employer status (such as National Research Council, National Film Board), RCMP or military personnel.

Excise Tax Act

These data reflect simply a count of the number of employees at one point in time. The Treasury Board controls the size of the Public Service by means of person-years, which represents one full-time person for 12 months or any equivalent such as 12 persons for one month.

[*Translation*]

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

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

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT
EXCISE ACT

MEASURE TO AMEND

Hon. Barbara McDougall (Minister of State (Finance)) moved that Bill C-12, an Act to amend the Excise Tax Act and the Excise Act, be read the second time and referred to the Committee of the Whole.

She said: Mr. Speaker, on behalf of the Government I am pleased to rise in the House today to put before Hon. Members for second reading Bill C-12, an Act to amend the Excise Tax Act.

This Bill proposes some very positive policies announced by my colleague, the Minister of Finance (Mr. Wilson) in the Government's economic statement that was tabled in the House on November 8. The intent of this legislation is to restore a sense of stability and prosperity to several areas of economic activity in this great land, this land that we all love and want to see as a land of opportunity again.

Bill C-12 also re-establishes a number of measures that were introduced by the previous Government. That Government allowed these items to linger. We are proceeding with these measures now to reduce uncertainty so that those affected by these measures will have the legislative assurance which will enable them to plan for the coming year.

It gives my Government great pleasure to include in this Bill a measure allowing a fuel tax rebate for primary producers; those Canadians engaged in farming, fishing, logging and mining. As Hon. Members may know, this measure was announced on July 5 in Prince Albert. This commitment recognizes that our primary producers continue to be significant contributors to the Canadian economy. Primary producers will now be eligible for a three-cent per litre, or 13.6 cents per gallon, sales tax rebate and relief from the 1.5 cents

per litre, or 6.8 cents per gallon, excise tax. These combine to produce a total tax relief of 4.5 cents per litre, or over 20 cents per gallon. This rebate took effect December 1, 1984.

Our Government wants to facilitate this fuel tax rebate. We are concerned about the financial difficulties currently facing those engaged in the primary sector, and it is our hope that all Hon. Members will act in concert with the Government and pass this relieving legislation as quickly as possible.

When providing primary producers with a fuel tax rebate, the Government will not impose on the primary producers a mountain of paperwork in return for this benefit. On the contrary, our Government is dedicated to simplicity and greater productivity wherever and whenever possible. I want to reassure Members of the House who represent Canadians engaged in the primary sector that we are not a Government which introduces tax relief measures only to create a bureaucratic albatross to administer the benefit. The administrative measures will be implemented by the most fair and simple means possible. Relevant information on the procedures for this fuel tax rebate are being distributed by Revenue Canada.

This measure, as I mentioned earlier, reflects our Government's concern for the current financial difficulty facing primary producers. It will cost some $160 million in the first full year of operation and will run through to January 1, 1987. In addition, the refund system for the 1.5 cents per litre excise tax on gasoline will also remain in place.

A second measure reflected in this Bill deals with the air transportation tax. This tax measure is part of the cost recovery program which my colleague, the President of the Treasury Board (Mr. de Cotret), announced on November 8, 1984. The ad valorem rate of this tax on air travel within Canada and the United States is increased to 9 per cent from 8 per cent, with a new maximum of $30 which is up from the previous $23 maximum. For air travel to destinations outside Canada and the United States, the specific tax will be increased to $15 from $12.50. These increases will affect tickets purchased within Canada and those purchased abroad by passengers who board flights in Canada. This increase is effective April 1, 1985.

This cost recovery measure is expected to generate additional revenue of $34.6 million in 1985-86. The amount will be allocated to Transport Canada to fund services related to air transportation in Canada. In addition to these new initiatives, the Bill will remove any uncertainty in the market-place with respect to tax measures announced in the past but not yet legislated.

A telecommunication programming services tax of 6 per cent on charges made for provision of programming services such as Cable TV or closed circuit broadcasts and related services is being authorized. This tax has effect as of April 20, 1983 for services provided from July 1, 1983 and has been included in the charges of most cable system operators since that time. We are proceeding with this particular measure, as well as three measures I will place before the House, in order to avoid undue disruptions in the affected industry.

Second, the tax point for highway motor vehicles is being shifted from the manufacturer level to the wholesale level; that is, to the sale-to-retail level. This shift has no effect on the tax on domestic vehicles but it does decrease the amount of tax on U.S.-made vehicles while increasing the amoung of tax on other foreign-made vehicles. This change is effective from March 1, 1984 and removes competitive inequities inherent in the current tax structure.

Third, for all taxable transactions from October 1, 1984 to December 31, 1988, the sales tax will be increased by one percentage point. The applicable rates are 6 per cent on construction materials and equipment for buildings, 13 per cent on alcohol and tobacco products, and 10 per cent on all other taxable goods. The additional revenues generated by this increase had already been allocated to prior expenditures.

The previous Government set up programs without knowing how to pay for them or taking the responsibility to raise the necessary funds at the same time. This adjustment in the tax rate will generate revenues of $2.2 billion by 1986 to pay for programs already set in motion by the previous administration. Much as the Government regretted this measure, we were compelled to proceed with its implementation once we had examined the extent of the overspending by the previous Government.

I am also putting before the House certain technical measures which will benefit taxpayers. Upon Royal Assent to this Bill the Government will begin paying interest of 1 per cent per month on refunds of taxes outstanding more than 60 days beyond the filing of a valid claim. This will apply in respect of all payments to taxpayers or other persons entitled to recover moneys under the Act.

• (1250)

Also effective on Royal Assent, taxpayers may apply for and recover *ad valorem* sales and excise taxes paid on transactions which are written off as bad debts. Sales from February 16, 1984 are covered by this provision.

The definition of "taxable marginal manufacturing" is being clarified specifically to include the coating or finishing of goods for sale, while removing the reference to unspecified activities related to the preparation of goods for sale. Other amendments relate to specific commodity or industry groups or are of a technical or administrative nature.

Passage of this Bill will clear the way for consideration of new initiatives to improve our commodity tax system while allowing the business community to operate in an atmosphere of certainty and confidence.

I would like to take this opportunity to reaffirm before the House this Government's declared dedication to restoring confidence and stability to our economy. Confidence is the key to our economy's expansion, the key to greater job opportunities and the key to social equity for all Canadians, young and old, wherever they live in this great country of ours, in the west, the east or the far north.

This Government is here to serve all Canadians. Our Government was elected because it represents change, a very much needed change. This mandate for change is an enormous responsibility. We take the trust given us by the Canadian people very seriously. We have begun the reconstruction of our national finances. We are redesigning government programs and policies. We want to support rather than hinder economic prosperity. It is about time the Government of Canada took charge and attended to the economic affairs of this great country. It is about time Canadians got a sense of stability and prosperity for which they work so hard.

Miss Aideen Nicholson (Trinity): Mr. Speaker, Bill C-12 is very similar to a number of measures that were introduced by the previous Government. The previous Government tabled several motions pertaining to the Excise Act and the Excise Tax Act in the Budgets of April, 1983 and February, 1984, and one concerning the Excise Tax Act in May, 1984.

Bill C-12, arising from the notice of Ways and Means motion tabled on November 8, 1984, in effect brings forward the motions tabled by the previous Liberal Government. Proposals pertaining to the telecommunications programming services tax, the wholesale tax for motor vehicles, a number of commodity tax changes, provisions relating to recovery of sales tax paid on bad debts and payment of interest on outstanding sales tax refunds and overpayments are all virtually identical to those introduced by the previous Liberal Government.

However, there are at least two differences between the present Bill and previous motions. First, the Government proposes a rebate of three cents per litre on motor fuels used off highway by farmers, fishermen, loggers and miners. The Minister of Finance (Mr. Wilson) assured us in his economic statement that this is approximately equal to the federal sales tax. I think Members would all agree in principle that providing assistance to this particular group of Canadians is worthwhile. But I am interested in why the Government chose this method over others. For instance, one of the Government's campaign promises, which many us on this side have read in "Pocket Politics '84", was to remove the sales tax on gasoline and diesel fuel for all primary industries: fishermen, farmers, loggers, miners and the up-stream oil and gas sector. In this case the oil and gas sector seems to have been left out of this particular provision of the Bill.

It is also interesting to note that when this measure was discussed in February, 1984 in this House, the Member for Portage-Marquette, now the Minister of State for the Canadian Wheat Board (Mr. Mayer), advocated a very different solution. He pointed out that farmers and fishermen are allowed a 7 cents per gallon or a 1.5 cents per litre rebate. They pay the tax and then apply for the rebate. The Hon. Member expressed the view then that if the Minister of Finance were serious about helping this group of Canadians, it should be done by a different system. He said that farmers and fishermen find it very annoying and cumbersome to apply for refunds. Granted we are all in favour of relief for this particular group of Canadians, but I would be interested to know why the Government now in office has chosen a method of providing relief which is at variance with its campaign promise and the expressed views of one of its Members. I would be interested in the reason for choosing this method and for discarding the other two proposals.

Let me move to another point, Mr. Speaker. The February, 1984 Budget contained proposals for a formal assessment and appeal system to be introduced into the Excise Tax Act. This was a method to have the appeal rights of Canadian taxpayers protected and entrenched in the law. The present Government is not proceeding with that measure. One would like to know the reason for this change.

Finally, the Minister in her opening remarks spoke of the potential of this Bill to raise revenue. Indeed it does raise revenue, as all excise tax Bills do, but this kind of tax is not progressive. It falls equally on Canadians who are able to bear extra costs and those who are not. I gather the new Government does intend to look at the whole taxation system. I hope as it does that it will try to weigh any changes it makes in favour of a more distributive tax system and that the Government will limit any growth in measures of this kind which fall equally on those who are able to bear them and those who are not.

Mr. Deputy Speaker: Does the Hon. Member for Hamilton Mountain (Mr. Deans) wish to commence now, or shall I call it one o'clock?

Mr. Deans: I would prefer, Mr. Speaker, if it were not inconvenient, to call it one o'clock.

Mr. Deputy Speaker: It now being one o'clock p.m., I do leave the Chair until two o'clock p.m.

At 12.59 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

The Acting Speaker (Mr. Charest): When the House rose at 1 p.m., the Hon. Member for Hamilton Mountain (Mr. Deans) had been given the floor.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I am certainly not pleased to be rising to speak on this Bill. I had hoped the Government in its wisdom would have recognized that the additional tax measures contained within the Bill are undesirable from the point of view of Canadian consumers and perhaps unnecessary from the point of view of industry.

Let me begin by saying that we will oppose the Bill for some of the same reasons the Conservative Party opposed a similar Bill when it was in opposition. It is interesting to note that what we have in this legislation is for the most part a reiteration or a reintroduction of the measures proposed by the previous Liberal administration. With some minor modification, the Bill before us is a reintroduction of what the Liberal

Party had in two of its previous Budgets but had never been given the opportunity to enact into legislation.

Although it may surprise some, it does not surprise me that the Government has chosen to accept the direction which was taken continuously over the last number of years by the Liberals in office. I am somewhat dismayed by the reversal of the Government from the position it took when in opposition. I never cease to be amazed, when people move across the floor of the House, at how they can find some justification for approving actions which they previously condemned as unnecessary or even harmful to the over-all economy of the country.

How well I remember the days prior to the last election while the House was still sitting. Conservative Members rose to point out how the additional $1 billion cost, which the increase in the federal sales tax would result in, would be disastrous to the economy of Canada. I am sure my Liberal colleagues remember Conservative Party Members saying that when they sat on this side of the House. They castigated the Government for imposing this additional burden at a time when the economy was so fragile. They told the Government that it would do nothing other than result in further unemployment. They told the Government that it would do nothing other than reduce the purchasing power of the majority of consuming Canadians and therefore would in turn result in a decrease in the necessity for manufacturing consumer goods. They said that the end result of all this would be that with the $1 billion—and that is only part of this Bill—which flowed from the excise tax increases we would continue to create within Canadian society further unemployment and a further downturn in the utilization of manufacturing potential and capacity. Also they said that we would make it even more difficult for hard pressed families in Canada to be able to afford to purchase what they must have in order to provide for themselves and to keep the economy healthy and growing.

I took those words to heart. After all, I thought that with the vast resources of the Conservative Party, it would have conducted the necessary research to justify the suggestions it was making. I checked it out with my own research and asked: "Are the Conservatives right; is this what will happen?" We looked at it. We analyzed it. We did a breakdown of it to see what would be the consequences of the imposition of this additional tax. Lo and behold, we came to the conclusion, just as the Conservatives said, that it was regressive, unnecessary and undesirable and, just as they said, that it would create further unemployment, and undermine an already fragile recovery which we hoped was taking place. We found, just as they had said, that in fact they were correct.

● (1410)

I had hoped that having put forth that argument, Conservative Members would stay true to that in which they appeared to believe. I had hoped that when in office they would be prepared to rescind these kinds of measures and take into account what they themselves had been foisting upon Parliament and the public of Canada as conclusive evidence of the inadequacy and inadvisability of this legislation. But no, Mr. Speaker. They nip across the floor of the House after the election, get themselves comfortably seated for three or four days and then do an immediate about-face.

The implementation date for the imposition of the additional tax was upon us in September and the first question put to the Prime Minister (Mr. Mulroney) and then subsequently to the Minister of Finance (Mr. Wilson) was: "Are you going to rescind that tax? Are you going to withdraw those provisions?" The immediate answer was: "Well, we are going to consider it", followed very quickly by a statement indicating that the Government intended to allow the tax increase to take place and intended to allow this additional $1 billion burden to be placed on the backs of the consumers of Canada. It intended to run all of the risks with the economy that it had indicated were the risks the previous administration had intended to run. In fact, government Members were going to endorse the very thing that they had said was going to be extremely harmful.

If someone were to do that in private life, people would lose confidence with that person. People would have no confidence in his or her capacity to make decisions. If it was done only once, perhaps people would overlook it and would try to find some good reason for what had been done. However, this is the second time in this Parliament that what Members of the Conservative Party had held as a principle is to be broken. What the Conservative Party had put forward as an absolute position will be reversed. It worries me to see a Party that is so desperate for power that its Members will say anything any time notwithstanding whether or not they are prepared to implement or stand behind those statements.

Conservative Members are bringing forward during the course of this debate and are implementing at the end of this debate Liberal legislation. It has minor modifications that can be touched upon, but on balance this is Liberal legislation. All of the experts have said that the sales tax is a regressive tax. It requires of everyone who is affected by it that they pay the same amount notwithstanding their income capabilities. Notwithstanding their capacity to earn, they pay the same amount. It matters not what their income levels are. If they must buy the product, they pay the same sales tax whether they are millionaires or are living off welfare. It is in fact a regressive measure and it is certainly less progressive than many other options that are open to the Government for trying to raise necessary capital.

This Bill is of an omnibus nature and I use the word "omnibus" in the broadest possible sense. I am not arguing that it is an omnibus Bill. However, it contains a series of measures. Through that series of measures, this Bill extracts from the economy $4.4 billion. The economy cannot afford to have $4.4 billion worth of purchasing power removed at this point in time and still expect to have a recovery. If $4.4 billion is taken out of the consumer market-place and put into the coffers of the Government, that means in actual fact that that many fewer dollars can be used to purchase the products that are being manufactured or could be manufactured by those

who are in the business of producing. There will be no market for those products because the people do not have that $4.4 billion.

Quite clearly, on the one hand the purchasing power is being reduced while on the other side of the coin the revenues to Government are increasing. In the process of reducing the purchasing power, we are creating or at least running the risk of creating additional unemployment. By creating additional unemployment, we then add to the cost of government.

The $4.4 billion taken out of the economy results in unemployment being created all across the country and the slack will then be taken up by the Government at various levels by providing those unemployed people with an income capacity in order to meet their needs. They will be drawing unemployment insurance and welfare payments. Where is the gain? Our economy is operating at about 76 per cent or 72 per cent of its capacity, depending upon when one makes the calculation. What is the point of further reducing the manufacturing capacity by reducing the consumer demand? That is what this kind of legislation does.

It is not as if I am blind to the fact that the Government needs to raise additional money. I can well understand that this Government has inherited a dog's breakfast from the previous Liberal administration.

Some Hon. Members: Hear, hear!

Mr. Deans: Thank you very much. I will give you more in a moment.

I can well understand that the Government may have some difficulty raising the necessary funds for the ongoing program needs given that the previous administration did not manage the economy particularly well. However, I am saying today what I would have said to Liberal Members had they stayed in power. If the Government needs $4.4 billion or, for that matter, if it needs even more or somewhat less than $4.4 billion, this is not the way to go about raising it. Of all of the options open to government this is clearly the most harmful one. The option that has been chosen is the one that will do the least good and will impact the most severely on the economic recovery, assuming that there is some kind of economic recovery under way.

I would like to suggest to government Members that had they done an accurate analysis of the various tax concessions that are presently available and had they done that analysis in such a way as to determine on a cost-benefit basis whether or not the tax concessions that we allow are yielding the benefits that we had anticipated, the answer that would have been forthcoming would have been conclusive: we do not get the benefits from tax concessions to the corporate sector that were intended. These are not my own words but the words of economists all across the country and of economists who have studied the tax concession route that has been taken by successive governments in many jurisdictions.

I do not deny that certain of the concessions were given with good intentions. I understand that and can appreciate that governments have from time to time thought that by giving additional tax concessions to a particular part of the economy, that would yield significant benefit in the long or short run. However, the analysis that has been done has proven that that in fact is wrong and that we do not get the benefit from the tax concessions that the majority of past governments have argued we would get.

• (1420)

Very interesting analyses have been done on that which show that tax concessions for research and development did not in fact result in the build-up of a research and development capability in Canada. Many other tax concessions were sought by business. But few were used for the purpose of creating new initiatives for job opportunities in Canada. Those tax concessions, though they cost us many billions of dollars, did not bring about the kinds of results that we expected. When I say "we", I mean the Government, whether here on the federal scene or in the provincial area. The tax concessions which the Government gave did not result in the kinds of benefits that many people had expected.

An estimate was done of the concessions which are afforded by the federal Government to various and sundry parts of the business structure of Canada, either by way of tax breaks or by way of outright grants. The analyses show that the money that has passed through the system to that sector amounts to something in excess of $18 billion on an annual basis.

If it is true—and I submit that it is true—that money does not give back to the economy of Canada the kinds of results that were intended. If it is also true that the Government finds itself in the position in which it requires additional tax revenues, why did the Government not go to that area, look more closely at the grants and concessions, and make some determination that perhaps they could be reduced from the sum of $18 billion to $14 billion? That would have yielded approximately $4 billion to the Government which it is attempting to raise through the various tax measures we have before us. Would that not have made at least as much sense, and perhaps even a tiny bit more sense, than to go the federal sales tax route? The Minister smiles, and she smiles very nicely, but I know that deep down she is thinking: "My God, why didn't I think of that?"

Some Hon. Members: Oh, oh!

Mrs. Mailly: Fat chance.

Mr. Deans: I can see the little wheels turning, and that is not because her head is hollow. Now she is thinking that maybe she should withdraw the legislation and come back with something more in keeping with the very sensible proposals which are being put forward by the New Democratic Party. I would congratulate her if that is what is going on in her mind.

Some Hon. Members: Hear, hear!

Mr. Deans: I am not one to claim credit for good things. I want that to be clear to everyone. We in this Party are quite

prepared to share the glory of having come up with a good idea. In fact, we will even allow the Government to adopt the idea as its own!

In a more serious vein, I want to suggest to the Government that there is not a study anywhere which would indicate that it is better for the economy of Canada to increase the federal sales tax by the numbers and amounts that this Bill will, over and against the option of reducing the handouts and tax concessions which are presently available to the corporate sector by one-quarter, thereby raising the same amount of money. That would trim off some of the fat.

If the Minister really wants to do something useful, she should accept this proposal in the way that it is intended. The Conservative Party was right when it was in opposition to say that these were the wrong measures and it was the wrong way to go. The Conservative Party argued a very forceful case when it was in opposition. Reluctant though I am at times to agree, I agreed with what was put forward by the Tory Party when it sat on this side of the House. Having already made that great leap and accepted that it was right when it was over here, I can come to no other conclusion but that it must be wrong when it is over there. It is not possible to be otherwise. If I supported it when it was arguing that this was the wrong way to go—and I did—then I can do no other than to be consistent and say; "Why don't you join me in the consistency and live up to what you believed was true?" Then it could look at alternative ways.

I am not suggesting that what we proposed as appropriate measures are necessarily the only measures which could be implemented. But I am suggesting that there is widespread support in the House of Commons—and I think on the back-benches of the Government and out in the country among the experts and analysts—for a very careful review of the concession method of providing a pass-through of tax dollars to the corporate sector. Since there is no requirement on the corporate sector to live up to any kind of guidelines or to abide by any kind of commitments, it is abundantly clear to anyone who has studied this subject that there are few, if any, benefits that flow from the $18 billion, or at least a significant portion of that amount; but if the Government is determined to reduce the amounts it would not cause any long-term damage to the economy of Canada. There certainly are few benefits in what is being proposed here today.

We need only look around the country to appreciate that we are facing as difficult a time today as we were facing prior to the Government being elected. The unemployment statistics show quite clearly that, with all the best intentions in the world, the Government is not able to match its commitments to its performance. Indeed, in the first three months of the Government's mandate things have worsened for many people. There are now 50,000 more people looking for work than there were when the Government was elected. There are 244,000 people in Canada who have been unemployed for between six months and a year, many of whom no longer qualify for unemployment benefits. There are 130,000 people who have been unemployed for over a year. Long-term unemployment in Canada—those unemployed for a year or more—is considerably higher now than it was a year ago. In fact, it has risen by approximately 180 per cent. Those people are not going to be satisfied with the measures which have been brought forward to date.

The Government speaks of confidence, but confidence is difficult to measure. The Prime Minister admitted that it is hard to measure confidence; it is hard to feed it into the equation and calculate how it will impact. I agree that it is hard. I honestly hope that the Government's measures work, and I will tell the House why I hope they work. I hope they work because if they do not work the country will be in an awful mess. The measures which have been taken since September 4 will work a tremendous hardship on a large number of people. Between now and the end of next year, those measures are anticipated to create between 50,000 and 100,000 more people on the unemployment rolls. I would hate to think that that additional sacrifice will be made by those individuals, among others, and then have the Government's long-term program not work.

• (1430)

What I find most difficult is: What does confidence mean? It is a wonderful word but how can one measure it? How can one measure confidence when one has no job and no one in the area is hiring? How does one measure confidence when a kid graduates from high school and has no way of being able to continue on to university? How does one measure confidence when a person owns a home but because of cut-backs he cannot afford to meet the mortgage payments and must give it up? How does one measure confidence when a small business person operating in a small community finds that the only employer in that community is closing his door? What does one say to the people who worked for that employer who is closing his door? The word "confidence" is a wonderful word. We can say we are as confident as hell, but having said it, what about the jobs? What about the employment opportunities and the growth? Where do we see the development taking place which would lead us to believe that in fact there is something which will flow from that development? It is bad enough that the Government of the day should inherit a terrible situation, but far worse that the Government of the day should then set about to make it even more so. That is what is happening not only as a result of this measure but as well as a result of the economic statement which was brought forward by the Minister of Finance some weeks ago.

One cannot create employment by creating unemployment. We cannot decide to cut back a whole host of programs with the inevitable consequence that there will be more people unemployed, and then expect that everyone will feel that somehow or other that measure is creating employment. It just does not happen.

I want to say to the Minister, through you, Mr. Speaker, that we have to stop and take a look at the reality of that which is Canada. We have gone through some very buoyant economic times and we have gone through some less satisfacto-

ry economic times, but the one thing I notice from looking over the history of the development of this country in modern times is that the private sector has not been prepared on its own initiative to keep pace with world development. The private sector, notwithstanding all of the grants about which I spoke, has not been prepared to invest in Canada in order to keep pace with changing technology. Notwithstanding the grants for research and development which were made available through our tax dollars, the private sector has not been prepared to engage in proper research and development. And that is the way we must measure the performance of the private sector. It has not been aggressive in seeking new markets for its products. In the main, as a sector, the private sector has not been aggressive. It has in fact, to the contrary, steadfastly refused to go out and seek those markets.

I took part in a study which was conducted all across Canada. I spoke to numerous sector organizations about the need to seek markets outside of Canada for their products, but with few exceptions it was indicated to me that the private sector was content with the size of its business as it was. It was content to operate as a domestic supplier and it had no intention of moving into world markets. Those individuals in private business who did indicate that they were interested in doing so did not have the power in Canada to make the decision in any event. In the main, they represented branch plants of a multinational operation which was set up in Canada to meet Canada's domestic market requirements. They did not have a mandate nor did they have the authority to get a mandate to seek world markets.

Mr. Stewart: Exports are up 40 per cent in Ontario.

Mr. Deans: I thought I heard my colleague from the other side saying "That is absolute crap", which I want to point out is unparliamentary; but nevertheless it would be useful for the Hon. Member, if he does not believe me, to go out and find out for himself.

Mr. Stewart: Exports are up 40 per cent in Ontario.

Mr. Deans: Exports are up 40 per cent but not in manufactured goods.

Mr. Stewart: What about the auto pact, cars?

Mr. Deans: The auto pact is a peculiar situation which fluctuates from year to year and does not operate under an independent mandate in Canada. It operates as part of an international North American conglomerate structure.

An Hon. Member: For what?

Mr. Deans: If the Hon. Member wants to rise and make a speech, he may do so. But the majority of individual companies operating as a part of a branch plant operation, worldwide, do not have the authority to develop world markets.

Having said that, I have to ask where is this business confidence—I am not even asking about consumer confidence—going to come from? Where are those businesses which refused during the good years—and we have had many of them—to seek out those alternative markets, to build the Canadian base, to develop the R and D potential and to become part of a world-scale operation? Where are they? Because that is what is required in order to achieve the goals set out by this Government. But they do not exist, in the main. What they would not do before, they will not do now.

We have given concessions upon concessions to the point where big business hardly pays any tax at all. We have now reached the point where big business can defer paying tax indefinitely so that perhaps it will pay tax 20 years or 30 years down the road, unlike the average worker who pays tax by the week. We have already made it possible for big business not to pay for almost everything it does. What more can we give? The fact of the matter is that we can give no more. Because we can give no more we can hardly expect, based on its record, that big business is suddenly going to rush forward and embrace this new requirement of "confidence" which this Government believes ought to be in existence in this land.

There is nothing I would like better than at the end of this four-year period to see that the Government's measures have worked and everyone in Canada is working, that there is growth and everyone can look forward with some degree of optimism to prosperity and enjoyment of life and to be able to provide for their families. I would love to see that happen. That is motherhood. We would all like that. However, we cannot have that if we are going to rely on the corporate sector which steadfastly refuses to operate on Canada's behalf. We cannot have that if we rely on big business to change its ways; it has had ample opportunity to do so and has refused at every turn. Why do you think we have had to have so much research done in the public sector? Because the private sector refused to undertake it.

Mrs. McDougall: I'm listening.

Mr. Deans: I know you are listening. It is not doing much good, though. The problem is, Mr. Speaker, that there has been the opportunity given. We have tried that and it has not worked. Just to restate the requirement over and over again is not going to make it any more acceptable than it was in the beginning. I say this because I believe that the Government is placing all of its eggs in one basket. It was said earlier that everything which has been tried by this Government has either been spoken about or tried by other governments in other parts of the world, and in fact was even tried here in Canada some years ago. The consequence of those actions being pursued was that massive unemployment was created.

Our mandate, for heaven's sake, is to try and take care of the people who are here today; to make sure that the opportunity is there for them; to make sure that they do not have to pay a price far beyond what would normally be expected by the balance of society; and to attempt to lay the groundwork for a future for the next generation and the ones which follow. That is not what is being done by this Government through this legislation or through its economic statement.

So I say to you, Mr. Speaker, that when we look at what we now have before us and consider its consequences, we cannot help but believe that if we take almost $4.5 billion out of the consuming economy—because that is where it comes from—it can only result in a reduction of purchasing power for the overwhelming majority of Canadians who must buy consumer products. If that is the case, it can only result in a reduction in manufacturing which will then result in increased unemployment. There can be no other way to look at it. I do not care how you calculate it or which economic model you use; you can only come to the conclusion that if you take more money out of everyone's pocket, they inevitably will have less to spend. That is what this Bill does and it is why it is counterproductive. If there was ever a time to pursue this kind of measure, and I have my doubts that there is, this certainly is not the time.

• (1440)

If the Government has to find ways to raise additional money, I suggest it begin to look at the $18 billion in tax concessions which we hand out willy-nilly. That, in essence, is what the Conservative Party said when they were in opposition, and that was the right position. But what the Minister is now doing is going to cause more hardship and not relieve the pain.

The Government is not required to do this. To begin with, if the Minister believes that in the future there will be economic prosperity, that the private corporate sector will be able to provide the necessary job opportunities, then it is quite clear that the revenues derived from those who will be working will be sufficient to carry the debt we now have. That hopefully will be the case. If so, if the private corporate sector is going to live up to the Government's expectation and by some fanciful means achieve the goals the Government hopes it will achieve, then quite clearly there will be a sufficient number of tax dollars generated from that new economic activity to make this measure unnecessary. I suggest to the Minister that if these measures were not implemented, that $4 billion would remain in the economy and help us achieve that goal more quickly. If more people are able to buy, then the possibility of newly-generated opportunities in the private sector will be even greater. But in taking the measure the Government is taking today, it is impeding the very goal it has set for itself.

What the Government is doing, Mr. Speaker, not only does not satisfy me but it does not satisfy the goals the Government has set. That is the hard part to understand. If an economy is operating at considerably less than capacity and you reduce demand even further, how can you expect to improve the economy's productive performance? They just do not mix and therefore do not match. We would much prefer that the Minister bring forward legislation dealing with the many, many tax loopholes, the many, many corporate donations by the Government out of the average taxpayer's pocket. We would rather see the Government bring forward measures to restrict the use of those funds. It would not again be digging into the pockets of the average Canadian family and thereby creating even more unemployment and more hardship. We would rather see that we go the other route and give people a chance to feel the confidence the Government asks them to feel. Give them a chance to demonstrate this by putting forth some effort of their own on behalf of the recovery the Government would like to see and that we would like to see as well.

[*Translation*]

The Acting Speaker (Mr. Charest): Order, please. The Hon. Member for LaSalle (Mr. Lanthier).

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I would like to speak more particularly to the Bill that was presented in the House this morning. Actually, today I am not speaking as the Member for LaSalle but rather as the Parliamentary Secretary to the Minister of Finance. I rather like preambles myself, Mr. Speaker.

Yesterday afternoon, I was singled out more specifically, and I would like to inform the House and particularly my hon. friend opposite—and I hope he is listening, the Hon. Member for Shefford (Mr. Lapierre)—that I speak freely, am censored by no one, and that I have risen from my seat to speak to a Bill which I support wholeheartedly. I may add that the Progressive Conservative Party or Government backbenchers, as we were referred to yesterday, are not frustrated at all.

First of all, we have been silent for so long because we are learning a lot, and we have been silent not because it was the prudent thing to do but because it was the correct thing to do. We prefer to choose our words carefully instead of talking a lot but saying nothing.

Second, on the other side of the House we hear lots of "were" and "was", but we, the newly elected Members of this House who are almost the majority, we would much prefer to hear things said in the future tense, and I think that is why we were elected: to look to the future.

Unfortunately, at this stage and with the financial legacy we have received, we must first put out the fire and clean up the mess. You may rest assured that it was a joint effort, for I had an opportunity to work very closely with my Minister—or Ministers, I should say—the Minister of Finance (Mr. Wilson) and the Minister of State (Finance) (Mrs. McDougall) to draft the bill introduced today and even the economic statements presented recently. I can tell you that it is common sense at its best.

Somebody on the other side tried earlier to tell us what is going on in the private sector. Well now, I might point out that we too have worked in the private sector for a while, and that is exactly what is happening there. When one opens a new business, one tries to forecast which way things are going to go, and then sets everything straight from the start.

The bill introduced today is more than a simple copy of earlier such measures. To put it another way, some details need to be straightened out, and these details of the bill were clearly explained this morning by the Minister of State

(Finance) (Mrs. McDougall). I do not see any need to go over them again. However, I must emphasize that this measure highlights the major principles which generally govern the private sector. In other words, one of the basic principles used in the private sector is that people must pay for services rendered. In my opinion, an attempt has been made to redistribute the load, in the sense that this bill contains as many tax rebates as new tax levies. This is the kind of redistribution which has to be made, considering the sorry mess the previous government left behind.

The word confidence has been heard often lately. I think this bill will restore confidence and I draw your attention particularly to the spirit of fairness behind this measure.

● (1450)

In one instance, the Government has decided to pay interest when it was late in paying back. In its arrogance, the previous Government was quite willing to make us wait for money owed to us. In the private sector, you have to pay a penalty for late payments, and that is what this Government is proposing in its great spirit of equity under certain provisions of this Bill.

A lot has been said about unemployment. I believe that this Bill will to some extent restore the confidence of our citizens. Why? Because when a new administration takes over the first indication of its ability is the extent to which the people in charge can put things back in order, and this is what we have done. We have not been in power very long, only three months, but I believe that this Bill confirms our commitment to put these mechanisms to good use to provide jobs for the people of Quebec. Of course, I believe that our Government is not alone in this, and I am quite certain that this obviously is also the wish of the Opposition.

Of course, there is no confidence at the present time in the Canadian economy. There is only hope that this confidence, which we deserve, will be restored. I sincerely hope that the initiatives taken under this Bill will give back to Canadians the confidence necessary to create employment for their fellow citizens.

I found one sentence in this Bill especially striking, and it says something like this: Passage of this Bill will be a first step in examining new initiatives and improving the spirit of equity that should characterize indirect taxation while enabling the business sector to operate in a climate of certainty, stability and confidence. This is our definite pattern, and it is our belief that everything in the measures introduced by our new Government and in the legislation we will be putting forward will show the same spirit of fairness which we backbenchers from the business community are bringing here. It is our hope that the forthcoming bills will be as well designed as this one to restore financial order.

Of course, a new emphasis will have to be put not only on the backbencher's role, but more generally on work ethics. Formerly, people were admired for their work ethics, but now people are admired mainly for what they get as a result of their work ethics, and that too often alas means money!

I think the Right Hon. Prime Minister made a remarkable statement when he said that people would have to be put back to work. We must put them back to work confidently. There are many people now who work but lack confidence in the future. There are people who refuse to work, supposedly because salaries are too low, prefering to do nothing. But we will have to give priority to the work ethics that always inspired our predecessors and Canada's pioneers.

Well, I would think that this legislation or the spirit behind it has been very successfully developed from a consensus reached both outside and within the Government.

I am sure you appreciated the comments made this morning by my Minister and I would like you to know, Mr. Speaker, that this is the first time I work for a woman other than my wife, but it is extremely pleasant, and I can assure you that my Minister has performed very well up to now, and although she does not need my humble assistance, I can assure you that she has my full support, both as to the contents of the legislation and the way it was put forward. I had the chance myself of attending consultations that led to the introduction of this Bill and I can assure you that the business community is quite in agreement, on both the procedure and the ultimate goal.

Mr. Speaker, I can tell you personally that as back-benchers on the government side we take part in the drawing up of all government policies and I can do it without any restraint. I feel that my training phase is not over yet, but I assure you that we feel quite proud of taking part in the management of our country.

The Acting Speaker (Mr. Charest): Questions and comments. The Hon. Member for Yorkton-Melville (Mr. Nystrom).

Mr. Nystrom: I should like to put a question to the Hon. Member for LaSalle (Mr. Lanthier) about his speech on Bill C-12.

Many changes are made to our tax system in that Bill. A very important issue is the 1 per cent increase of the sales tax. The proposal was made by the former Liberal government. In July and in August, the Progressive Conservative Party fought the election campaign against the Liberal party and the tax increase. The same situation prevailed in the House last year when the Progressive Conservative Party criticized the sales tax increase planned by the Liberal Party. Could the Hon. Member explain his party's turnabout? Why do we find a Liberal proposal in a Conservative bill?

The more it changes, the more it is the same, Mr. Speaker. Last year it was the Liberal Party; this year it is the Progressive Conservative Party. What we have is exactly the same thing with exactly the same proposal. Could the Hon. Member explain to the House why his party has changed its mind? This

is an important question, because a party should follow the same line in government as in the opposition. That is the reason why Canadians sometimes—

[*English*]

—are very cynical of politicians in this country.

[*Translation*]

Mr. Lanthier: Mr. Speaker, I should like first of all to remind the Hon. Member that I have never sat in the opposition. In addition to that, it is understood that we are not allowed to discuss a particular section of the bill. We must deal with the whole bill which contains adjustments one way or the other. Obviously, I am not in a position now to deal with a particular issue or increase without referring to the bill as a whole or going over the very clear explanations which the Minister of State (Finance) (Mrs. McDougall) gave the House this morning. That is the approach. If you want to consider the bill as a whole, I feel that the speech was perfectly clear in this respect, but again I repeat the first part of my statement. We were not in the opposition. People should stop stirring up the past and start looking to the future. This climate of confidence which we are trying to create will be based on the future, because the recent performance of the past government having been so dismal, I do not think it could be used as a basis for anything.

• (1500)

So let us build upon a foundation we already have. I think this bill will indeed go a long way towards providing a kind of continuity in this government. Let us use that foundation to build our future.

Last month's economic statements were our foundation, our starting point. I might say in passing that I have no idea what happened in the Opposition because I was not here. As to the election promises, they should be considered as a whole, not singly one after another. I still have vivid memories of the election campaign, and the reason for that is that, even though I was not in the Opposition, I did take an active part in the campaign. Mr. Speaker, I have to say that throughout the election campaign the Prime Minister always made it a point not to refer to a particular aspect without talking about policy as a whole. In my opinion, it is quite unfair to single out one specific detail without referring to the whole picture so ably presented this morning.

Mr. Nystrom: Mr. Speaker, I know that the Hon. Member was not in the Opposition, but he does belong to the government team and that government made an election promise. I have one specific question to ask: Is the Hon. Member now prepared to throw that promise on the scrap heap? Is he for or against? Is he for or against the provision of the bill to raise the sales tax by 1 per cent? Is he now prepared to throw that election promise on the scrap heap? Yes or no?

Mr. Lanthier: Mr. Speaker, I thought I said clearly and calmly that promises have to be taken as a whole, not piecemeal. That was done. There is absolutely no question of reneging on any election promise through this bill.

[*English*]

Mr. Baker: Mr. Speaker, I just wanted to make a brief comment on the hon. gentleman's speech. He made repeated references to the Minister of State for Finance (Mrs. McDougall). I also want to congratulate the Minister for her speech, not for the same reason given by the hon. gentleman, but for conveniently overlooking the obvious when the Government says it will give 20 cents a gallon to primary producers because of financial problems facing primary producers. On the one hand, it gives 20 cents, and on the other hand, it increases oil and gas to world prices. It gives 20 cents while it increases sales tax on certain commodities.

On the one hand, it gives 20 cents to the fishermen, while on the other hand, it tells the fishermen they may have to pay for their weather forecasts. It gives that 20 cents while telling the fishermen they will have to pay to tie up their boats. It gives this rebate while telling the fishermen that the Government will do away with their insurance scheme so that they will have to pay hundreds of dollars more per year to insure their boats.

The other note that I made was that the Minister referred to 20 cents a gallon on the sales tax rebate and the excise tax rebate. She and the Government conveniently overlooked in all of their statements the fact that the excise tax rebate was always there. It was brought in by a Liberal Government in 1975. Taxpayers simply made their claim and kept their receipts at home. There was not a word of distinction made by the Minister of State for Finance nor was there anything in the documents emanating from the Department of National Revenue about conveniently overlooking a matter of fact concerning that excise tax rebate.

[*Translation*]

The Acting Speaker (Mr. Charest): If there are no further questions or comments, we will proceed with debate. The Hon. Member for . . . Did the Hon. Parliamentary Secretary intend to answer?

Mr. Lanthier: Yes, Mr. Speaker.

The Acting Speaker (Mr. Charest): The Hon. Parliamentary Secretary to the Minister of Finance (Mr. Lanthier).

Mr. Lanthier: This has been quite a charge against the spirit of this legislation. When it so happens that at one point we do something and at another point we do something else, that in one instance we do something and in the other instance we do something else, well, this is exactly what we intend to cure with this legislation. The goal is to have the place back in order. There is no question and we never made any secret of that, of simply lightening the burden with that Bill. The purpose is to make a redistribution, and listen! We also have to

put in order bills that had been introduced by a previous Government and that were gathering dust.

And it was because of the genuine concerns of the private sector that we decided to put the place back in order. I would therefore thank the Hon. Member opposite for illustrating, in a much more experienced way than I could do, that the aim was to put our house back in order.

[*English*]

The Acting Speaker (Mr. Charest): I want to remind the House that there are approximately two minutes left for questions and comments.

Mr. Rodriguez: Mr. Speaker, may I say this in reply to the Hon. Member for Yorkton-Melville (Mr. Nystrom). The Hon. Member said that one must look at these tax measures as one package and that they cannot be separated. I am interested in one particular tax measure, the one which increased the federal sales tax in order to raise a billion dollars. That tax measure was an issue during the campaign when the Hon. Member's esteemed Leader, the Prime Minister (Mr. Mulroney), took the position that he would not put that measure into effect.

It seems to me that the Hon. Member should at least be principled enough to respond to that question. Is he in favour of that increase to take $1 billion from the spending ability of Canadian taxpayers? Is he in favour of that particular measure, yes or no?

[*Translation*]

The Acting Speaker (Mr. Charest): I would remind the Parliamentary Secretary to the Minister of Finance that he has only a few seconds left.

Mr. Lanthier: Fine. I repeat, this is not as a package, it is as a whole. But let me say that this has already been answered. Yes, I support that tax, on the one hand, but within a series of reductions that would stem from elsewhere. Agreed? I think I have answered. I believe so, yes, because I supported the Bill.

Mr. Nystrom: And you are taxing the people. Did he say the same thing during the election campaign?

The Acting Speaker (Mr. Charest): Order, please. The period for questions and comments is now ended. The Hon. Member for Glengarry-Prescott-Russell.

Mr. Don Boudria (Glengarry-Prescott-Russell): Thank you, Mr. Speaker. I am pleased with this opportunity to take part in the debate on Bill C-12.

Mr. Speaker, I was listening very carefully this morning to the speech by the Hon. Minister of State for Finance (Mrs. McDougall) and to the comments made earlier this afternoon by the Member for LaSalle (Mr. Lanthier). I wonder whether we were running in the same election, Mr. Speaker, because I think my recollection of the recent election campaign is somewhat different from the description given by the Member for LaSalle.

For instance, I remember that the Progressive Conservative Party made 338 promises in this campaign. But I do not remember that at any time during the campaign anyone said: Well, ladies and gentlemen, we made promises, but we will not be able to keep them. I do not remember anyone saying that during the campaign. In fact, when the Leader of my Party said there was no way the promises being made by the Progressive Conservative Party could be kept, the Leader of the Progressive Conservative Party, the present Prime Minister (Mr. Mulroney) said very clearly that of course, with the new spirit of confidence that would reign in Canada, and so forth, it would be able to keep the 338 promises he had made.

I certainly do not remember, or else maybe I forgot, Mr. Speaker, the present Prime Minister saying during the campaign: Ladies and gentlemen, we must realize that the promises I made cannot be kept. If he did, I stand corrected by the Hon. Member or other Conservative Members in the House. But I do not remember hearing this during the campaign. In fact, I discussed it with some of my constituents, and they do not remember it either.

Mr. Speaker, earlier there was some reference, and I believe it was the Hon. Member for LaSalle who mentioned this, to putting Canadians back to work. I think that is the expression he used in his speech. However, I examined the Expenditure and Program Review which proposes to cut tens of thousands of jobs in my riding and elsewhere in Canada, and I do not see any reference to where Canadians will be put back to work.

My constituents of Glengarry-Prescott-Russell employed in the Public Service do not at all feel as if they were being put back to work now. They rather feel as if they were being dismissed or laid off by a Government which told them quite the opposite only a few months ago. So they feel that they have been conned, and rightly so. And you, Mr. Speaker, who are witnessing all our discussions in a very objective and non-partisan way, surely understand that what the Progressive Conservative Party wanted us to believe during the election campaign is not at all what we are seeing today.

We just heard, Mr. Speaker, the Hon. Member for LaSalle (Mr. Lanthier) saying we should stop referring to the past. However, he himself dealt in his speech with the financial state of affairs inherited from the previous government. Well, how can one reconcile those two very different ways of thinking? You cannot say that you want to forget about the past while at the same time making reference to it every five minutes in statements and speeches. You cannot do that!

Also, that same Government which apparently wants to forget about the past is introducing in this House Bill C-12, a Bill that for the most part was introduced by the Liberal party during the last session. That is some record for a Government which apparently wants to put the past behind it

and says that the previous Government was ineffective and incapable of running this country, to come up every two or three days with Bills that are similar and sometimes identical to those of the previous Government. How come then, if the previous Government was unable to govern the country, this new Government has chosen to copy the bills the former Government introduced?

• (1510)

[*English*]

When I was in elementary school, if I had tried to copy or use someone else's notes it would have been referred to as copying, and in university as plagiarism, meaning the same thing, of course. But when the Government introduces Bills previously introduced by the Liberals, it should put a little note at the bottom of these Bills, or an acknowledgment of the fact, even a note to say that most of the Bill had been presented before by the Liberals, if that were the case. I think this would be only fair. The person who spoke before me is indeed a very sincere Member and one who would want to give due credit to those involved in presenting similar legislation. We know the Hon. Member would not want to take credit for anything that he did not do. We recognize that on this side of the House. Perhaps this is an oversight. It was not mentioned in the previous speech or in the speech of the Minister of State for Finance (Mrs. McDougall).

There are some good points in the Bill. There are some differences. One of the issues raised in this Bill is the gasoline and diesel fuel rebate for off-highway use by farmers, loggers, fishermen and miners. At least part of one of the 388 promises will be fulfilled by this measure. We are still waiting for the other 330-odd promises that have yet to be fulfilled but probably never will be.

In recognizing that one promise was made, I find that there was perhaps a parallel promise that was forgotten. I want to draw something to your attention because I know that you will be very interested in this, Mr. Speaker.

[*Translation*]

I find it rather unusual, Mr. Speaker, that during the recent election campaign the government failed to tell us—and no doubt it is an oversight on the part of the Progressive Conservative Party—that while a rebate on fuel would be granted, an additional $6.2 million cut would be made in dairy programs.

I also find it rather unusual, for example, that the government failed to tell us that $9.4 million will be cut in the Department of Agriculture budget. Canadian farmers who will be receiving that rebate cheque from the government will quickly lose it directly or indirectly and their loss will probably be higher than their gains. On the one hand, the government gives out $1 and on the other, it takes back $2.

It seems to me that this is what will happen according to the financial statement or under the programs put forward by the new government. For example, Canagrex will be abolished: that is a $6.6 million cut in the agriculture program. Some members stated earlier that they agree that Canagrex should be disbanded. The government will very soon introduce a similar bill changing the name of the corporation but entrusting it with duties similar to those given to Canagrex by the Liberals. In any case, agricultural programs are being cancelled.

If we speak so often about farmers, Mr. Speaker, it is because it should not be forgotten that the fuel tax rebate cheque will be handed to our farmers by the government. Therefore, we should always bear in mind that what the government gives with one hand it takes back with the other, but it always takes more than it gives, particularly when it is a Conservative government.

I would like to point out next, Mr. Speaker, the cut or cancellation of the $3.5 million forest research project in Corner Brook and in St. John's, Newfoundland. In the agricultural services, $32.3 million will be recovered. Mr. Speaker, do you know what cost recovery means? It is a tax in disguise. It may be that Conservative speakers who spoke of that project forgot to mention it but cost recovery is direct or indirect taxation. The truth is that even the farmer who receives a cheque with the signature of the Minister of Finance (Mr. Wilson) or the Prime Minister or any other minister will have to pay back to the government money he would not have paid before. As far as I am concerned, I call that a tax and farmers who will have to pay it will call it a tax too. Those farmers will feel betrayed by this government who did not act in good faith and did not keep his election promises.

In conclusion, Mr. Speaker, I would like to reply to the previous speaker, who said that under the Liberal government bills lingered on. I am asking you, Mr. Speaker, who let the bells ring during the last Parliament? Who is it that brought the parliamentary process to a halt? Was it the Liberal Party? No, Mr. Speaker, it was the Progressive Conservative Party which did that. And they have the gall to accuse the Liberal Party of allowing some bills to die on the Order Paper!

• (1520)

Members of the Liberal Party were here and they wanted to work. If the Progressive Conservative Party had really been sincere in its concern for the welfare of the Canadian public, its members would have come to the House when called; they would have sat, debated the various bills and voted on them according to their opinion. Hon. Members may be for or against a bill, but when they refuse to sit while being paid for representing and being the servant of their constituents, in my view they are certainly misbehaving.

Being in a non-partisan position, Mr. Speaker, you will certainly agree with me that my constituents and all Canadians have elected me and all other members of the House in order for us to represent them in Parliament. Therefore, when some 100 members of the House decided to let the bell ring

and not to sit for a few days, the constituents they were supposed to represent were in fact without representatives for that period. I am sure that otherwise several bills would have been brought forward, several pieces of legislation needed by Canadians would have been enacted.

I want to tell you as well that we in the Official Opposition have no intention of taking such action. I must say that like members of the Progressive Conservative Party, we may disagree on occasion with the Government. For instance, I agree with the general principle of the Bill before us, but I cannot accept the fact that once again, the Government has failed to keep most of its promises. But they will have to live with the fact that they are not meeting the commitments they made to the Canadian people.

However, what I was about to say, Mr. Speaker, is that although some of us disagree on occasion, we will say so in the House and we will vote accordingly. We do not intend to let the bells ring for weeks or do anything else which, in fact, would paralyse this Parliament and the government of our country. We, in this party, agree with the government when they say that Bill C-12 is a good bill; we admit it since this bill was copied from what the Liberals did in the past. We do not quite agree with the two or three parts of the bill which were amended, and I must say, even if I repeat myself, that the part dealing with the rebates to farmers, the part which applies to farmers is totally unsatisfactory because, as I said earlier, the government takes back what it gives the farmers in the first place. It probably takes back much more than it gave.

Thus, Mr. Speaker, I must say to the government that we, in this party, will continue at every opportunity to remind them of the commitment they made last September 4 to meet their 338 promises. Maybe more than 338 were made. Some Progressive Conservative Members may have made promises of their own in their ridings. It is even possible that the Member for Ottawa-Carleton (Mr. Turner) told his constituents they would not lose their jobs if they elected a Conservative government. That is not impossible. But the people of Ottawa-Carleton who have already lost their jobs or who are going to lose it will be disappointed when they realize that promise is worth nothing. Anyway, let us say 338 promises were made nationally. Our party will use every opportunity to remind the government to keep its commitments. Perhaps Members opposite will say they cannot do it because the government has no money. But they had the duty to get the facts and to do their work properly before making any commitment.

For instance, the Member for LaSalle (Mr. Lanthier), who apparently is a businessman, said earlier, Mr. Speaker, that in the business world you have to study the situation before you make a decision, or something to that effect. That is exactly what he should have done regarding the 338 promises.

The Acting Speaker (Mr. Charest): Questions and Comments?

[*English*]

Mr. Rodriguez: Mr. Speaker, sitting here listening to the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria), I found it strange and curious. The Hon. Member accused the Government of stealing his Party's Bill. He said that it took the tax proposals which the Liberal Government in the previous Parliament had put forward, that it took them holus-bolus and put them together in Bill C-12. The Hon. Member rose and said that they should be given credit for it, but I should like to ask him how he will vote on this Bill. Will he vote for Bill C-12 or will he vote against it?

Mr. Boudria: Mr. Speaker, as I indicated earlier in my remarks, a good part of the Bill is in fact a repeat of what had been introduced previously in the House. I have explained in great detail that there was a considerable resemblance. However, there are portions of the Bill with which I did not deal in my remarks. I am referring in particular to two clauses. One refers to the appeal procedure and another concerns the fuel tax rebate. The fuel tax rebate in no way reflects the promise of the Government last August and September. At that time the Government promised to do two things. Actually it made 338 promises, but as they pertained to this Bill there were two main themes. One was that the excise tax would be removed and that the increase in excise tax elsewhere would not be implemented.

The situation with which we are faced is that the Government is removing part of the excise tax. We acknowledge that. On the other hand, it is introducing through the back door other taxation measures. For instance, if the Government wants to be really honest with Canadians, this Bill should indicate that the excise tax is replaced with the tax I previously mentioned. Then we would know what is going on. In fact, the Government is removing one tax and replacing it with another. However, in the document to which I referred, they are not called taxes. They are called cost recovery, whatever that means. A cost recovery is nothing but a tax in disguise, not even a very good disguise. We all know that a fee charged by the Government for a service which was previously free is in fact a tax. To call it anything else is not perfectly honest. It is a tax or an increase in tax, but it is not a cost recovery.

Those are the concerns which I expressed previously in the House. I agree with the Hon. Member for Nickel Belt (Mr. Rodriguez) when he says that a good part of this Bill was introduced previously by the Liberals. I have acknowledged that. There are some differences which I just explained. When our Party introduced the Bill in the past and during the last election campaign, we never said, "Vote for us, we will give you 338 goodies and life will be beautiful thereafter".

Mr. Hnatyshyn: That is why you lost.

• (1530)

Mr. Boudria: I am glad to hear the Hon. House Leader say that we lost because we did not make promises with which we could not live. If that is the reason we lost, I feel better sitting on this side of the House. When I go to sleep at night, I do not

worry about disappointing the people of my riding. I have told them the truth and I will continue to tell them the truth. In four years, we will be over there and government Members will be over here.

The Acting Speaker (Mr. Charest): Other questions or comments?

Mr. Rodriguez: Mr. Speaker, with all due respect, the Hon. Member has not answered the question. How will he vote on the Bill, for or against?

Mr. Boudria: Mr. Speaker, I hate to have to repeat everything I have already said. Let me try to make myself clear. We are debating this Bill and studying every clause in it. Now we are studying its general principle. Later we will discuss every clause. When the time comes for final reading, our Party critic will clearly announce to the House the position we will take.

Right now I am expressing in great detail my reservations on two different clauses of the Bill. I dealt with the Government not living up to the commitments it made during the past election. If the Hon. Member and others wish me to go through the whole series of thoughts that I expressed previously, I am quite willing to do so. I would be surprised if that were the case. I am personally willing to listen to what other Hon. Members have to say about this. However, if that is not the case, I will continue to conclude my remarks in response to statements or questions for the remaining 10 minutes afforded me.

[*Translation*]

Mr. Chartrand: Mr. Speaker, I simply want to make a few comments about the remarks made by the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria). First, I want to tell him that he really knows how to represent his constituency and that the whole House is now aware of the name of Glengarry-Prescott-Russell. I have never heard the name of a constituency repeated as many times as in his speeches.

He stated that we made 338 election promises. Perhaps we made many promises, but how can he say, after we have been in power for only three months, that we do not keep our promises and will not keep them? In my opinion this is a gratuitous statement.

He also said that we delayed proceedings last year by letting the bells ring and by not taking part in the debate. I do not understand how he can make such a statement since as neither he nor I were in this House last year. The Hon. Member for Glengarry-Prescott-Russell was not a Member of Parliament at the time, so how can he say that we delayed the business of the House? In this regard, if I try to think as others would, even though I was at home myself and had to follow what happened in the newspapers, I would be inclined to say that this was perhaps an attempt to make the former Government—and I do mean the former Government because it is no longer in power and will not be for many years—understand that there were ways to make them listen to us, and I believe that this was one way to do it.

The Hon. Member says that he wants to serve his constituents, but so do we, all of us. We were elected to serve the people of our constituencies as well as we can. In my own riding of Verdun-Saint Paul, and I can at least mention the people of my region, I was told to take means available to represent my constituents well. I believe this is what the Hon. Member is doing. He is using his voice. He speaks well, but there are many other means available and what we did last year was perhaps a way, short of going on strike, at least to force the government to listen to us.

The Hon. Member also made another statement which I find very unfounded, namely when he said that we give the farmers $1 with one hand and we take back $2 with the other. I would like to know how he can be so specific about this amount and state without proof that we are taking back more from the farmers than we are giving them. I do not understand this.

Mr. Speaker, the statements made by the Hon. Member and his attitude towards us are quite unwarranted. To me, attacking the Government is not an acceptable way of representing his constituency. I am a Government member and do not consider myself a back-bencher. Freedom of speech is a right enjoyed by each and everyone of us but surely there are much more important things to say if we want the Government to work and to provide all Canadians with the necessary services and everything else available to help them.

The Acting Speaker (Mr. Charest): The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria). I must remind him that he has only a few seconds left.

Mr. Boudria: Mr. Speaker, I shall be very brief. I wish to thank the Member for his comments. Mr. Speaker, I must tell you that I have no excuse to make whatsoever for having expressed in this House the opinion of the constituents of Glengarry-Prescott-Russell. I have been duly elected for this purpose and that is what I have been doing from the start, so you better get used to hearing me out because I will be around for a long time yet, Mr. Speaker. All Members should keep that in mind.

Now, the member has alluded to the fact that this Government—

The Acting Speaker (Mr. Charest): Order! I do not want to contradict you so early in your speech after what you just said, but your time has expired.

[*English*]

Mr. Patrick Boyer (Etobicoke-Lakeshore): Mr. Speaker, I am delighted to have the chance to join in the debate. In the last few minutes, I have been listening to the debate and I have never heard a discussion that sounded more like a paternity suit.

We have before the House Bill C-12 which, as you know, Mr. Speaker, amends the Excise Tax Act and the Excise Act and provides legislative authority for a number of sales and excise tax changes that were proposed first in the April Budget of 1983 and then in the February Budget of 1984. It includes some provisions which were proposed more recently in the November economic statement of the Minister of Finance (Mr. Wilson).

We have heard the claims of the Hon. Member from the Liberal Party that he has had some background in this. We know that there was some additional input into the Bill when it fell to our lot to form the Government. The lack of mixed blood comes only from the fact that members of the New Democratic Party have consistently been the jilted suitor throughout the piece. They have always been able to criticize the provisions of this Bill from the same vantage point.

I would like to enter this debate for the express purpose of drawing attention to three specific points to which enough attention has not yet been paid. These specific points are the provisions relating to newspapers and magazines, the wholesale tax for motor vehicles and the increase in tax for tobacco and alcohol.

Before coming to those substantive points, I would like to reflect for just a moment on the speech to which I listened with such care made earlier this afternoon by the Hon. Member for Hamilton Mountain (Mr. Deans). It was a reasonable speech and was made in the eloquent tones with which the Hon. Member has for so long presented his points, both in this Chamber and at Queen's Park. It was a reasonable speech but one which was based on an unreasonable proposition to which I will return in just a moment.

Thinking as I did about the fine baritone voice of the Hon. Member for Hamilton Mountain, watching the Hon. Member for Ottawa Centre (Mr. Cassidy) nodding in agreement to at least some of his points, and enjoying the halcyon silence in the House this afternoon as the Hon. Member for Hamilton East (Ms. Copps) is noticeably absent, it strikes me that there are three Members opposite whose voices had previously been heard in the Ontario Legislature. It makes me reflect on how true it is that in the federal system the cream clearly rises to the top.

• (1540)

Mr. Deans: So does sour milk.

Mr. Boyer: There are many tastes in the House. All I was saying is that we found the speech of the Hon. Member for Hamilton Mountain to be reasonable and most eloquently delivered, but based on an unreasonable proposition. It is unreasonable in two aspects. First, a political aspect. Second, a tax policy aspect. The political aspect was to contend that a Party could move from the Opposition—where we justly and for a long time criticized government policy, including tax measures—and into Government, and within a matter of weeks could completely take the great ship of state and turn it around 180 degrees.

That is completely unreasonable. Many measures are in process, most of which are reflected in this Bill. The Bill will clean up previous measures as a part of the transition to the new Government. Anyone looking at this with a sense of realism will appreciate that these things have to be carried through, in certain cases with fine-tuning.

I think the second aspect, which dealt with tax policy, was also unreasonable. The Hon. Member for Hamilton Mountain said that if $4.4 billion had to be raised, there were other less harmful ways of doing it. I question the wisdom of that. What has become evident in redressing national finances is the balanced, even-handed approach which is being taken by the Government. It is manifested in terms of the cuts which are necessary. No one sector is suffering unduly. We are trying to spread the pain evenly so that we will all bear a share of the burden. The same goes for raising tax revenues. This Bill does not contain one big tax bite aimed at any particular sector. What it contains are modest increases on many fronts where taxes have already been imposed. The Government is generating an essential $4.4 billion, which is needed to help pay for government programs without unduly burdening any particular sector of Canada.

I would like to bring three points to the attention of the public. The provisions that deals with the newspapers and magazines does not really increase taxes; it is a technical change to provide clarification. As a result of Bill C-12, in order to qualify for an exemption from the federal sales tax, newspapers and magazines must devote at least 10 per cent of their space to news and editorial content. The change is proposed to ensure that it applies to printed space and that margins and other blind spaces will not be counted as part of news content.

I am the fourth generation of a family which has a weekly newspaper in Ontario, so I have an abiding interest in the press in this country. It is important to ensure that advertising supplements do not replace traditional community newspapers that accurately reflect the voice and concerns of individual communities. The economic base should not be undermined by publications which cut corners and try to use a minimum amount of editorial content in relation to advertising, to sneak in under the wire and take advantage of the federal tax exemption.

The second point, which has not received full recognition in this debate, deals with the wholesale tax for motor vehicles. The change is significant. As a result of Bill C-12, the point at which the federal sales tax is levied on automobiles will be shifted from the manufacturers' level to the wholesale level. That move will put North American automobile manufacturers in a much more competitive position in relation to European and Japanese automobile manufacturers. The wholesale tax on motor vehicles reduces the advantage of overseas vehicles because it changes the tax base from the point of entry to wholesale. Therefore, the tax will take into account such things as distributor charges, which make up the cost of a car. It will amount to a difference of $250 on the retail price of an average car. It will be an advantage for Canadian and Ameri-

can car manufacturers. Every Member of the House knows what that means in terms of jobs in the country. Canada under the Auto Pact with the United States, has a major interest in automobile production and parts which are produced here and shipped south. Anything which can be done to strengthen the North American automobile industry is a step in the right direction. That is the reason I am supporting this Bill.

The third point concerns the increase of the tax on alcohol and tobacco which will rise from 12 per cent to 13 per cent. I support that, not only as a tax-generating measure, but as someone who is very concerned about the health implications of tobacco and alcohol and the social dimensions of alcohol abuse. I will not pretend that increasing the tax on these two commodities is the best way to deal with alcohol abuse or addiction to tobacco. But I am convinced that our society has culturally arranged itself in a manner which puts these two products front and centre when they should be at the periphery of the way we live, if we care about health and society. I feel so stongly about that that I would support the Bill for that reason alone. Any increase which might have a further deterrent or an inhibiting effect is worthy of support. The increased revenue which comes from it, while helpful to the Government, is almost peripheral. The Minister of National Health and Welfare (Mr. Epp) is nodding his head. He is very dedicated to the proposition that we must deal with these issues in a much more direct manner so that Canadian society and individual Canadians can enjoy the health which is their birthright and not have health and social problems accumulate as a result of the pressures of tobacco and alcohol consumption.

I began my remarks by indicating that the debate sounded similar to a paternity suit with respect to who would be responsible for the Bill. It was interesting when the Hon. Member for Hamilton Mountain said that in his view he really did not care who took credit for the ideas that the New Democratic Party might propose. He said that as long as they were implemented, that was what counted, as far as his Party was concerned. That reminded me, Mr. Speaker, of something my late mother, Patricia Boyer, used to say, that "there is no limit to what you can accomplish in this world if you do not mind who gets the credit for it". I am not sure who really wants to take the credit for where we are at the end of 1984. In terms of the Excise Tax Act and the Excise Act, these are complicated statutes in the sense that they have so many provisions that touch thousands of dimensions in the way Canadian commerce is carried out. We are dealing here today with but a few of them. It is almost like making soup; the recipe can include whatever you want to put in the pot. I believe that the Minister, in bringing this Bill before the House, has done a fine job of trying to take what was left over from the Liberal Government—as it left for the opposition benches in a rather tattered state—and salvaging what could be salvaged from its previous budgets.

● (1550)

We on this side of the House are not saying that any one Party has a monopoly on all of the great ideas and that any other Party is totally devoid of positive thoughts as to how to deal with the issues. What we are trying to put together here is a Bill which can adequately reflect where we are at this time in terms of having to raise additional revenues and doing it in a balanced and fair way and in a way that is consistent with the understanding many Canadians have, going back two or three years, based on earlier budgets.

That is a final theme I would like to touch on as I conclude, Mr. Speaker. We in this Party lament very much the fact that Canadians have not been able to plan their future adequately because of the uncertainty in government programs and the constant changes in government financial and fiscal monetary policy. The authors of the earlier Liberal budgets, I believe, particularly aggravated the state of the Canadian economy, if not directly through their measures, then indirectly through their constant changes of direction. What was one year brought in as an incentive program to stimulate offshore drilling, investment in Canadian films or housing construction, a year or two later would be called a loophole by the same Minister of Finance who had sponsored the incentive in the House. Canadians who had been encouraged to do something at one time, two or three years later were having a finger pointed at them for being somehow sharp operators who were abusing the tax system for personal tax advantage. It was that constant changing back and forth, the inability of the Liberal Government in the past decade to set the course and hold to it through thick and thin, that has led to the stagnation for the past three or four years in the Canadian economy.

I do not feel I am being partisan when I say that our present Minister of Finance (Mr. Wilson) has set a clear course. It is one which is building confidence in the country because people sense that we have a Government in control in Ottawa and one which has taken over the direction of this country. If one reads, for example, Christina McCall-Newman's book *The Grits,* what is documented there most clearly is the fact that the senior Liberals of the Cabinet in fact did not generate the policy directions for the country but, rather, turned to the senior civil servants for that. If there was a problem with transport or data flow, if there was a question on customs, you name it, the former Government would turn to the senior civil servants to generate the policy.

We now have a Government which is creating policy itself. We are trying to get the Public Service back on the traditional track in this country where the Government, listening to the people, sets the policy and the Public Service carries it out. That, I believe, is a theme which can even be seen in Bill C-12. Because here there is clear direction. It is an amalgamation, certainly, of ideas from all quarters. In fact, there may even be some ideas which the New Democratic Party once advocated in this Chamber which have become respectable over time and have crept in here undetected.

Given this background of paternity, I believe this Bill deserves the unanimous support of this House because it is the product of all of us. In concluding, Mr. Speaker, I would ask for the unanimous vote of this House in support of Bill C-12.

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

Mr. Rodriguez: Mr. Speaker, I listened very carefully to the Hon. Member for Etobicoke-Lakeshore (Mr. Boyer). I believe that when he described Bill C-12 he said he had no hesitation in supporting the Bill because "it was an even-handed approach"—those were his words—"not aimed at any particular sector in terms of collecting the taxes which are outlined in this Bill". I examined the Bill very closely and it seems to me, Mr. Speaker, that it is not even-handed. It does not put the touch at all upon the corporate sector in this country which has, with its friends in Government, very adroitly shifted the burden of taxes from the corporate sector onto individual Canadians. I wonder how the Hon. Member can call this Bill even-handed in its tax collection approach when in fact it does not collect one penny from the corporate sector?

Mr. Boyer: Mr. Speaker, I do not believe we are just having a semantic debate here, but it may be that we are. What is even-handedness? As I said perhaps five or six minutes ago, what we are dealing with in this Bill are amendments to but a few of the many, many taxes and categories of taxation which are found in both the Excise Tax Act and the Excise Act. In large measure what is involved here are not new taxes but slight increments in existing taxes.

To say that this Bill is directed at any one sector in particular is to say that the entire legislation which is on the books now dealing with excise tax is something which is not falling fairly and evenly across the country. I feel it is. That is why I support this Bill as being even-handed.

I hear the Hon. Member for Nickel Belt (Mr. Rodriguez) when he asks why we are not going after the large, wealthy corporations in order to get a bigger tax slice. But we are not dealing with the Income Tax Act now, Mr. Speaker. We are dealing here with the Excise Tax Act, and taxing exchanges in commerce and commodities which fall evenly on all, and certainly any corporation or anyone who is in commerce in this country is going to be paying taxes through this legislation.

I really believe it is an unfair oversimplification to take the position the Hon. Member has taken when he said that this legislation is penalizing a certain group, the consumers and so on, and that the corporate sector is let off scot-free. Anyone who would do a systematic analysis of the total taxing package of the federal Government, not only of this legislation but I think particularly of the Income Tax Act, I would come up with a very different conclusion, Mr. Speaker, from that which was suggested by the Hon. Member for Nickel Belt.

Mr. Rodriguez: Supplementary, Mr. Speaker?

The Acting Speaker (Mr. Charest): I am sorry. The Hon. Member for Oxford (Mr. Halliday). We have less than a minute left.

Mr. Halliday: Mr. Speaker, I would like first to congratulate the Member for Etobicoke-Lakeshore (Mr. Boyer) on his presentation today and to tell him that he is a welcome addition to this House. He has a lot to contribute, I know. Since I represent the riding of Oxford, which is perhaps the second or third largest tobacco growing area in this country, I know that many of my constituents would want me to express to the House, Mr. Speaker, the disappointment they feel about the increase in the tobacco tax. I would like to ask the Hon. Member for Etobicoke Lakeshore whether he feels that this tax is actually fair. I realize we should be discouraging smoking and I have no trouble advocating that, being a physician and a non-smoker. However, given the fact that we are discouraging smoking, is it fair to do it by a taxation system which strikes at one particular sector, one that is a legal type of business in this country? If he still feels that it is a fair thing to do, would he agree that perhaps we should allocate the additional 1 per cent to tobacco research so we can get rid of some of the carcinogens? Or would he allocate that 1 percent to medical research which might help to overcome some of the problems to which the Hon. Member refers?

• (1600)

The Acting Speaker (Mr. Charest): I am sorry, it being four o'clock, the Hon. Member will have to reserve on that question.

[*Translation*]

Order, please. It being four o'clock the House will now proceed to consideration of Private Member's Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*Translation*]

CONSTITUTION ACT, 1867

AMENDMENT TO INCLUDE HULL IN NATIONAL CAPITAL REGION

Mr. Gaston Isabelle (Hull-Aylmer) moved that Bill C-207, an Act to amend the Constitution Act, 1867 (national capital of Canada), be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, it is always a pleasure for me to present a Bill like the one before the House today. I feel it is my duty to draw the attention of the Hon. Members of this House to the fact that in Canada, we have a problem which may be attributed to what I would call growing pains, that is, we have yet to have a national capital that truly reflects the aspirations of all Canadians.

I have presented this Bill in the House a number of times before, and over the years it has attracted a number of supporters. I am sure that some day in the Ottawa-Hull region we will have a federal district that will be the capital of Canada, not in Ontario or Quebec or British Columbia or Alberta, a capital that will belong to all Canadians.

The purpose of this Bill, Mr. Speaker, is simply to amend Section 16—it could be done by order in council—so that the capital region as described in the legislation governing the National Capital Commission. It was adopted in 1957 and describes all cities, towns and villages included in the national capital region.

Mr. Speaker, perhaps I might give the historical background to the creation of Canada's capital. As we all know, a lot of ground has been covered since the capital was designated in 1955. For starters, let me say that at the very beginning Queen Victoria designated Ottawa as the capital of Canada in 1857. Before that selection was made, the governments of Upper Canada and Lower Canada made various suggestions between 1841 and 1857, so that the capital moved around, from Montreal to Toronto, then to Quebec City and Kingston. But as we remembered the sad experience of 1814, of the Americans, we then realized that Kingston was much too close to the United States, and that it was perhaps better to get deeper inland so that, if the United States ever wanted to invade Canada, things would be more and more difficult.

As to what happened then, and I referred earlier to the Queen's choice, whether Queen Victoria put her finger at random on a point on the map between Upper and Lower Canada, I do not know. And I do not know either whether credit should be given to Lady Head, who at that time was the wife of Canada's Governor General, and had drawn quite an amazing sketch of Parliament Hill that attracted the attention of the Queen who then chose Ottawa as the Capital of Canada. But one thing is sure: the Queen probably never realized that in so doing she had her finger pointing exactly between what is now the Province of Ontario and the Province of Quebec. Certainly, had she realized that Canada's capital would then be located in Ontario, she would have found a way to make sure it would be neither in Ontario nor in Quebec, so as to really be a capital reflecting the aspirations of a country such as Canada.

And from then on, we have had several successive Prime Ministers, both Conservative and Liberal, who all showed an extraordinary desire to accelerate the solving of the existing problem at that time, making this the true capital that would reflect the aspirations of all Canadians.

There was the Holt Commission in 1913, set up by the then Prime Minister Sir Robert Borden. There was something else beside the Holt Commission which was one of the first to deal with the development of the Ottawa-Hull area and vicinity.

Of course, there has been extensive development since that time because it was realized that the community known in the past as Bytown, the City of Ottawa which replaced Bytown, could not be expected to cope with all the needs entailed by the development of a capital, and a commission was set up, the Ottawa Improvement Commission, followed in 1927 by the Federal District Commission which in turn became in 1957 or 1958, if my memory serves me well, the present National Capital Commission.

Many things have happened. And judging by the evolution, the development of the concept of a national capital, the idea of eventually creating what I would call a federal district is gaining ground, because it is not normal, Mr. Speaker, to have the capital of a country like Canada located within one province. This might be arguable, but in all logic, it is inconceivable that a capital like Canada's capital be located within one province. What I say is so true that when the Right Hon. Premier of Ontario comes to Ottawa, he does not say "I am glad to be in Ottawa", but "I am glad to be in Ottawa, the National Capital of Canada". So I think it is for him a way of raising the status of his province and enhancing its prestige, but I would suggest that is not the best way to achieve the goal we have been trying to reach all these years namely Canadian unity, which would be reflected in a place such as the capital of a country.

Needless to say, Mr. Speaker, if I recently asked the Right Hon. Prime Minister (Mr. Mulroney) to establish a committee for the purpose of studying the future organization of the National Capital Commission it is because in the past, due to great changes and development the capital has undergone, committees were formed exactly for the purpose of considering the development of Canada's national capital. And that is why in 1957 a Senate and Commons committee was established to consider the very role that the National Capital Commission would play. That is why today we are able to judge the important evolution that took place between 1927 and 1984. We owe to the National Capital Commission, which in a way is the offspring of the Ottawa Improvement Commission and the Federal District Commission, the capital city we know today.

So, my purpose with this bill is for the National Capital Region to become the National Capital of Canada, including all municipalities within the limits of that region as decribed by an Act of Parliament; it would be a first step towards the establishment of what many people wish to see, a federal district. Many politicians had hoped for that type of government for the National Capital area. Back in 1906, the Hon. Mr. Fielding, if my memory serves me well, who was then Minister of Finance, decided to have some sort of referendum on the issue which was defeated by only 800 votes. But it did not occur to anyone at the time to poll the people from the other side of the Ottawa River. Now I am sure that if the people on the Quebec side of the river had been asked for their opinion Sir Wilfrid Laurier's great wish would now be fulfilled and Ottawa would be the Washington of the North.

Many concerns were voiced at the time. To create here a new Washington or a new District of Columbia did not seem desirable for the simple reason that it was not considered very democratic not being able to elect a mayor and city councillors. But things have changed a lot since then, and nowadays,

one can say that Washington, D.C. is administered in a democratic fashion, although it is funded by the White House.

● (1610)

This may sound like a common place to many of my colleagues here, but you have to realize that most Members often come to Ottawa as tourists and live here two or three days a week for a few sessions. And when you think that about 50 per cent of Members is changing every four or five years, obviously those people are not as well informed as those Members who live in the region and represent the immediate area.

I said a moment ago that there has been a trend in favour of this kind of project. The fact that my friend from North Vancouver-Burnaby (Mr. Cook) was most favourable to it in his eloquent speech in January 1984 as well as my friend the Hon. Member for Lanark-Renfrew-Carleton (Mr. Dick) proves it. The idea is not to take something from any local government. What we have in mind is to establish a national capital which will truly reflect the traditions of our country that is Canada, which will become a great country.

That is the reason why we are interested, as most Prime Ministers were, in promoting the capital of Canada, which is a great symbol of our nation, from any point of view. It also explains why in 1969 the Premiers met in Toronto to decide unanimously that the Ottawa-Hull area would be the national capital region. When I say Ottawa-Hull, I include the surrounding communities.

Moreover, if we consider what some politicians have said during the years, the best way to administer the national capital region would be to establish a federal district. A great many people contend that with a federal district everything would change: the courts, the education system also. Almost everything would be ruled by Ottawa. I believe that if the government is willing to establish a capital which will, as I said, truly reflect our nation, it must have a say in the development of the capital of our country, that is Canada.

Therefore, it is easy to understand why some Members have risen over the years, and some of them for 50 years, to request, to urge the Government to do something for the development of the capital; they have succeeded in part. Much remains to be done but some progress has been made and if the Prime Minister of the day is interested in making our capital into a true capital, he will follow the path of his predecessors and take whatever steps are necessary to ensure that the capital reflects for all practical purposes the beauty, the vastness, the multiculturalism of Canada, that it is located in a centre, not a neutral one, but a truly Canadian one.

Thus, if you compare what has been said with today's development, you will see that in fact, to be able to have a say in its capital the Government must have the necessary tools in the decision-making process.

And you will remember as well the fights that took place between the Ottawa municipality and the National Capital Commission several years ago about some matters relating to the buildings that were to be erected around Parliament Hill.

Several years ago, you could see Parliament Hill from far away. Today, you may have to fly aboard a helicopter to see it, because of a few small skyscrapers that have, for all practical purposes, destroyed the beauty of majestic Parliament Hill. And the National Capital Commission had to buy some land in order to have control over this area and to avoid any undesirable construction. That is what the Commission did among other things to avoid the building of huge skyscrapers which would have practically destroyed the beauty of Parliament Hill. Beauty is not the only issue but Parliament must be "at home", as they say, except that in this case the Ottawa municipality has control over it, which is a nonsense, if I may say so.

This is the reason why I want the capital of Canada to be really a capital that reflects the wishes of all Canadians as I said earlier, so that everybody from British Columbia or Saskatchewan, Ontario or the Maritimes, may feel at home in Ottawa, and that there be no Ontarian or Quebecois flavour but a distinctively Canadian flavour in this capital. It will be a first step if my colleagues are ready to pass the bill or merely send it to a committee. The possibility was raised during the last Parliament of referring the subject-matter of the bill to a committee for further consideration.

Those are some of the comments which I wanted to make in this House. I would also like to tell the Hon. Members that, in view of the rather special background of our capital, it would be advisable that Members coming to Ottawa for the first time do not behave like tourists but rather like representatives who want to serve our country. Ottawa would thus become more than ever the capital of one of the great nations of the future, Canada.

Mr. Barry Moore (Pontiac-Gatineau-Labelle): Mr. Speaker, this being my maiden speech in this House, I would like to take this opportunity to congratulate you on your appointment to the Chair of the House of Commons. I am confident that you will fulfill your duties with success and integrity.

Mr. Speaker, as I said, this is the first time I speak in this House and I would like to thank all the constituents of my riding of Pontiac-Gatineau-Labelle, an area which is also part of the National Capital, for the confidence they placed in me on election day, September 4th. I would also like to thank all the people who campaigned with me, a number of whom also reside in the national capital, and who contributed to this victory.

I would like to mention that a large majority of Canadians have given the Progressive Conservative party the mandate to represent them in the House of Commons. I wish to tell my constituents, whatever their political suasion whether they live

in the national capital or elsewhere in the riding, that I am determined to represent them and serve them to the best of my abilities.

I would also like to take this opportunity, Mr. Speaker, to give you briefly some background on my riding of Pontiac-Gatineau-Labelle. This riding is a large rural area, made up of some 60 townships and villages and two small towns, Maniwaki and Mont-Laurier. It extends from the Ottawa River to the west, to the city of Hull to the south, and includes the Upper Gatineau Valley and the Lièvre Valley. The Gatineau Park, a federal property, managed and maintained by the National Capital Commission, and the Parc de la Vérendrye, a provincial park, are also in this riding.

Seventy three per cent of the population, is French-speaking and 27 per cent English-speaking. This riding is therefore a good reflection of the various cultures in Canada since it also has an ethnic and native element.

The main industries in this area are farming, tourism and forests.

Unemployment insurance and job creation are of particular concern to me, just as they are for my colleagues, since my constituency is a disadvantaged one as Canadians could realize by watching "The Fifth Estate" program of the CBC network on November 20 1984. For the time being, the creation of a federal district is not a real preoccupation.

Mr. Speaker, I rise in the House today to oppose Bill C-207 moved by my friend, the Hon. Member for Hull-Aylmer (Mr. Isabelle), which would amend section 16 of the Constitution Act, 1867, since part of my riding is included in the national capital region. The new section 16 would read: "It is hereby declared that the national capital of Canada and the seat of the federal government of Canada shall consist of the city of Ottawa, in the Province of Ontario, and the city of Hull, in the Province of Quebec, and also of such surrounding area as prescribed from time to time by the Parliament of Canada." Mr. Speaker, this bill would change the limits of the national capital of Canada so as to include the city of Hull as well as any other area prescribed from time to time by the Parliament of Canada.

● (1620)

[*English*]

In mid-1975 a joint Senate-Commons Committee on the National Capital Region was formed to study the recommendations of the Fullerton report in order to find a way to govern an approximate 1,800 square-mile area under the joint jurisdiction of the Provinces of Ontario and Quebec, the federal Government, approximately 50 local councils, and two regional governments.

Right from the beginning of this investigation into the possibility of making the National Capital Commission into a federal district somewhat like Washington in the District of Columbia, the committee ran into problems. The two Provinces of Ontario and Quebec did not want to enter into discussions that would have the effect of mapping the region's future.

Many committee meetings were held to study, among other things, briefs presented by municipalities from the Provinces of Quebec and Ontario. The participants at these meetings knew what they did not want, but nothing constructive was put forward. Not even an interim report was produced as a result of this committee's work, because of the confrontation of national objectives versus local concerns. It is a confrontation which has been a trademark of the previous administration.

Let me quote an article that appeared in *The Citizen* on November 11, 1977. It reads:

> The municipalities wanted complete control of planning, while the NCC maintained that "the national interest in the capital region is larger than the sum of the local, regional and provincial interests."

The same article concluded that this committee should not be re-established unless all parties concerned participate actively and seriously and send serious representations. To my knowledge, the consensus of the two provinces, the municipalities concerned and the regional governments has not yet been obtained.

[*Translation*]

Mr. Speaker, can we allow discussions on this bill? Are we going to reinstate a committee to address the issue? Let us take into account the present economic situation of our country which is faced with an enormous deficit. In view of the current economic situation, can we afford to foot the bill for what the change proposed in this bill would entail?

What would be the total expenditures needed for such a proposal?

If I may, Mr. Speaker, I should like to repeat what my colleague the Hon. Member for Lanark-Renfrew-Carleton (Mr. Dick) said in this House on January 20, 1984 when dealing with the Riel Committee which was created either in 1965 or 1966, and I quote:

> It wanted Ottawa and the surrounding area to be taken out of the Province of Ontario and the Hull and Gatineau area taken out of the Province of Quebec, and something like an eleventh province set up, a truly different area apart from Quebec or Ontario which would be the capital territory as they have in Washington, D.C. or in Canberra, Australia.

My colleague acknowledged at that time that this project would pose numerous difficulties. Indeed, Mr. Speaker, the problems would be numerous and, above all, it would be costly. My friend, the Hon. Member for Hull-Aylmer (Mr. Isabelle), proposed the following in an interview given to the *Le Droit* newspaper in September, 1982:

> I would see the creation of a federal district administrated by a tripartite commission comprised of the Federal government, the government of Quebec and the government of Ontario.

Mr. Speaker, you will know that the creation of such a commission would represent a major investment for Canada and this is a luxury we cannot afford in the present state of the economy. It is not a priority of this Government.

• (1630)

[*English*]

The federal capital district, Mr. Speaker, would cut into the authority of the Provinces of Quebec and Ontario. My colleague, the Hon. Member for Lanark-Renfrew-Carleton (Mr. Dick), asked if Quebec would willingly give up Hull, Gatineau, Gatineau Park, and Aylmer and allow them to fall into a new jurisdiction. Would Ontario willingly give up Ottawa, Kanata, and some of the rural areas to a new jurisdiction? I am sure that both Quebec and Ontario would never want to give up jurisdiction over any part of their municipalities. Assuming they would, what tax base would these residents of this new federal district come under? Will the federal Government have to compensate the provincial Government for the infrastructure now in place? Imagine the scenario of attempting to evaluate the present cost of this infrastructure and the debt per capita this new federal district would assume from the provinces and municipalities concerned.

[*Translation*]

Mr. Speaker, which law would be applied in a region which is part of two provinces? Ontario's law or Quebec's law? In any event, it would be costly for the taxpayers, not to mention the trouble such a change could spell for the residents who have to adapt themselves to a Federal district.

My hon. friend from Hull-Aylmer mentioned another matter. What education system would be used, Mr. Speaker? We know that each province has it own legislation relating to education. The curriculum and the requisite grades vary tremendously from one province to another.

Also, what language would be used at school, following the creation of such a district? Do you think the people from Quebec would want to adapt themselves to the education system of Ontario? I doubt it, Mr. Speaker, and rightly so, all the more so since Ontarians will not accept Quebec laws.

Would the school commissions in both provinces be consulted or would they have to accept the decision without having a say in the matter?

Mr. Speaker, would the Quebec or Ontario tax legislation apply? As you know, people in Quebec in Ontario do not have the same tax laws. Which one should we keep if the two areas are put together in a national capital district?

Would we consult Queen's Park in Ontario, the National Assembly in Quebec as well as all the people concerned before a decision is made? Or would we impose our decision upon them, as the last government used to do? Just think how much it would cost.

There is also the problem of transport. Presently, each region has its own transit system. We have OC Transpo in Ontario and CTCRO in Quebec. Should we then create a new independent transit system for both areas? In addition, the laws for drivers are different. Would a driving permit cost the same for everybody? Would Ontario residents have to buy Quebec automobile insurance in this new district? Many questions come to my mind, Mr. Speaker. Would it be necessary to amend as well the laws regarding automobile insurance?

Let us not forget the sales tax! In Quebec, at the present time, there is no sales tax on some products, including clothes and furniture. Maybe some tax free products in Ontario are taxed in Quebec. Would that change with the new National Capital Commission? The tax rate is not the same either in restaurants in both provinces. This is something else which might have to be changed, Mr. Speaker.

The Quebec Provincial Police as well as the Ontario Provincial Police are two different entities. If we put together Hull and its surroundings and Ottawa in a federal district, does that mean that we will create another police force for that area or are we going to call on the RCMP?

Mr. Speaker, I repeat that in the face of the economic climate in which the Canadian people find themselves presently we cannot consider such changes which all entail very expensive investments. Are we going to create another level of government with the federal district? We are trying to reduce red tape. We have now the following levels of government: the federal government, the provincial governments, the municipalities, the school boards, the regional municipalities, and we are going to add to that a federal district. Imagine. Can we afford to create another level over and above all those we already have? I think, and many of my constituents do too, that we already face too much bureaucracy.

Mr. Speaker, who is going to benefit from this bill? Are we simply going to make life difficult for the residents of the National Capital area? If they chose to live in the city where they are now, they must have a good reason. What would this change imply for residents on the Quebec side, considering the present gap in housing prices in the two cities? Would it be advantageous or not for them if this bill were passed? In order to support this matter, I would like to quote a paragraph from the November 6th issue of *The Citizen*.

• (1640)

[*English*]

I should like to quote an article which appeared in *The Citizen* in February 1977. Mr. Claude Morin, Quebec's Minister of Inter-Governmental Affairs said:

> —the new Quebec Government would drastically curtail NCC powers on the Quebec side of the river in an attempt to keep the area from being turned into a federal district.

Has there been any consultation since then with the Quebec Government or with the new Minister of Intergovernmental Affairs? Has he consulted recently with the Minister? I do not think so. I think it is just another way of ramming something down the throats of Canadians, without consultation and without any regard for the will of Canadians, and it would be in keeping with the practices of the previous administration.

[*Translation*]

Mr. Speaker, I should like to read from an article in the newspaper *Le Droit* of September 9, 1982 in which my colleague the Hon. Member for Hull-Aylmer is quoted as saying:

I am surprised at the reactions of certain mayors of the region, like Mr. Charette of Val-des-Monts. He should have the roof of the Olympic Stadium to cover the hole in his head.

Mr. Speaker, is that the proper way to treat people who are against a Bill? That, Mr. Speaker, is another example of the typical arrogance of the Liberals.

Let me ask this question: Are we going to let this Bill go through just like that, or are we going to set up another committee to consider the matter? Do we intend to inform and consult the residents of the two regions involved before proceeding with a Bill which entails a radical change for Canadians?

Mr. Speaker, that is why I am against the Bill sponsored by my colleague the Hon. Member for Hull-Aylmer.

Mrs. Claudy Mailly (Gatineau): Mr. Speaker, I congratulate my colleague for Pontiac-Gatineau-Labelle (Mr. Moore) for his maiden speech. I see he is on top of his subject, as was seen by all during the election campaign when he took part in very heated debates in his constituency. I also commend the Hon. Member for Hull-Aylmer (Mr. Isabelle) for voicing his pride and his feeling of belonging to his constituency of Hull-Aylmer, as well as his French roots. I have not had the opportunity to serve my constituency of Gatineau as long as the Hon. Member for Hull-Aylmer, but I can share his feelings of pride and devotion.

I also know that during the election campaign, my Liberal opponent took pleasure in recalling that the Canadian Government had taken a hundred years to establish a federal presence across the river from Ottawa and that in one decade the City of Hull had enjoyed a remarkable growth. Therefore, what he meant was that patience was needed to foster that growth. However, I think it would be fairer and more constructive to try and extend the identity of the National Capital beyond the name and limits of Ottawa to the whole National Capital area, rather than annexing the City of Hull, along with its name and surroundings.

[*English*]

For example, there are several communities on the Ontario side of the National Capital Region which belong to this territory. They feel a pride and a sense of belonging which is shared by the people on the Quebec side. If we were to restructure, rename or reidentify the national capital, we should be very careful to take into consideation as well the feelings of pride and of belonging on the part of those communities on the Ontario side.

[*Translation*]

Then why should we extend the concept of the Ottawa capital to the Quebec and Ontario sides of the Ottawa River and not restrict it to a particular sector called Hull and its surrounding area. First of all, on the Quebec side there is the municipality of Gatineau, the main city in my riding, which ranks seventh in size among the most important cities in the province of Quebec and is by far the most populated in the West Quebec area. Many are unaware of the fact that the city of Gatineau, the product of the merging of seven smaller municipalities some ten years ago—we shall celebrate our 10th anniversary in 1985—has a population larger than Hull by 20,000 people.

In the past, Gatineau has suffered from an uneven development. Such was the case as well of the Ontario municipalities to which I previously referred. So, although we do approve in principle the Bill presented by the Member for Hull-Aylmer (Mr. Isabelle), we do not think that it is well enough structured to initiate the very serious discussions that we should have over the identification of our National Capital and the expression of pride that we all feel about being Canadians. It would be much better to try to balance the development.

[*English*]

It would be much better to try to balance the development on both sides of the Ottawa River before we entertain any new structures for our national capital.

• (1650)

[*Translation*]

I was saying that we in Gatineau have been the victims of haphazard development. An extremely rapid development of the residential function combined with government orientations at both the federal and provincial levels have concentrated the institutional and government development exclusively in the areas of the island of Hull. As a result, the population shifted from that municipality towards neighbouring communities, thus defeating the purpose behind the integrated organization of the territory.

In 1983, the city of Gatineau found itself in a state of economic decline whose negative impact can hardly be accepted by the people who live there. Being by far the largest municipality in the West Quebec area, with its 78,000 inhabitants, the city of Gatineau has just recently acquired a major hospital complex and industrial park at the airport, which is a first step in the right direction. However, there still is much to do to correct this unbalance in all sectors of direct Government intervention. Fortunately, our Government has already initiated its efforts to balance our economic development. No later than yesterday, the Minister of State for Mines (Mr. Layton) announced plans to build and operate a new receiving station for satellite data in the Gatineau Hills near Ottawa, in the municipality of Gatineau. This station will be able to receive as soon as 1985 the data transmitted by SPOT, France's first remote sensing satellite. The municipality of Gatineau has offered to prepare for the Canadian Remote Sensing Centre a hilltop site as well as an access road and the necessary power lines by March 1985. Public Works Canada

will draw up the plans of the station and construction work will be contracted out and will start next April. This station will have an antenna dish with a ten-meter diameter which should be set up in time for the launching of the SPOT satellite expected to take place in October 1985. Thanks to this future receiving station in Gatineau and the existing station of the Canadian Remote Sensing Centre in Prince Albert, Saskatchewan, reception of SPOT transmissions will be provided across Canada and the United States.

When the minister announced this project, he underlined that it would benefit those responsible for resource management, adding that this should encourage Canadians to invest more in this new technological sector. On the other hand, he pointed out that Canadian industry as a whole would also benefit as well. Canada is at the forefront of receiving station and satellite data processing technology and the ultramodern Gatineau station will give clear proof of Canada's capability in the field of high technology.

Thus, efforts towards a more balanced development are already under way on the Quebec side of the Ottawa region.

I would like to point out also that there is another very important factor which contributes to this unbalanced development on both sides of the Ottawa river as well as in the development of the Quebec side of the Ottawa region compared to the city of Hull which has been quite favoured so far. We are happy for the people of that city but we believe it is time to extend this economic development to the rest of that region.

As far as government jobs are concerned in the Quebec area of the Ottawa region as well as in the municipalities I mentioned earlier, distribution of those jobs is very uneven. For example, Ottawa, with a population of 295,168 people, that is 45 percent of the population surveyed, gets 78,900 jobs, that is 77 p. 100 of all public sector jobs or 267 jobs for 1,000 people in the National Capital area. Nepean: population 84,000, that is 13 per cent of the population of the region, has 1,000 jobs, or 1 per cent. Hull: population 56,220, that is 9 per cent of the population, has 19,200 government jobs, or 19 per cent. Gatineau: population 74,985, that is 12 per cent of the population, has 150 federal government jobs. There is clearly an imbalance here which must be rectified. I could mention also Gloucester with one half of 1 per cent or 6 jobs. Kanata, with 1,210 government jobs, including 61 with the federal government. And Vanier with only one per cent of the government jobs. The imbalance is evident there also.

This imbalance can be found in the area of social housing in the Outaouais area. There is a ratio of 4 social housing units per 1,000 inhabitants in Gatineau compared with 18 per 1,000 in Hull. In view of the greater population in Gatineau, it is absolutely necessary to deal with this development imbalance.

The level of service, especially in the area of drinking water, is greatly lowered during the hot summer months in Gatineau. The municipality of Gatineau is presently considering this problem and trying to find a solution to it, but because funds have not been allocated evenly between these two municipalities, there are serious problems every summer. Indeed, last summer, it was impossible to obtain drinking water in sufficient quantity on the last two floors of the Gatineau hospital. It is a very severe problem.

And finally, the high technology industries for which Gatineau has all the necessary infrastructure could, because of the pressures and influence game, be further concentrated where there is not much room left. In other words, Hull has enjoyed very strong growth and has benefited from the erection on his territory of numerous commercial or governmental buildings, and is now in a situation where even its mayor would readily acknowledge that he is in search of a downtown, that he has no idea where the real core of his city is.

So, because of the traffic problems already created in Hull, it would seem fair and positive to spread this development elsewhere.

Now, if the Act dealing with the name and territory of the National Capital is reviewed in such a way that the name of the City of Hull is once again stressed, even by adding the words "and surroundings", but still the City of Hull ... this will keep in the minds of the governing and administrative authorities the idea that in the Outaouais region the City of Hull is the largest municipality, and knowing that it enjoyed a tremendous growth, they will tend to think that quite an extensive development has taken place on the Quebec side and that there is no further need for it. That is wrong. This is another reason why I feel this Bill is badly structured. But, Mr. Speaker, I would like that—

The Acting Speaker (Mr. Charest): Order. The Hon. Member for Ottawa-Vanier (Mr. Gauthier).

Mr. Gauthier: Mr. Speaker, I hesitate to interrupt the Hon. Member for Gatineau (Mrs. Mailly). Up to now, in the last 55 minutes, we have heard the Quebec side of the issue. The Hon. Member for Nepean-Carleton (Mr. Tupper) and myself representing Ottawa-Vanier might also like to participate in this debate. Therefore the matter ought to be referred to a committee for serious consideration and we should not use up all the time to kill, lovingly I would say, the bill of the Hon. Member for Hull-Aylmer (Mr. Isabelle). I believe that it would be useful if other Hon. Members could participate in this debate.

Mrs. Mailly: Mr. Speaker, I was saying that this is the reason why I think this Bill is not well structured, because it puts the emphasis on one city, Hull, on one area, a sector of the National Capital and because, on the Ontario side, there are municipalities with French-speaking populations, like the municipality of the Hon. Member for Ottawa-Vanier (Mr.

Gauthier), which would like to feel that they are part of the National Capital. All this is to tell you that I would have liked that bill to meet the requirements of the present reality. But such is not the case. I would suggest to my hon. colleague from Hull-Aylmer (Mr. Isabelle) to rethink his bill, and to come back with another bill which would meet the present needs and requirements.

To conclude, Mr. Speaker, I would simply like to thank you for bearing with me and letting me talk for the time left to us, and I regret that parliamentary rules make it impossible sometime to give everyone a chance to express himself or herself on a bill. I believe that the Hon. Member for Hull-Aylmer (Mr. Isabelle) has another bill, similar to this one, to change the name of the Ottawa airport, and at that time, my colleagues from Ontario will have the full opportunity to express their views because that airport is on the Ontario side.

Mr. Gauthier: Mr. Speaker, considering the interest that exists in the House for this Bill, I am sure the Member for Hull-Aylmer (Mr. Isabelle) would agree if I suggest that the Bill be withdrawn and the subject matter of the Bill referred to a standing committee of the House. I would like to make this a motion, Mr. Speaker.

The Acting Speaker (Mr. Charest): You may move the amendment, but that will require a seconder other than the Member for Hull-Aylmer (Mr. Isabelle).

Order, please. The hour provided for the consideration of Private Members' Business has now expired.

It being five o'clock p.m., this House stands adjourned until Monday next at eleven o'clock a.m., pursuant to Standing Order 2(1).

At 5 p.m. the House adjourned.

HOUSE OF COMMONS

Monday, December 10, 1984

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—NO-CONFIDENCE MOTION—UNITED NATIONS RESOLUTION ON NUCLEAR-ARMS FREEZE

Mr. Speaker: Before proceeding, since today is the final allotted day, since the House will later be going through the usual procedures to consider and dispose of the supply Bill, and in view of recent practices, do Hon. Members agree that the supply Bill which will go through all stages later today be distributed now?

Some Hon. Members: Agreed.

Hon. Edward Broadbent (Oshawa) moved:

That this House takes note of the following United Nations Resolution:

REVIEW AND IMPLEMENTATION OF THE CONCLUDING DOCUMENT OF THE TWELFTH SPECIAL SESSION OF THE GENERAL ASSEMBLY: IMPLEMENTATION OF GENERAL ASSEMBLY RESOLUTION 38/73 E ON A NUCLEAR-ARMS FREEZE

Indonesia, Mexico, Pakistan, Sweden and Uruguay: draft resolution

Nuclear-arms freeze

The General Assembly,

Recalling that in the Final Document of the Tenth Special Session of the General Assembly, the first special session devoted to disarmament, adopted in 1978 and unanimously and categorically reaffirmed in 1982 during the twelfth special session of the General Assembly, its second special session devoted to disarmament, the Assembly expressed deep concern over the threat to the very survival of mankind posed by the existence of nuclear weapons and the continuing arms race,

Recalling also that on those occasions, it pointed out that existing arsenals of nuclear weapons are more than sufficient to destroy all life on earth and stressed that mankind is therefore confronted with a choice: halt the arms race and proceed to disarmament or face annihilation,

Noting that the conditions prevailing today are a source of even more serious concern than those existing in 1978 because of several factors, such as the deterioration of the international situation, the increase in the accuracy, speed and destructive power of nuclear weapons, the promotion of illusory doctrines of "limited" or "winnable" nuclear war and the many false alarms which have occurred owing to accidental reasons,

Noting also that the Seventh Conference of Heads of State or Government of Non-Aligned Countries, held at New Delhi in March 1983, declared that the renewed escalation in the nuclear-arms race, both in its quantitative and qualitative dimensions, as well as reliance on doctrines of nuclear deterrence, has heightened the risk of the outbreak of nuclear war and led to greater insecurity and instability in international relations,

Bearing in mind that in their Joint Declaration issued on 22 May, 1984, the Heads of Government of six Member States of the United Nations, coming from five different continents, urged the nuclear-weapon States "as a necessary first step... to halt all testing, production and deployment of nuclear weapons and their delivery systems",

Believing that it is a matter of the utmost urgency to stop any further increase in the awesome arsenals of the two major nuclear-weapon States, which already have ample retaliatory power and a frightening overkill capacity,

Believing also that it is equally urgent to initiate or resume negotiations for the substantial reduction and qualitative limitation of nuclear arms,

Considering that a nuclear-arms freeze, while not an end in itself, would constitute the most effective first step for the achievement of the above-mentioned two objectives, since it would encourage the initiation or resumption of negotiations and prevent the continued increase and qualitative improvement of existing nuclear weaponry during the period when the negotiations would take place,

Firmly convinced that at present the conditions are most propitious for such a freeze, since the Union of Soviet Socialist Republics and the United States of America are now equivalent in nuclear military power and it seems evident that there exists between them an overall rough parity,

Conscious that the application of the systems of surveillance, verification and control already agreed upon in some previous cases would be sufficient to provide a reasonable guarantee of faithful compliance with the undertakings derived from the freeze,

Convinced that it would be to the benefit of all other States possessing nuclear weapons to follow the example of the two major nuclear-weapon States,

1. Urges once more the Union of Soviet Socialist Republics and the United States of America, as the two major nuclear-weapon States, to proclaim, either through simultaneous unilateral declarations or through a joint declaration, an immediate nuclear-arms freeze, which would be a first step towards the comprehensive programme of disarmament and whose structure and scope would be the following:

(*a*) It would embrace:

(i) A comprehensive test ban of nuclear weapons and of their delivery vehicles;

(ii) The complete cessation of the manufacture of nuclear weapons and of their delivery vehicles;

(iii) A ban on all further deployment of nuclear weapons and of their delivery vehicles;

(iv) The complete cessation of the production of fissionable material for weapons purposes;

(*b*) It would be subject to appropriate measures and procedures of verification, such as those which have already been agreed by the parties in the case of the SALT I and SALT II treaties, and those agreed upon in principle by them during the preparatory trilateral negotiations on the comprehensive test ban held at Geneva;

(*c*) It would be of an initial five-year duration, subject to prolongation when other nuclear-weapon States join in such a freeze, as the General Assembly urges them to do;

2. Notes with satisfaction that the Union of Soviet Socialist Republics have already submitted the report requested in General Assembly resolution 38/73 E of 15 December 1983;

3. Hopes that the other major nuclear-weapon State will find it possible to comply also with the request of the General Assembly before the closure of its thirty-ninth session;

4. Decides to include in the provisional agenda of its fortieth session an item entitled "Implementation of General Assembly resolution 39/... on a nuclear-arms freeze".

and calls upon the Government to adopt it as policy, thereby rejecting the position of the previous administration.

He said: Mr. Speaker, I would like to begin my comments on this important debate in the House of Commons today by quoting an old Chinese proverb: "If we do not change our direction, we are likely to end up where we are headed". Nothing could be more relevant in terms of evidence supporting this quote than the direction which we in the world will inevitably take if we do not put an end to the nuclear armaments buildup. If we do not stop, Mr. Speaker, the odds are—and they are strong odds—that one day a nuclear weapon once again will go off. If that happens, the odds are depressingly real that mankind itself, and not just a part of mankind, will be threatened. It is time we in this world, we in this Parliament, took leadership to put an end to this nuclear madness.

On November 20, Mr. Speaker, there was a vote in the committee of the United Nations on the question of a nuclear freeze. Canada was among a small minority of nations, I regret to say, which voted against that freeze. To put into perspective what is going on in the world I would like to say, Mr. Speaker, that since that vote took place there has been added to the nuclear arsenal of the world the equivalent in nuclear strength of 2,800 times greater than the bomb which went off at Hiroshima. I repeat, just since November 20 we have added to the nuclear arsenal of the world enough destructive power to exceed by 2,800 times the strength of the bomb which devastated the people in Hiroshima.

We have before us a resolution, Mr. Speaker, which calls upon the nuclear superpowers to implement a nuclear freeze. It is one which I submit is grounded equally on hope and on realism. The essence of this resolution, as I see it, is twofold; first, it is applied to both of the superpowers. If one does not act upon it, then the other is in no way obligated. That is a crucial and realistic aspect of any initiative which is to be taken in the real world. The second point which is imbedded in this resolution, and imbedded in the thinking of almost anyone associated with the resolution, is that it calls for verifiability. What this means is that if both of the superpowers come to their senses, accept the first point and obligate themselves now to stop the nuclear armaments race, then if down the road one of the superpowers hesitates in some way to provide access for verification and puts up roadblocks of any kind to discourage the examination of nuclear developments in the armaments field in any way, the other nuclear power is no longer obligated to act under the terms.

What we have, I repeat, is a resolution which is not only optimistic in the sense it would begin, if acted upon, to provide hope for those who are living and for those who will come after us, but it is also one which is grounded in realism. It is not pie in the sky. It is something which ought to be able to obtain the support of the most militaristically-oriented sectors of both the Soviet Union and the United States, if they are doing what they claim, that is, acting in terms of self-defence of their own societies. And it is inextricably linked with the notion of verifiability.

In my comments this morning, Mr. Speaker, I do not want to dwell on all the horrors of the allocation of resources because of this terrible nuclear madness at a time when so many millions of people in the world are starving. Nor do I want to talk about the potential consequences of a nuclear war. That has been done before in this House and other speakers in this debate will no doubt discuss those profoundly important aspects of this question as well. What I want to dwell upon in my comments this morning is this new Government, which promised us change, new directions, particularly in this field, its attitude on this matter, and I want to indicate why it seems to me to be totally lacking in substance.

• (1110)

Last February the man who is now Prime Minister (Mr. Mulroney), then Leader of the Opposition, said: "We need to restore this Chamber as an instrument for seeking national consensus on the challenge we face in foreign affairs". I thought it was a fine speech at the time and a fine sentiment that all of us could support. However, I say to the Government House Leader (Mr. Hnatyshyn), who is here for the debate today, that if there was ever a national and international consensus on anything in the world, surely it is the consensus on the need for the United States and the Soviet Union to stop developing, producing and deploying nuclear weapons. The consensus is there.

I say to the Government House Leader that if he looks to his own country, church leaders of virtually every faith, union members, women's groups, peace groups—hundreds of them—veterans' associations, the young, the old, western Canadians, eastern Canadians, indeed 85 per cent of the population of this country indicated in the most recent Gallup poll on this question that they are in favour of a verifiable nuclear freeze. If we go outside of Canada and consider the world, every part of the planet, east, south, north, west, countries of every ideological stripe, are united on this important issue. They believe we ought to have a mutual, verifiable nuclear freeze applied to the superpowers. Indeed, more than one-third of the membership of NATO refused to vote against a nuclear freeze. The UN vote was 111 for a nuclear freeze and 12 against. As a Canadian I am ashamed to say that the Government of Canada was among the 12 against a nuclear freeze.

If we go outside of the international community as such, outside our own community as such, and go to the United States of America, so much the concern of the new Government, what do we find? We find that the U.S. House of Representatives has voted in favour of a freeze. Former NATO generals are in favour, as is the former head of the CIA. Business people of all kinds have recently come out in favour of the freeze. I refer the Government to a notable article in the November 19 issue of *Newsweek* in which a leading group of American businessmen go further in their

initiative than does the resolution before this House. Walter Mondale, former candidate for the presidency of the U.S., Republicans and Democrats in the House and Senate, all are for the freeze. Public opinion in the U.S. is overwhelmingly for a verifiable nuclear freeze. The reality is that in the United States almost everyone except Ronald Reagan is for a verifiable nuclear freeze. That is the reality.

This new Government, then, Mr. Speaker, if it had sought to act upon the commitment it made in the debate last February on the question of a consensus, did not even have to lead on the issue. All the new Conservative Government had to do was to follow the opinion of Canadians and Americans, indeed world opinion. Surely a Conservative, if he cannot lead, ought to be able to follow what the rest of mankind wants.

Some Hon. Members: Hear, hear!

• (1115)

Mr. Broadbent: The new Government which promised the people of Canada change and innovation should not have voted against a verifiable nuclear freeze at the United Nations. Rather, having said it would help arrive at a consensus in the House of Commons, in the first week in the new session of Parliament, knowing that this matter was going to come before the United Nations, the Government ought to have brought this motion before the House of Commons. It ought to have obtained a positive vote for it and taken that attitude and spirit back to the United Nations and voted for a freeze. That is what it should have done.

In 1945 Albert Einstein said: "The unleashed power of the atom has changed everything except our way of thinking". If I were to apply the reasoning of Albert Einstein to the new Government, I am sure if he were here he would agree with the following sentiment: The unleashed power of evidence, reason and public opinion has changed everything but the Conservative Party's incapacity to think. I think that is the reality. As I have said, Mr. Speaker, the Government is now not only ignoring Canadian opinion, it is, in its great determination to indulge in a permanent waltz with Ronald Reagan, ignoring American public opinion as well.

In that regard I would like to turn to some of the arguments which the Government has offered in defence of this lamentable vote at the committee stage at the U.N. The Secretary of State for External Affairs (Mr. Clark) admitted recently that public divisions among our allies have existed in the past on the important question of the freeze. He might have indicated in the same statement, as I did just a minute ago, that more than a third of the membership of NATO is in disagreement with President Reagan on this issue. Our new Secretary of State for External Affairs, who promised initiatives and change, said that Canada should not add to tensions with our major ally to the south. On the weekend he was quoted as saying the following: "We have to define ourselves and not let ourselves be defined by notions that others might have of us". I think that is a wonderful sentiment. There was a no better way to define ourselves than by taking an independent stand on this issue rather than letting ourselves be defined at this point in our history by the man who happens to be the President of the United States. That is precisely what he ought not to have done.

Some Hon. Members: Hear, hear!

Mr. Broadbent: This kind of so-called reasoning, which I regret to say is so characteristic of the Secretary of State for External Affairs, is not thought at all. It is simply the refusal to think. It is not the course of an independent ally. It is really the easy acquiescence of the timid.

Mr. Hnatyshyn: Don't blame me. I am not the vice-president of Socialists International.

Mr. Broadbent: You will have your chance, I hope, to apply more cogent arguments.

Mr. Hnatyshyn: What about President Mitterrand?

Mr. Broadbent: The Government House Leader is obviously a little defensive. He ought to be, having heard the ridiculous arguments offered by his Secretary of State for External Affairs.

The second point I want to deal with, Mr. Speaker, concerns another argument provided in such a cogent and brilliant way by our Secretary of State for External Affairs on the weekend. He said that the Secretary of State for the United States, Mr. Shultz, and the Soviet Foreign Minister, Mr. Gromyko, have agreed to meet next month. I am glad that he picked that up. It is true that they are going to meet next month. He went on to say: "We have to be careful that we do not do anything to throw it", meaning the meeting, "off course". He said; "We ought not to throw it off course by voting in favour of a nuclear freeze". How silly can one get?

• (1120)

His own disarmament ambassador to the United Nations revealed for me a more cogent line of reasoning as an explanation for what is now taking place among the superpowers than that demonstrated by the Secretary of State for External Affairs. On Friday in Vancouver, Mr. Roche pointed out that the United States and the Soviet Union are now responding to mounting world opinion against the arms race. He said that discontent will eventually pressure the superpowers into reaching an agreement.

I want to say to the Secretary of State for External Affairs that Mr. Roche has it right. The superpowers are beginning to respond to pressure that is being exercised by other nations and by other groups within their own society. I also want to suggest to the new Secretary of State for External Affairs, whose Government has promised change, that we don't create pressure on one of the superpowers by always agreeing with that power, we don't lead by following and we don't bring about nuclear disarmament by voting against a verifiable nuclear freeze at the United Nations.

Let me shift to another argument, to use the term loosely, that was provided by the Secretary of State for External Affairs in this matter which is even more bizarre than the other arguments. He said that Canada was opposed to this resolution because it wants an immediate resumption of negotiations rather than the declaration of the freeze. What sort of Alice in Wonderland thinking is that? A freeze and a resumption of negotiations are not mutually exclusive. In fact, the UN resolution which we now have before the House underlines the urgent need to resume negotiations. The resolution points out that such a nuclear freeze would constitute a first important step in the process that would include negotiations and eventually nuclear disarmament itself. The point is that action on this resolution would prevent the further escalation, both in quality and quantity, of nuclear weapons, while the negotiation for eventual nuclear disarmament takes place. That is why the members of my Party and Canadians all across the land are in support of this resolution.

The article in the November 19 issue of *Newsweek* to which I referred a moment ago was written by businessmen, including the heads of Bell International and a half dozen other major international corporations which I will not list now. This article underscores the point that it is business groups in the United States as well as democratic party politicians and other segments of American society that are in favour of a nuclear freeze. One reason among others that the writer of the article gave for taking such a position at this time is that there is the mutual capacity of the Soviet Union and the United States to kill each other many times over within the context of a freeze. When there is that balance of terror, as it has been called, he said that they were apprehensive about a costly and dangerous competition that neither side could win but that both could lose. He is dead right.

• (1125)

Those words and the thoughts behind those words are what this Government should be paying attention to. If we are to leave a world in which our children can grow up and live without fear of annihilation, we must rid this planet of nuclear weapons. If we are to do this we in political life must seize all the occasions which make it possible, acting with realism and with hope. The motion before us, which is a motion before the United Nations, is just such an occasion.

I conclude with this thought. Humanity's urgent quest for peace requires leadership. Leadership can and must come on this matter at some point from the superpowers. But in the meantime it must come from others, and it should come from Canada.

Mr. Speaker: Are there any questions or comments? Debate, the Right Hon. Leader of the Opposition (Mr. Turner).

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the motion which the House has before it today addresses a matter which is of the deepest concern to Canadians, and indeed to all members of the human family, the need to halt the dangerous and ever-increasing nuclear arms race which threatens the very survival of this planet as we know it.

[*Translation*]

Mr. Speaker, we cannot ignore the gravity of the situation. United Nations Resolution L-32, which the House is being asked to consider today, is useful in that it stresses the urgency of reducing nuclear arsenals and calling on the superpowers to commence constructive negotiations. The number of nuclear arms in the possession of the two superpowers runs into tens of thousands, the equivalent of about 5,000 times the explosive power used during the Second World War or 100,000 times that of the bomb dropped on Hiroshima.

There are other examples or comparisons that could be used, Mr. Speaker, to illustrate and bring home to us the destructive power and the horror of nuclear weapons.

Inevitably, these images of the devastation of which man has become capable are always present in our minds when we consider ways of achieving durable peace and security.

[*English*]

The motion of the New Democratic Party calls upon the Government to reverse its own position and indeed, in the words of the motion, reverse the position taken by my Government and former Liberal Governments on a question of fundamental importance to Canada and to the NATO alliance, of which Canada is a founding member. In addition, in view of the fact that the United States and the Soviet Union announced on November 22 their intention to meet on January 7 and 8 in Geneva to consider negotiations on a whole range of weapons issues before them, an announcement which I and the members of our caucus welcome whole-heartedly, I find it surprising that the New Democratic Party would now want the Government to adopt as policy a resolution which has as its objectives, first, the resumption of negotiations and, second, prevention of continued increase in and qualitative improvements of existing nuclear weaponry.

The first objective of the motion has now been met with the announced meeting of Mr. Shultz and Mr. Gromyko. The second objective will be the substance of their meeting. It is quite conceivable that progress can be made.

• (1130)

In my view, this motion and the resolution on which it has been based have been overtaken by events. The motion draws attention away from the fact that the New Democratic Party does not support the North Atlantic Treaty Organization and indeed is committed to taking Canada out of that alliance. NATO is an alliance of democracies. When it was established in 1949, the founders agreed that it was to be a political alliance as well as a military one. Its existence has led to the longest period of peace in Europe this century. This motion presumes that the foreign policy supported by successive Liberal Governments and by the Canadian people has been unsuccessful and wrong. Nothing could be further from the truth.

I should like to take this opportunity to talk about some of the steps which the Canadian Government has taken over the

years to further the cause of peace and to put before the world many of the ideas that are now included in the resolution before the House.

Canada's geographic location between two heavily armed superpowers is an obvious reason for concern by Canadians about nuclear war. From a domestic point of view, although Canada has the capacity to produce nuclear weapons, a political choice has been made not to do so. In 1969 this country decided that it was no longer appropriate for the Canadian Armed Forces to be equipped with nuclear weapons. The phase-out which began at that time has been completed this year. This is a major achievement of Liberal Governments and one which I think all Members of the House support.

Consistent with this policy and as a signatory to the non-proliferation treaty, Canadian safeguards on the sale of nuclear technology are among the most stringent in the world. The non-proliferation treaty came into effect in 1970 and is subject to review in 1985. It governs the transfer of nuclear technology for peaceful purposes and includes binding commitments against the use of that technology for military purposes. As recently as last year, my right hon. predecessor, Pierre Trudeau, called for remedial action to shore up the non-proliferation treaty in order to bring pressure to bear upon those who have not signed that treaty, thus preventing further horizontal proliferation of nuclear weapons.

In 1978 at the United Nations Special Session on Disarmament, Mr. Trudeau first proposed a strategy of suffocation. At that time Canada called for a comprehensive ban on nuclear testing, a halt to the flight testing of all new strategic delivery vehicles, a cessation of the production of fissionable materials for weapons purposes, and a limitation and eventual reduction of military spending for new strategic weapons systems.

The intent of this strategy was to suffocate new weapons systems in the laboratory, thus eliminating the need for countries to continue to outdo each other in evolving new weapons systems. It is important to note that these were not proposals for unilateral action. It was always intended that they would be the subject of mutual agreement. When these proposals were not acted upon and when the Soviet deployment of the SS-20 missiles in eastern Europe continued, Canada supported NATO's 1979 two-track decision to instal missiles in western Europe and to plan to pursue disarmament negotiations simultaneously.

In 1982 at the Second Special Session on Disarmament, Mr. Trudeau incorporated into the earlier policy a policy of stabilization which had two complementary components—the suffocation strategy and negotiations aimed at qualitative and quantitative reductions in nuclear arsenals designed to achieve a stable nuclear balance at lower levels. At that time Canada noted that the treaty on principles governing the activities of states in the exploration and use of outer space had become obsolete. Although it prohibited nuclear weapons in space, it did not deal with anti-satellite or anti-missile laser systems, the so-called "Star Wars" concept. Since such systems would have a destabilizing effect, Canada proposed a treaty to prohibit development, testing and deployment of all weapons for use in outer space. It also called for the international community to address the verification question seriously in the 1980s.

Mr. Trudeau's peace initiative has a direct bearing on present developments between superpowers and also contains the grounds upon which I am proposing an amendment to this motion.

[*Translation*]

The central concept of Mr. Trudeau's peace plan consisted in adding a new and reinforced political will to disarmament negotiations. This new political will was to be reflected in a calming down of the political rhetoric engaged in by the two superpowers, and to a lessening of tension in both camps. As far as that goes, Mr. Speaker, we see that today there is a definite improvement over the situation that existed a year ago.

The peace plan also included a number of more technical elements, which I shall touch upon very briefly. First, the creation of a tribunal for negotiating global limits to be set on the arsenals of the five nuclear powers. Second, reinforcement of the non-proliferation treaty. Third, re-opening of negotiations on conventional forces in Europe, in order to bring them down to mutally acceptable levels. Fourth, measures that would pursue and update the suffocation strategy, namely, the ban on high-altitude testing and development of anti-satellite systems.

[*English*]

The present Government has made a commitment to continue and to expand on this initiative. My caucus and I expect concrete action by the Government in the very near future.

Among the initiatives undertaken by my predecessor was the creation of a peace institute. The object and purpose of this institute is to inject fresh ideas and to develop new and better solutions for a world troubled by conflict and uncertainty. In my view, a five-power summit of nuclear weapons states to negotiate global limits on their nuclear arsenals is an objective to be pursued by the new Government. In other words, the initiatives undertaken by my predecessor set a climate in this country and throughout the world. It reinforced the action by previous Liberal administrations in advancing the cause of peace.

The motion, which attacks that position, is one that is unacceptable to this part of the House. The motion before the House encompasses UN resolution L-32 which is to be voted on shortly. In committee Canada voted against the resolution. It did so in the company of some of its best friends and allies, including Belgium, France, Italy, Japan, Germany, the United Kingdom and the United States.

It is the wish of our Party and my own personal wish that there be not simply a freeze but a significant, balanced and verifiable reduction in the level of nuclear arms in the world.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): We put it in this way as an item in negotiation because we believe that this is the

realistic way in which to put it. Part of that reality is the simple but important notion that arms control agreements can only be based upon a mutual security allowing each signatory to feel secure in the commitment it makes.

Most of our major allies cannot accept the type of freeze envisaged in this resolution which, among other things, would crystallize the current imbalance in the European theatre. The very real problem of refining and improving nuclear weapons verification techniques must be addressed. An efficient verification system is indispensable to any effort to stabilize East-West relations.

I should like to remind not only the NDP but also the Government that the practicality, consistency and morality of this realistic approach have contributed to the fact that world tensions have been considerably reduced from this time a year ago. At that time Mr. Trudeau urged the superpowers to stop shouting at one another and enter into a dialogue.

All Canadians deeply desire a reversal of the nuclear arms race. Canadians want the Government and Parliament to take every sensible step possible to end the threat of a nuclear holocaust. Therefore we should not support a resolution which can, however unintentionally, weaken Canada's heretofore very credible role in the search for peace. We have achieved the highest international respect and have maintained world influence disproportionate to our population precisely because Liberal Governments have properly reflected and propounded the Canadian sense of thoughtfulness, decency, practicality and common sense.

● (1140)

I know that millions of thoughtful Canadians might well want to support the resolution before the House. At the same time, millions of Canadians will feel that this resolution, while laudable in its attempt, is not constructive at this time in the sense that it does not recognize that the solution has to be negotiated. The issue is not one of commitment to peace. The issue is how best to maintain peace and eventually bring an end to the nuclear arms race.

Recognizing what the goals are for the country, recognizing what the goals are for peace, understanding that those goals in terms of a freeze and a reduction must be pursued within the context of a negotiated settlement, recognizing that the resolution before the House notes a situation in the United Nations which is already outdated because the superpowers have signified a willingness to come together at the beginning of the New Year, we feel that the amendment which we will propose to this resolution suggesting an agenda for the superpowers, recognizing that that agenda provides the basis for negotiation, achieving what we believe Canadians seek and desire in their hearts, is the best way to honour the fears and fulfil the hopes of Canadians from one end of this country to the other. Therefore I propose, seconded by my colleague from Saint-Maurice (Mr. Chrétien):

That the motion be amended by deleting all of the words following the words "on a nuclear arms freeze" in the second to last paragraph of the motion and substituting the following:

"This House further takes note that the resumption of arms talks by the Soviet Union and the United States in Geneva in early 1985 announced by the superpowers on November 22, subsequent to the presentation of the above resolution at the United Nations, significantly alters the political situation on which the resolution is based and constitutes an effective first-step in the achievement of the two objectives to be attained in the declaration of a nuclear freeze;

and calls upon the Government to urge on behalf of Canadians that the meeting of the two nuclear superpowers have on its agenda the negotiation of limits on their nuclear arsenals, a mutually verifiable freeze and significant reductions; a strengthening of the nuclear non-proliferation treaty; a renewed emphasis on the mutual and balanced force reduction talks in Vienna; the encouragement of political emphasis on the Stockholm conference; a moving up of the date of the United Nations Special Session on Disarmament now scheduled for 1986; an international agreement to ban the testing and deployment of high-altitude anti-satellite weapons; and the refining and improvement of nuclear weapons verification techniques".

Mr. Speaker: I am sure the Right Hon. Leader of the Opposition (Mr. Turner) will understand, given the length of the amendment, that I might have to wait a few minutes to make a decision as to its admissibility. Pending that decision, we can continue with the debate, if that is agreeable.

Questions and comments? No question and comments? Further debate. Is the House ready for the question? Is the House ready for the question? Further debate, the Hon. Member for New Westminster-Coquitlam. Excuse me, the Minister for External Relations (Mrs. Vézina).

Ms. Copps: Mr. Speaker, I rise on a point of order. I do not want to detract from the seriousness of the debate, but I understood the Speaker to recognize another Member before recognizing the Minister. I just wonder whether this is a departure—

Mr. Speaker: The Hon. Member also knows, I am sure, from her experience in parliamentary assemblies that it is normal whenever possible to alternate between Parties. I saw the Hon. Member for New Westminster-Coquitlam. Before I finally recognized her, I realized that another Member was rising in her seat at the time. I thought it was more reasonable to recognize the alternate party system as best we could.

[*Translation*]

Hon. Monique Vézina (Minister for External Relations): Mr. Speaker, the Government is very pleased to have this opportunity to explain Canada's position on the nuclear arms freeze.

We would like to make it clear why Canada voted the way it did in the United Nations on November 20 of this year, when, faced with a number of unrealistic and incomplete proposals on a nuclear arms freeze, it voted against these proposals. It is heartening to see that today, Members of all parties will be able to express their views on the serious issue of international security and arms control. As we commence the debate, I hope first of all, that no one in this House will question the fact that Canadians and the various governments that have represented them since the beginning of Confederation have had the same desire for peace that is part of our tradition. It is one of our

national attributes, an attribute that has been recognized the world over.

[*English*]

I hope too, since the discussion we are having here today concerns the lives of our daughters and sons, of our grandchildren and in fact the future of mankind, that nobody in this House will try to transform such a difficult discussion into a partisan debate where one side will try to gain political advantage. Such an attitude would be irresponsible. It would be done at great cost to real progress toward nuclear arms reduction and to peace itself.

● (1150)

[*Translation*]

I note that today's motion refers to only one of three resolutions on a nuclear freeze that were presented in the first committee of the United Nations and voted upon on November 20 this year. One was presented by the Soviet Bloc, the second by India alone and the third resolution, the one before the House today, by a number of neutral and non-aligned countries, including Sweden and Mexico. For the time being, I would like to comment on the resolution presented by Sweden and Mexico, though of course many of my comments will be applicable to all three resolutions on a nuclear freeze.

Canada fully recognizes the fact that the freeze concept has a great symbolic value, since it expresses the desire of mankind to be free of the threat of nuclear war. The idea of stopping the nuclear arms race and reducing the enormous quantities of nuclear arms present in weapons arsenals is attractive because of its simplicity, and it is also a general objective that, I am sure, is shared by both nuclear and non-nuclear countries.

Let there be no doubt about Canada's position on the nuclear arms race. This Government, speaking for all Canadians, is firmly in favour of significant, balanced and verifiable reductions in nuclear arms levels throughout the world.

Many Canadians, including some of my own constituents, consider that the present level of nuclear armament is a threat to life on our planet. However, just making statements in favour of a nuclear freeze does not constitute a valid response to this threat. We prefer immediate resumption of negotiations on the reduction of nuclear arms. We have said many times, and I say it again today, that Canada wants the present dangerous levels to be reduced through immediate and unconditional resumption of negotiations on arms reduction.

That is why the Canadian Government finds it very encouraging that bilateral talks will soon be held by the United States and the Soviet Union in Geneva. We hope that subsequently there will be substantial negotiations between these two countries, without prior conditions being set, the aim being to reduce nuclear arsenals significantly, while at the same time considering both parties' legitimate desire for security and seeing to it that they both respect any agreements made to reduce nuclear arms levels.

In his statement to the United Nations General Assembly, the Right Hon. Secretary of State for External Affairs (Mr. Clark) made it clear that Canada would use its influence to reverse the direction of the arms race and reduce the threat of nuclear devastation. This objective will be an ongoing priority of Canada's foreign policy. The Secretary of State for External Affairs went on to enumerate a number of practical, concrete and realistic initiatives in the area of arms control that would help achieve that objective. These initiatives included achieving further progress towards a complete test ban treaty, preparations for a successful conference on the Non-proliferation Treaty, which will be held next year with a view to preventing horizontal proliferation of nuclear arms, and the conclusion of an agreement on mutual and balanced reduction of conventional forces in Europe, which will reduce the threat of nuclear escalation. We feel that all these measures are practical and realistic ways of avoiding the threat of nuclear war.

I would like to repeat that a nuclear freeze, as requested at the United Nations, is neither a realistic nor a practical way of controlling armament and disarmament. Canada sees major deficiencies and serious shortcomings in all three nuclear freeze resolutions that were presented recently at the United Nations.

I would like to elaborate on our serious doubts about the practical aspects of the resolution presented by Sweden and Mexico. All agreements on arms control must reinforce mutual security if they are to achieve their basic goal. That will not be the case if present imbalances are maintained in the European theater, as provided in the freeze proposals. It is exactly because of these imbalances and the absence of an arms control agreement that we support NATO's two-track policy.

This policy is incompatible with the freeze concept. It presupposes the deployment of medium-range nuclear forces, which, however, could be withdrawn at the appropriate time.

The resolution presented by Sweden and Mexico asks for a ban on all further deployment of nuclear weapons and of their delivery vehicles. For us to agree with this resolution would be to perpetuate the present dangerous imbalance in Europe, without the assurance that this imbalance would one day be corrected. In fact, it would mean rewarding the Soviet Union for having destroyed the balance for its own benefit by installing SS-20 missiles and for having broken off subsequent negotiations on this type of missiles.

[*English*]

Canada shares the position of its partners in NATO. Canada knows that it is this alliance which is responsible for the relative peace which Europe has known for nearly 40 years.

[*Translation*]

A global freeze like the one being requested would also have the effect of sealing in the destabilizing components of the

present strategic situation. Today, both superpowers have a large number of high precision nuclear warheads mounted on a small number of intercontinental ballistic missiles that are fixed and thus relatively vulnerable. We feel this is an unstable situation, since the warheads may benefit the side that strikes first. That is why we should encourage the United States and the Soviet Union to design arms that are less vulnerable and threatening, as opposed to freezing their present systems.

Both parties must agree on the rules to be observed so that each side can be sure the other will honour the agreement. Statements as proposed in the resolution do not provide such guarantees. The verification provisions proposed in Sweden's and Mexico's resolution do not go far enough with respect to some freeze-related elements. For example, stricter verification procedures would be required to guarantee compliance with a ban on nuclear weapons and delivery systems production and, if possible, on fissionable material production. Nobody has been able to explain to our satisfaction how it would be possible to control to what extent a production ban might be enforced. It is common knowledge that the U.S.S.R., a freeze proponent, still rejects any kind of valid on-the-spot inspection.

The same resolution advocates as well a full ban on nuclear tests. We commend that initiative for what it is worth, but we think it falls short of the target and does not feature a provision to make it possible to resolve the issue of nuclear tests which, although conducted for peaceful purposes, might have destabilizing effects.

Canada was joint sponsor of a resolution on the urgent need for a nuclear testing full ban treaty which was adopted by the United Nations first commission: 109 voted in favour, none against, and there were 26 abstentions, including all nuclear powers. Canada's resolution strongly urges the Disarmament Conference to strike an ad hoc committee and resume immediately the proceedings on a complete ban on testing, including questions related to implementation, verification and adherence to the provisions, with a view to negotiating an appropriate treaty. It is much more direct and shuts the door which Sweden's and Mexico's resolution deliberately left ajar.

The resolution moved by those two countries also seeks a ban on fissionable material production for military purposes, but again it does not go far enough and ignores the problem of nuclear testing for peaceful purposes.

At the United Nations, Canada introduced another resolution urging—provided adequate verification means could be found—a stop of and a ban on fissionable material production intended for nuclear weapons and other explosive nuclear missiles. That resolution was adopted during the commission proceedings—125 affirmative votes, one negative vote and nine abstentions, including four out of five powers with nuclear armament. Canada's resolution therefore bridges another potentially dangerous wide gap which the Swedes and the Mexicans ignored in their resolution. It is deplorable that such obvious gaps can still be found in this resolution on a nuclear freeze.

Imposing a freeze, as advocated in the resolution, instead of negotiating one would inevitably raise numerous and possibly insolvable problems concerning definitions, exclusions and inclusions. Besides, even if it were possible to negotiate a freeze, these negotiations would be just as difficult, complex and protracted as negotiations on reductions, and they would even detract us from efforts made to achieve a true reduction in nuclear arms levels.

As I said, all elements proposed in the resolution have already been the object of resolutions, or they are pending until valid bilateral negotiations resume. The over-all approach of arms and disarmament control advocated in the Sweden and Mexican resolution prejudges all the complex technical, scientific, political, legal and military questions involved in serious negotiations on weapons control. As proposed now, a nuclear freeze would hamper rather than pave the way for the necessary negotiations. It would introduce a factor of instability and unbalance, whereas a balanced reduction is what is needed for constructive peace promotion.

• (1200)

After serious examination of the various consequences of a nuclear arms freeze, Canada decided to vote against the resolution proposed by Sweden and Mexico, as did most of its NATO allies. I should add that our six partners of the Economic Summit also joined us. These include not only the United States, but also the Federal Republic of Germany, Italy, the United Kingdom, France and Japan.

Our vote should not be seen as a wish on our part to agree that nuclear armaments be kept at present levels or continue to increase. Rather it reflects Canada's continuing firm commitment to look for means to reduce nuclear armaments. It is this commitment, not a freeze of nuclear arms at the present levels that we view as our priority.

The Canadian Government shares the wish of mankind to be rid of the threat of a nuclear war, and it has given clear evidence of this fact. Nothing in our effort is intended to detract us from making this wish come true. Our objective is to try, not only within the United Nations, but also at every level of negotiation, to meet the goal we have set for ourselves, that is a reduction in nuclear arms.

We therefore have three major objectives in the field of nuclear arms. We believe that Canada has a real opportunity to play a positive international role, which we have already begun to develop.

The first objective is an immediate and unconditional resumption of talks between the United States and the Soviet Union. Canada has pursued this objective within NATO councils and at the United Nations. We continued to do so on the occasion of our most recent periodical consultations with

Soviet officials. In the interests of mutual security, these talks must be resumed in the very near future. It is for the purpose of supporting the negotiation process that we intend to pursue this objective with determination.

Our second objective is a renewal of the commitment made by the international community toward non-proliferation. Our success will depend to a great extent on the period of preparation before the third review conference on the Non-Proliferation Treaty to be held in 1985. In spite of the differences of opinion between the super-powers, there is a community of interests, as the American Secretary of State, Mr. George Schultz, emphasized in a recent speech on this issue. However, he noted that this community of interests cannot be taken for granted, even when the super-powers agree; consequently, the tasks which await us at the review conference on the Non-Proliferation Treaty will be arduous and their success is far from certain. This was the unequivocal message given by Mr. Mohamad Shaker of Egypt, who was recently elected chairman of the conference.

Canada's policy of positive internationalism can be and is being applied in practice. In Geneva, Canada took the initiative of searching for a new consensus of non-proliferation; in Vienna, Canada was at the forefront of the efforts made to strengthen the garantee systems of the International Atomic Energy Agency; in London, we consulted many countries, both from the East and the West, as well as neutral countries, which export nuclear material or techniques to ensure the safety of these exports, while pursuing the noble objective of co-operating with recipients of these exports. Within the United Nations, we continue to fight with determination for non-proliferation.

The third objective to which Canada's positive internationalism is and must be applied is the prohibition of nuclear weapons. We can all be glad that the three powers in possession of nuclear weapons, namely the United States, the United Kingdom and the U.S.S.R., have accepted to stop surface nuclear arm testing. We can also rejoice that these tests have been limited to 150 kilotons. However, it is not enough. Talks among these three countries have been suspended and are now continuing in the larger context of the Conference on disarmament in Geneva.

One of the major questions at the Conference still is verification. And Canada is doing her share in that regard. Along with other nations, we are currently taking part in the international exchange of seismological data. If successful, that project will be a major contribution to what I would call the "verifiability" of a treaty banning nuclear arms testing. But we want to go still further. Last fall, in the United Nations, we co-sponsored a resolution calling upon all parties to ban nuclear testing. The combination of public positions and private endeavours in the area of practical negotiation that such a co-sponsorship entailed seems to me to be a creative example of Canada's positive internationalism.

These three goals—a resumption of superpower discussions, non-proliferation, and a test ban—are feasible. They give Canada an opportunity to use her influence and take initiatives.

Canada has the eminent responsibility of contributing to arms control and disarmament measures, and this Government is committed to setting up a system that will provide genuine collective security.

At about the same time last year, Mr. Trudeau launched his peace initiative, the goals of which were endorsed by all Canadian men and women. More recently, Mr. Speaker, the Right Hon. Brian Mulroney described the nuclear arms problem as a serious problem.

Mr. Deputy Speaker: I would ask the Hon. Minister to conclude her remarks.

Mrs. Vézina: I therefore urge all Members to support their Government, and abstain from undermining in this House our constant efforts towards peace and a reduction of tensions.

Mr. Deputy Speaker: Questions, comments. The Hon. Member for Saint-Denis.

Mr. Prud'homme: Mr. Speaker, without trying in any way to diminish the new Minister's importance, I would have hoped to see on such an important resolution the Right Hon. Prime Minister and/or the Right Hon. Secretary of State for External Affairs (Mr. Clark) in attendance. And this, I repeat, with due respect and without in any way diminishing the importance of the Minister's intervention. This I repeat with due respect, because good manners have still their place in this House.

I should like to ask the Minister whether she has had the time to examine the amendment moved by the Right Hon. Leader of the Opposition (Mr. Turner) and whether her government intends later today, first of all, to support this amendment which is obviously quite acceptable—I do not see why not, since she herself referred in her remarks on several occasions to the essential elements of this amendment. I shall begin with this simple question.

Mrs. Vézina: Mr. Speaker, I am delighted to see that elegance fits in well with the customs of this venerable chamber. I take into account your remarks and comments which I do not dare describe openly, although I certainly reserve the right to describe them for my own benefit.

Mr. Prud'homme: I do not understand.

Mrs. Vézina: Your reference to the fact that the minister responsible for the government is not the one which the House wishes to hear.

Mr. Prud'homme: I never said that.

Mrs. Vézina: As to the part—

Mr. Prud'homme: Mr. Speaker, I rise on a question of privilege.

Mr. Deputy Speaker: The Hon. Member for Saint-Denis rises on a point of order.

Mr. Prud'homme: One is either elegant or one is not. I did not look down on the minister. I only mentioned that the Right Hon. Prime Minister and the Secretary of State for External Affairs (Mr. Clark) were absent from the House. That does not reflect in any way on the importance of her statement on this very important issue. That is all I meant to say. Just the same, she would have had the opportunity to—

• (1210)

Mr. Deputy Speaker: That is not a point of order. I will therefore recognize the Minister of External Relations.

Mrs. Vézina: Mr. Speaker, to regret a situation merely means that the situation is not as one would hope—

Mr. Prud'homme: Pretty obvious!

Mrs. Vézina: Then, to come back to the question put to me—

Mr. Chrétien: Where is the Prime Minister?

Mrs. Vézina: Unfortunately, I did not examine the amendment because I was delivering my speech and referring to the position which the new government intends to take with respect to the freeze following the discussions this morning. We will consider it and, as soon as this afternoon, we will take whatever steps are needed.

[*English*]

Mr. Deputy Speaker: Questions and comments?

Ms. Copps: Mr. Speaker, I understand that the Minister was reading her speech and therefore did not have a chance to hear the amendment. Could she confer with her colleagues and tell us whether the Government would be prepared to support such a clear and concise amendment as has been put forward by the Liberal Party?

[*Translation*]

Mrs. Vézina: Mr. Speaker, it seems to me that this issue is quite important, but it is not such a vital emergency as to make it necessary for us to interrupt our proceedings in order to announce our intentions this afternoon. Let us proceed with the debate, and this very afternoon we will make our intentions known to the Hon. Member.

Mr. Rossi: I have a comment, Mr. Speaker. The Minister for External Relations (Mrs. Vézina) has admitted herself that this debate is of extreme importance. How come then that neither the Prime Minister (Mr. Mulroney), nor the Secretary of State for External Affairs (Mr. Clark), nor the Minister of National Defence (Mr. Coates) are here in this House?

Mr. Deputy Speaker: I should remind the Member that it is not our practice in this House to mention specifically the absence of any minister.

Mr. Chrétien: Mr. Speaker, the question raised by the Hon. Member relates to a basic right. As you know, Mr. Speaker, the Standing Orders of the House may prevent the government or the Opposition from raising the same issue twice in the same session. This happens to be one of the major problems now facing this country and which is of great concern to millions of Canadians, churches and all intermediate groups. The point which my colleague is trying to get across to the Minister who is acting as a stand-in today in the House, and the point we want to make is that, in such an important debate, it is unacceptable that neither the Prime Minister, nor the Secretary of State for External Affairs, nor the Minister of National Defence are here to defend the government's position. That is the important point.

Mr. Deputy Speaker: I would respectfully remind the Hon. Member that his remarks do not constitute a point of order. I believe the Hon. Member for Bourassa (Mr. Rossi) had made a comment. Would the Minister of External Relations (Mrs. Vézina) like to reply?

Mrs. Vézina: I do not really want to defend anyone. It so happens that previous engagements had been made. It happens that . . . I am acting as a representative of my government, and we are prepared to answer all your questions and give consideration to any proceedings related to today's debate. I fail to see the purpose of that interrogation.

Mr. Prud'homme: Since the Hon. Minister tells us that she is willing to reply on behalf of the Government, I would like to ask her whether she favours, supports or endorses the five points proposed by the former Prime Minister of Canada, the Right Hon. Pierre Elliot Trudeau. First, does she endorse these five major points?

Mrs. Vézina: Mr. Speaker, Hon. Members seem to be in a great hurry this morning. In my opinion, as a newly elected Member, I should be the one who has to learn the ways of debate in Parliament, but to my knowledge, any decisions to be made will be taken at the end of the day when a vote will be held if necessary. I therefore do not have to state what is the position of my government before the vote.

Mr. Deputy Speaker: Questions and comments. The Hon. Member for Hamilton East (Ms. Copps).

[*English*]

Ms. Copps: Mr. Speaker, I understood the Minister to say she was not prepared to take a position on either the amendment or the main motion. If so, then obviously the comments

by my colleagues with respect to the absence of the Prime Minister (Mr. Mulroney), the Secretary of State for External Affairs (Mr. Clark) and the Minister of National Defence (Mr. Coates) indicate that we have in their place a Minister who is not even prepared to state what the Government's position is on this question. What is the Government's position on this very important question?

[*Translation*]

Mrs. Vézina: Mr. Speaker, I simply want to tell the Hon. Member that if she had been here during the 20 minutes when I explained the position of the Government, she would now know the answer—

Mr. Deputy Speaker: The Hon. Member for Lotbinière (Mr. Tremblay) for a short question.

Mr. Tremblay (Lotbinière): Mr. Speaker—

[*English*]

Ms. Copps: Mr. Speaker, I rise on a question of privilege. The Minister will know that this is the age of telecommunications. I was here in the Chamber and I was also watching her remarks on television in the lobby. She will be aware of the fact that there are Members who watch from the lobby and I heard all the remarks she made.

Mr. Deputy Speaker: The Chair rules that this is not a question of privilege.

Ms. Copps: Yes, it is.

Mr. Deputy Speaker: It is not a question of privilege. As a result, the period for questions and comments is now over. The 10 minutes are up.

Ms. Copps: On a point of privilege, Mr. Speaker, about five minutes ago I understood the Chair to state that it was not the right or privilege of any Member to comment upon the presence or absence of any Member. It seems to me this is exactly the case in point.

Mr. Deputy Speaker: The Chair has ruled that the period for questions and comments is now over. We shall now resume debate with the Hon. Member for New Westminster-Coquitlam (Ms. Jewett).

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, it has been pointed out that the Prime Minister (Mr. Mulroney), the Minister of National Defence (Mr. Coates), and the Secretary of State for External Affairs (Mr. Clark) are not here. That underlines—

Mr. Bradley: And there are three NDP.

Ms. Jewett: —and I say that more in sorrow than in anger, the real reluctance of the Government to present to Canadians any new or fresh initiatives on the most crucial matter facing humankind.

The speech the Minister was given to read to us in the House really did not address the nuclear freeze motion that the UN will be voting on next week except in a very narrow, technical sense. I wonder if the people in the Department of External Affairs think they are dealing with an issue when they nit-pick it to death. That is not facing up to this peril that the whole planet is facing. I started taking a few notes as the Minister was reading the speech but I stopped because, again, there is no sense of urgency on the part of the Government and only a little more on the part of the Official Opposition. They sort of say: Well, we have not had a nuclear exchange or nuclear war for 40 years. Where is their historical sense? Forty years is a very short time in the flow of history. Therefore it is not enough for us to congratulate ourselves that somehow or other this 40 years has made it possible for us to avoid the nuclear peril and to continue to avoid a nuclear exchange of either minor or major proportions.

Instead of nit-picking the resolution, Mr. Speaker, why do Members of this House, all of us, not look back over the last few years and all the deadly gambits—and some of you will, I hope, have read Strobe Talbott's book called *Deadly Gambits*—and realize that the reason world public opinion demands a nuclear freeze is exactly because you have to freeze the production and deployment and testing of nuclear weapons in order to bring about reductions in nuclear weapons. As the old saying goes, you must stop the car before you put it in reverse.

● (1220)

Hon. Members in both of the other Parties do not seem to realize, although the Canadian public thoroughly realizes and understands, that the increasingly sophisticated galaxy of nuclear weaponry that is constantly coming on-stream from both superpowers, usually, in all but one case, led by the United States, is making the chance of a verifiable nuclear freeze close to impossible.

One of the reasons we so opposed Canadian complicity in the development of the Cruise missile is that its numbers and locations are almost impossible to verify. Every military strategist has told us for years that we cannot have arms reductions if the location and number of those arms cannot be verified. People seem to forget this. The whole point of the freeze, which seems to have been lost in all this nit-picking, is to prevent the development of any more unverifiable nuclear weapons by both sides. If we have more unverifiable nuclear weapons we will never have a negotiated arms reduction that is verifiable. I wish some of the Members in the House would address this extremely serious matter which they seem to have lost sight of.

I recall when we had the reference on security and disarmament in the standing committee about which several of us made a minority statement. One of the most senior strategic analysts in the country, Harriet Critchley, appeared before the committee and stated explicitly what I have just stated. She said that the Cruise missile, the testing of which by Canada had just broken in the press, was virtually undetectable and

hence unverifiable. That was not some dove saying that; it was a highly respected strategic analyst who said it. That can be found in the minutes of the Standing Committee on External Affairs and National Defence in March of 1982.

One hundred and eleven nations of the world voted for the Mexico-Sweden freeze proposal at the United Nations because of their great concern that, if the development of new generation nuclear weapons is not frozen now, we will never be able to get adequate, verifiable arms reductions in place.

The Official Opposition seem to miss this point in their amendment. I suppose the one good thing one could argue about it is that they at least say they want to have the two superpowers put a nuclear freeze on their agenda. Since the Soviet Union has already voted for a nuclear freeze, they are basically saying that they want the United States to put a nuclear freeze on their agenda. I suppose that is a step forward, but it certainly is not the kind of step which we are asking for in our motion, which is for the House now to support a nuclear freeze in order to bring about the kind of massive, verifiable reductions we all want.

One of the favorite arguments of Hon. Members in the Government and the Liberal Party is that we would be freezing imbalances in Europe. The fact is that there is a rough global balance. Some would argue that the American side is still ahead globally. When the American military people are asked whether they would exchange their nuclear hardware for that of the Soviets, they always say no. There may be imbalances in certain weapons in parts of certain theatres. However, when you are talking about nuclear weapons nowadays, it frankly does not much matter whether you have a little imbalance in one theatre as compared to another. This nit-picking has caused Members to lose sight of the fact that what we now have can destroy the planet 50 times over. There is no longer any distinction to be made on a rational basis between an intermediate range and an intercontinental range nuclear missile. These distinctions have been meaningless for several years now.

For a long time we have been calling for a merging of the talks on theatre and intercontinental or strategic weapons because the differences between them have become so artificial. Nowadays everything is either short-range, medium-range or long-range. If the Department was doing any real thinking about the problem, that would have been a meaningful thing for the Secretary of State for External Affairs to have called for. The differences between the two sides have become meaningless. The difference between a destabilizing and a less destabilizing nuclear weapon has also become meaningless. People get into this kind of military talk and feel they are being terribly informed and are throwing light on the question somehow. Frankly, it is a red herring. It is just a way of avoiding the real question which, as I say, is fundamentally the one presented in this United Nations motion in which we are asking the House to support a nuclear freeze.

Many years ago the former Prime Minister asked for a strategy of suffocation. I remember asking him in the House if a strategy of suffocation was a mutual freeze. He replied that the two are the same thing. His emphasis, of course, was on suffocating in the laboratory. The freeze would suffocate in the laboratory, on the production line, and in deployment. The first step is suffocation in the laboratory; no one has any question about that. He then pressed that strategy of suffocation. He admitted that the freeze was, in his words, the same. We found that he was not able to bring himself to support a nuclear freeze resolution or have the Government support it at the United Nations last year. I presume that it is still the position of the Liberal Party that it cannot support the strategy of suffocation, that is a freeze, after having advocated it. Of course, the present Government is simply following the advice that the Department gave the former Government.

• (1230)

We were told that the new Government would be open and would consult widely with the Canadian public. While the Minister for External Relations (Mrs. Vézina) did not reiterate this, one reason given by the Secretary of State for External Affairs for not supporting the freeze was that the Government's policy was still unfolding. It is to have a policy review next year that would be carried out by a special committee of the House or by the standing committee. This special review of policy will include hearings with Canadians in order to give them "a means of allowing Canadians a say in foreign policy formation". That was one reason given for not moving now on the freeze.

However, Canadians have wanted a say in foreign policy formation for some years now, particularly in the area of a nuclear freeze and no Cruise missile testing. We are well aware that they have been expressing their views on these matters for the last three years. I suggest it is rather phony for the Government to say that it must listen to Canadians on this particular matter. Why does it not read what Canadians have already said in this respect for the last two or three years?

I suspect that the Government's emphasis on the consultative process is merely an attempt to kid us into believing that it will take seriously what Canadians have to say. It is only continuing the kinds of policies which the previous Government had in the field of arms freeze and Cruise missile testing. I believe it is simply a delaying tactic or part of its new "civility" when the Government tells Canadians that what they say will matter. It has not mattered to the Government yet. The views of Canadians about the nuclear freeze or Cruise missile testing did not matter to the Government when it was in opposition.

I am becoming disturbed by the Government's promises to be open, democratic and consultative when it does the exact opposite with respect to matters on which Canadians have already stated their position. If this is going to be the case in all aspects of our external relations, why does the Government bother having this rather phony set of hearings? If it will not pay any more attention to what Canadians have said on the matter of Cruise missile testing and a mutual, verifiable nuclear freeze, why does it bother to have these hearings?

The Government makes many arguments to excuse not voting for the nuclear freeze. Let me point out another "picky" argument that it uses. It is that the negotiations to secure a freeze would be as lengthy as the negotiations on reductions. It says that this would hinder the negotiations on reductions.

No one has ever suggested that negotiatons on a mutually verifiable freeze would not be lengthy, but that is no reason for not proceeding with such negotiations. All those who have advocated a freeze have said that these negotiations should be followed by massive reductions. That is what this resolution says. I cannot emphasize too strongly that while negotiations must take place for both, a freeze must come first. The massive reductions come later.

I believe that until Canada follows its friends in NATO, its friends in the United Nations and the ANZUS Pact, all of whom have seen the logic and reason for voting in the United Nations for a freeze, this country will not really be facing the nuclear peril.

Mr. Andre: Mr. Speaker, while the Hon. Member for New Westminster-Coquitlam (Ms. Jewett) concentrated particularly on the Cruise missile in her remarks about nuclear weapons systems, I am sure she would agree that the same would be true of nuclear battlefield weapons such as artillery shells and mines. I believe she stated that the location and numbers cannot be verified with respect to those weapons. She has indicated that many nuclear weapons cannot be verified and I agree with her.

I think she will agree that she could amend that statement to include "without on site inspection". In other words, if both sides would permit on site inspection, we could verify all nuclear weapons. However, the Soviet Union will not permit on site inspections, which confirms her statement that the location and numbers of these weapons cannot be verified. If that is true, how can she and her Party advocate the logic of calling for a mutually verifiable freeze? How can she call for a verifiable freeze when she also stated explicitly that verification is impossible? Would she not agree that it is better to call for progress where progress is possible rather than advocating what is clearly impossible, according to her own arguments? Would we not be better off to advocate progress and strategic arms reduction, to start talks where verification is possible?

Would it not be more wise to advocate, as Mr. Trudeau and members of our Party have advocated in the past, that we try to make progress where progress is possible? A verifiable situation is idealistic and she stated accurately that verification is impossible under the current policy of the Soviet Union. Why advocate the impossible when we can perhaps achieve progress by advocating the possible?

Ms. Jewett: Mr. Speaker, I do not believe the Hon. Member was present during all of our hearings on verification. Therefore, he did not hear some of the arguments made by people such as Harriet Critchley. The difficulty is that even if all nations agreed to on site verification, it still would not be possible to make that verification. That verification would be difficult, particularly with the submarine-launched Cruise missile. Even if there was agreement, there are no technical or other means to verify the numbers and the locations. It is too easy for either side to cheat and that is my point.

As far as ground-launched missiles are concerned, which are easier to verify, we are moving toward an agreement with respect to on site verification. My point is that even if both sides agreed in principle to on site verification, according to most expert opinions I have read we would be unable to verify in practice something like the submarine-launched Cruise missile. Neither side would be able to know the numbers or locations for sure. That was my point.

Mr. Deputy Speaker: I recognize the Hon. Member for Saint-Denis (Mr. Prud'homme) for a question or comment.

Mr. Prud'homme: Mr. Speaker, it would be for a comment—

• (1240)

[*English*]

I have a comment and then a question, Mr. Speaker. There is no doubt that I regret very sincerely that the resolution of the New Democratic Party was couched in a way which extremely embarrassed many people. The New Democratic Party knew that by blaming the past administration the Official Opposition would not support an amendment like that when a good percentage of the people here, including myself, were part of the administration, and supporters of the administration in the case of back-benchers. They cannot blame themselves for what they did yesterday. My colleague has a different vocabulary; he calls it cheap politics. But I would rather say that I regret sincerely this resolution.

I know my esteemed colleague the Hon. Member for New Westminster-Coquitlam (Ms. Jewett) worked very hard in the Standing Committee of External Affairs and National Defence. She said earlier on: "On the committee of security and disarmament we put forward a minority report". I would like her to attest to the fact that she did support the report as her colleagues did. We all supported a diluted report, I admit, but she supported it because in order to be "more liberal" in our approach, for the first time we allowed a minority report to be part of the majority report. I want to be clear and I want the record to be clear, for future reference by students and readers, that the Hon. Member for New Westminster-Coquitlam did sign and accept the report on security and disarmament. The Hon. Member only added a minority view. I want to be clear even for myself.

Ms. Jewett: Mr. Speaker, taking the Hon. Member's points in reverse order, the practice is that when a majority does agree to a matter in a standing committee the whole committee is listed. It is as if it were a unanimous report: all committee members are listed. That is the practice. Therefore, I was listed along with five others. The only route we had to go was to issue a separate statement which we called a minority report.

Mr. Prud'homme: It was in addition.

Ms. Jewett: We had to issue it to show that we were not in entire agreement with the majority statement. Our motion calls upon the Government to adopt the United Nations resolution as policy—

Mr. Chrétien: Stop there.

Ms. Jewett: —thereby rejecting the position of the previous administration.

Mr. Chrétien: That has nothing to do with the resolution.

Ms. Jewett: It has. It makes it very clear that the Canadian House would be taking a position for the first time that is contrary to the position taken—because these resolutions have come to the UN every year—by both the previous Government and this Government.

Ms. Copps: You are playing politics and you know it.

Mr. Deans: That is what you do.

Ms. Jewett: Maybe it is politics, but I think it is very important for all of us in this House to make a fresh start on this issue. The best way to do it is to vote for the UN resolution that we have presented.

Mr. Deans: Why do you not move to amend it?

[*Translation*]

Mr. Deputy Speaker: The Hon. Member for Lotbinière (Mr. Tremblay) for a question or a comment.

Mr. Tremblay (Lotbinière): Mr. Speaker, I had a brief comment to make. The NDP does exactly what I said it did a while ago, namely criticizing for the sake or it. With this resolution, the NDP wants to prove once more that it is on the side of virtue. Most often, this virtue remains undefined, but when we look at something like this resolution, it becomes quite clear that the NDP motion is already outdated. In other words, far from leading the way, the New Democratic Party is lagging behind. In addition, the Official Opposition plays its official role quite well and shows itself as it really is because, while agreeing on the balanced position taken by the Government, it criticizes the form rather than the substance of this position in the absence of certain people. It does so through the subtle remarks made by Members of Parliament and former Members. This really shows the Opposition as it really is, Mr. Speaker.

Finally, if I may, I would like to tell the Minister for External Relations (Mrs. Vézina) that her balanced position could not have been better explained, expressed and defended than it was by the Hon. Minister herself, and I am quite proud of it.

[*English*]

Mr. Deputy Speaker: The period for questions and comments is now over. We shall now resume debate. The Hon. Member for Renfrew-Nipissing-Pembroke (Mr. Hopkins).

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, first with all due respect to the junior Minister, I think she is to be congratulated for being here and for doing her best under very difficult circumstances. I think it is a tragedy that the Government elected with the largest majority in Canadian history is sitting here today with the Prime Minister (Mr. Mulroney) and the Secretary of State for External Affairs (Mr. Clark) absent when we are debating a motion that affects the very lives of the people of this world. The Minister of National Defence (Mr. Coates) is away at meetings and has been away at meetings, so I do not criticize him in the same way in this regard.

I have known the Hon. Member for New Westminster-Coquitlam (Ms. Jewett) for a number of years. I have great respect for her, but I would like to say to her that no person and no political party in this world has a monopoly on all the answers. I do not think that the subject should be projected in that manner.

The Hon. Member also talked about nit-picking. Any political party or any leader in the world today who works sincerely for peace is not nit-picking. They are seriously discussing all the parameters of the issue and searching for a solution. I think it is unfair to say just because people are discussing a subject that they are nit-picking. This is far too serious for that type of language. This is a complicated and tough issue and is one that will not be settled tomorrow.

I would like to say to the Hon. Member for New Westminster-Coquitlam that if she learned more about the military community of Canada she would have a better appreciation for the work it does not only in Canada but around the world. The actions of the military have saved a great many conflicts in this world.

Mr. Blackburn (Brant): What has that got to do with the motion?

Mr. Hopkins: In the motion today the Hon. Member for New Westminster-Coquitlam said that Russia is already moving toward a freeze. Why not? The Russians have all their SS-20s in place in Europe and the NATO powers are only in the process of installing their Pershing IIs to upgrade our missiles. It is very easy when fully armed to the teeth to say: "Boy, I am all for the freeze, I am all for peace, and I want the world to know it". If a freeze came about today, the fact of life is that the free world would be in danger of being walked over right through Europe. Then we could imagine what would happen to North America.

• (1250)

This issue is a very complex one. There is no simple answer. However, there must be a solution toward which we must all work together. Einstein said something years ago which is very applicable to this motion and to the debate today. He predicted that the day would come when the human race would focus its attention on mankind rather than on arms. Virtually this is what is happening in the world today. Naturally there are different viewpoints as to how to arrive at a safe society for the

peoples of the world. Einstein was right. When the lives of every individual on the face of the earth are in danger, the eyes of the world are on humanity and on peace. They are not on armaments to the extent of looking to the future in that direction. They are on reduction of armaments which must come about verifiably and realistically.

The fact that two major world powers will come together in the New Year is most significant. Hopefully it will be successful and productive. We should do everything we can as a nation respected around the world. We should talk to the other middle powers. We have an obligation to talk to the Third World and to bring pressure to bear upon the two major powers to come to an agreement and give people in this world the right to live and to raise future generations.

Human beings as a whole have not taken arms seriously until now. Until recently they did not know that the capacity to destroy the world existed. The capacity to destroy the world not only exists but without disarmament, without verifiable controls and without political will and goodwill, it could happen.

Verification is always emphasized. It is outlined in SALT I. It had limited verification through satellite and electronic devices. SALT II also had verification in part. There are limitations to verification through satellite and electronic devices to gain a reading, but electronic and satellite devices cannot survey the factory floor. They cannot penetrate the research laboratory. Verification cannot be done by science up there alone. There must be on-ground agreements as well. Verification becomes a difficult problem when it comes to a state of perfection, but it must be the major part of any disarmament agreement. Otherwise an agreement will not be worth the paper it is written on. We have seen such agreements in past history.

We have looked back today at the founding of NATO. It is now comprised of 16 countries. We should think of the great statesmen of that day, such as Mr. Acheson, Canada's own Right Hon. Lester B. Pearson, the Right Hon. Louis St. Laurent and others. Contrary to some negative comments which we have heard even as early as this morning about NATO, I do not buy them, largely because of the NATO alliance, its success and diplomatic relations along the way. Because of these facts we are now in our fortieth year of world peace. All one has to do is study the last 40 years of history. I agree with what was said before, that 40 years is but a small piece of history. Nevertheless, it is an important piece of history for those who lived during those 40 years and for those who will follow hereafter. Thanks to NATO this has been possible.

I want to emphasize that NATO is indeed a peace organization. There is no one in the world who wants war. We want agreement and goodwill. We want good faith at the bargaining table. We want controls on the scientific armaments which are in place and can destroy the world many times over. That is our objective as mankind and womankind.

Many military people are condemned by some because they are military. Mr. Speaker, you and I have heard them. Because they are military, people think they are warlike and are there to create war. Some of our military personnel are the greatest diplomats. To a degree they are politicians because they deal with people of other nations and are defenders of peace. The Pershing II missiles were to be deployed in Europe starting in 1983. Many people called that year the year of the missile. I totally disagree because in 1977 the Soviet Union placed SS-20s on and behind the demarcation line in Europe. That is what brought about an upgrading of NATO alliance missiles and the establishment of Pershing II missiles. That is still ongoing. It is not complete. As I said before, the Soviet Union has had its SS-20s in place for a long time. If we were in that position, we would be going for a 100 per cent freeze as well.

Let us look at this matter in realistic terms. Let us look at what has happened in the western world to put us in the position we are in today. The fact is that the free world has not kept pace with conventional arms. Because we have not kept pace, as a group of allies we are virtually outnumbered three to one in heavy armoured tanks on the Warsaw Pact-Nato line in Europe. That is one of the problems. We must upgrade our conventional arms in order to lower the threshold of nuclear threat. No nation on the face of the earth has the moral, political or egotistical right to hold the rest of the world up for ransom. An outright freeze without disarmament and good faith in verification is simply the signing of another piece of paper with nothing to back it up. No nation is supreme on the face of the earth, whether it be by armaments, intelligence or whatever.

I should like to say something now which has been seldom been said on the floor of the House. As we are in the middle of this debate, I think it should be said. Einstein said that the day would come when man would have to think about mankind, not about arms. We talk about supreme nations. There is only one supreme person in the world: God is supreme. We are debating this issue today and it has been debated at the United Nations. As the two major leaders—

Mr. Deputy Speaker: I regret to interrupt the Hon. Member. He has some time left for this afternoon. It being one o'clock, I do now leave the chair until two o'clock.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

S.O. 21

STATEMENTS PURSUANT TO S.O. 21

[*English*]

HUMAN RIGHTS

POSITION OF SOVIET JEWS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, today we remind ourselves of our commitment to the fundamental principles of individual rights and freedoms for all people. Today is the third anniversary of the Universal Declaration of Human Rights. Sadly, we continue to witness violations of these high principles around the world, particularly in the Soviet Union and countries under its influence. Today is an appropriate moment to focus on the compliance with the human rights provisions of the Helsinki Agreement, adopted by 35 nations in 1975, including Canada, the United States, the Soviet Union, and countries of western and eastern Europe.

The signators pledged to respect "fundamental freedoms, including freedom of thought, conscience, religion and belief". Of vital importance are the clauses on freedom of human contacts and the rights of reunification of families.

In preparation for the Ottawa conference review on human rights next May, and on this special day, it seems appropriate to bring to the attention of this House the worsening situation of Soviet Jews who wish to emigrate to rejoin their families, or to be allowed the right to maintain their religious identity in their homeland. It is important that our Canadian representatives impress upon the Soviet Union the urgent situation and the need to curtail the proliferation of official anti-semetic material. Jews are being harassed, not for what they do but who they are. December is the month of world-wide solidarity for Soviet Jewry. They need our Canadian support, our voice.

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

* * *

HUMAN RIGHTS

PLIGHT OF HEBREW TEACHERS IN U.S.S.R.

Mr. Fred King (Okanagan-Similkameen): Mr. Speaker, I too bring to the attention of the House and the nation that today is one of significance to people of the world who acknowledge and value the rights of all individuals who collectively make up the human race. In this context, I make a statement on behalf of persecuted Hebrew teachers in the U.S.S.R.

December 10 is the anniversary of the signing of the international Declaration of Human Rights to which the Soviet Union is a signatory. On this human rights day, nine Soviet Jews stand accused of the crime of teaching Hebrew. This basic human right to transmit one's own language and culture is denied only to Soviet citizens of Jewish nationality.

Concerned Canadians across the country fast today in solidarity with hundreds of Soviet Jews who are now protesting with rotating hunger strikes, a courageous response to the Soviet authorities' latest campaign to destroy Jewish culture.

* * *

PROVINCIAL AFFAIRS

ECONOMIC CONDITIONS IN SASKATCHEWAN

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, the other day the Minister of Industry (Mr. Stevens) unveiled a new program called Investment Canada. He said this country would now be open for business. I want to give him some words of advice this afternoon. I hope he does not model this after Saskatchewan. Grant Devine, the Conservative Premier of our province, has a plan which he calls "Open for Business" as well.

What has happened in two and a half years has been a disaster for the people of our province. Unemployment has doubled in two and a half years, and the number of people on welfare has skyrocketed. Between April, 1982, and September, 1984, the number of people who are on welfare because they cannot find work in our province has gone up by some 73 per cent. The total case load of everybody on welfare has gone up by 22 per cent; 29 per cent in Regina, 33 per cent in Saskatoon, and 40 per cent in the city of Yorkton. Housing starts last year were down by 46 per cent. In agriculture, farm bankruptcies are up and farm income is down. In my province it is not open for business but closed for business because of this new program under the Conservative Government.

* * *

INVESTMENT CANADA

NEW AGENCY WELCOMED

Mr. Barry Turner (Ottawa-Carleton): Mr. Speaker, we have heard recent cries from opposition benches since forming the Government about jobs, jobs, jobs. As the reins of power are being handled with more and more gentle control, many young Canadians are wondering whether a new job creating confidence is evolving.

The pool of investment capital in our country is not deep enough to allow federal, provincial and municipal public sector appetites as well as private sector institutions, to swim successfully in it together. There will be no howls from Canadians who get back to a productive, meaningful life as fulltime workers when German, Japanese, British, Italian, French, American, Dutch and many, many more companies again feel that Canada is going to become a fitter place for investment.

There will be howls, with the very positive signal by the Minister of Regional Industrial Expansion (Mr. Stevens) and the introduction of Bill C-15, the Investment Canada Act last Friday, that we are selling our souls to foreigners. One single word is what the unemployed youth of this nation have to bank

on, one single word that will take the burden off the public sector to be the great provider in a country that was built on the spirit of entrepreneurism. That word is investment. I say, let it come.

* * *

EMPLOYMENT

IMPORTANCE OF SUMMER PROGRAM FOR STUDENTS

Mr. Sergio Marchi (York West): Mr. Speaker, the cries of outrage over the cancellation of the Summer Works Program continue in full force. I recently received a letter from the chairman of the Public Library Board in my city of North York which I believe reflects the level of indignation felt over the regressive cut.

Last year alone the Board sponsored seven summer projects across North York, hiring approximately 40 students in the process; 40 students who had a job to help them pay their next year's school tuition fees, 40 students who acquired on-the-job training and experience, 40 students who received an opportunity to understand better and acquaint themselves with their communities and their neighbours, 40 students who provided a valuable public service to the community.

In my younger days I too participated in several Summer Canada projects. It is more than just a job. It is an extremely valuable life experience and an education. As a result of this government cut, what will the Government tell students in North York this coming summer? What will it tell the parents and the community organizations expecting assistance through this program?

The Government would be wise to reactivate the Summer Works Program quickly. In addition, I issue a challenge to those Members on the Government side who represent ridings in North York to show the calibre of representation and leadership they promised their constituents, apply collective pressure and less cheer-leading in an attempt to right a serious wrong. I look forward with much eagerness—

Mr. Speaker: Order please. The Hon. Member's time has expired.

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PUBLIC SERVICE

MANAGERIAL AND ADMINISTRATIVE GROWTH—TRIMMING ADVOCATED

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, it is a part of human nature that, rather than countenance adversity ourselves, wherever possible we try to pass it on to someone else. Therefore, when a deputy minister is instructed to reduce staff or expenses, it is not his own staff or expenditures that are reduced. He passes the message on to the assistant deputy ministers, who in turn pass it on to the regional directors or the director general, and so on, all down the line. The cuts tend to take place at the lowest level which, unfortunately, is the level of service to the public. It is the hospital ward orderly or the grader operator who ends up getting fired, and the patient and the motorist who suffer.

This is the wrong way to go about things. The Deputy Prime Minister (Mr. Nielsen), in whom we all can have confidence to wield the pruning knife deftly and deeply, ought to bring his dexterity to bear on the managerial and administrative side of government where there is a luxuriant growth which would not suffer from a thorough trimming. The objective of the exercise has to be to make government Departments more efficient and effective by reducing the bureaucratic elements, while delivering a high standard of service to the public.

Some Hon. Members: Hear, hear!

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ENVIRONMENTAL AFFAIRS

IMPACT OF BUDGETARY CUT-BACKS

Mr. Jim Fulton (Skeena): Mr. Speaker, the people of Canada were deceived on September 4 by a group of perhaps well-meaning but obviously equally deceived Conservatives running for Parliament. Where on the public record were Conservatives espousing the values of firing wildlife biologists, dismissing the only wildlife pathologist in the country, closing off Canada's first center of toxicology, shutting down the herring gull egg project, smashing the project to monitor the effects of forestry pesticides on songbirds and migratory birds in New Brunswick?

From coast to coast there were no such statements. In fact we are forcefully reminded by the press that many members of the new Tory Cabinet, for example the Member for Hillsborough (Mr. McMillan), in opposition condemned the Liberals for neglecting Arctic research and cutting funds for the Arctic biological station at Ste. Anne de Bellevue. The same Tory now says that cutting deficits is a higher principle.

Each and every cut in the environment sector is designed as a signal to the corporate sector that the extreme hardline right wing of the Tory Party is in control. Let the Canadian voters beware. The Union Carbide crowd in the corporate sector are the determining factor for environmental decisions under the Mulroney administration. We can expect more endangered species, greater public health risks, fewer regulations on industrial activities that use the environment as their dump. Canada is on the road now somewhere between the Love Canal and Time Beach. We have the Canadian equivalent of Anne Gorsuch as Environment Minister.

S.O. 21

• (1410)

CITIZENSHIP

SPIRIT OF UNITY AND RESPECT

Mr. Gordon Taylor (Bow River): Mr. Speaker, the peoples of Canada come from every country in the world. Joining the Indians, the Eskimos, and the Inuit were the early settlers from England, France, Belgium, Italy, Yugoslavia, Spain; indeed, from all countries of Europe; from China, India, Japan and all parts of Asia; from Central and South America, and Africa; from Iceland, Greenland, and the Philippines; from the U.S.A., and Israel, Lebanon and the Arab States. They all held their heads high as the Citizenship Judge said: "Now you are a Canadian".

They came, many with only the clothes on their backs, for many reasons, including the right to worship as their heart dictated, the freedom to build a home on land that they owned, and in the minds of all of them was the desire to build a heritage for their children. They brought with them the art and literature, the dances and expertise developed over the centuries in their homelands, which they gave freely to their adopted country. They all wanted to contribute in the building of a great young nation that had "freedom" as its watchword.

The PC Party of Canada recognizes the sanctity of every Canadian of whatever creed or colour. It is building a nation that respects the differences of others. From east to west and from north to south it is bringing harmony in diversity. A new spirit is spreading across our land, a spirit of unity and respect recognizing the rights, dreams and ambitions of others. Under the PC Government a strong, united, happy and buoyant Canada will reach its greatest potential.

Viva the PC Party! Viva Canada!

Some Hon. Members: Hear, hear!

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EXTERNAL AID

ETHIOPIA—SAINT-LÉONARD SCHOOLCHILDREN'S DONATION TO FIGHT FAMINE

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, on December 7 I had the honour of receiving from the students of Pierre de Coubertin School in Saint-Léonard a cheque for $547 for the starving in Ethiopia.

Accompanying the cheque was a letter from Patrizia Gagliardi, a grade six student. I would like to read to the House two passages from this letter. It reads:

> We thought that since we have everything, including a beautiful home in a first world country, we should help the needy people in the drought stricken country of Ethiopia. I personally can't imagine not having anything but a rag to cover myself and few days of life. I am sure I'm speaking for all my classmates.

The letter continues:

> God gave us that beautiful thing called love and it should be shared and spread throughout the world. We felt that it was our duty as Canadians, Christians, and as human beings to save someone's life.

The students of Pierre de Coubertin School raised $547, with the expectation that the Canadian Government would match that amount. We should be proud of our children, who by their thoughts and deeds express the joy of being Canadian, always ready to love and help.

I am touched by the kindness of these students, and I stand here today to thank them.

Some Hon. Members: Hear, hear!

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AGRICULTURE

NATIONAL FARMERS UNION—MINISTER'S ABSENCE FROM CONVENTION

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, members of the National Farmers Union felt that the cavalier attitude of the federal Minister of Agriculture (Mr. Wise) amounted to an insult to farmers across Canada.

The Minister failed to reply to letters inviting him to address the fifteenth annual convention of the NFU in Charlottetown, despite repeated efforts by the Union to get some sort of response. When the federal Minister of Agriculture failed to appear at the convention, a resolution was passed unanimously expressing the delegates' indignation and concern.

The resolution stated "that this convention go on record expressing its concern and indignation over the casual attitude of indifference and lack of communication" shown by the Minister in not responding to the invitation. It is the first time in 15 years that a federal Minister of Agriculture has not addressed the Farmers Union convention.

The resolution further noted that the serious problems confronting the family farms across the country, and the Minister's "indifference and casual attitude", do not bode well for the survival of Canadian food producers.

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FOREIGN INVESTMENT REVIEW AGENCY

CRITICISM OF GOVERNMENT ACTION

Mr. John V. Nunziata (York South-Weston): Mr. Speaker, after years of slowly and methodically regaining control over our economy, the Tories are poised to halt and probably reverse the *maître chez nous* process through the creation of Investment Canada. The Tories should have named it "Sell-out Canada".

The lack of concern among Tories for Canadian independence and Canadian sovereignty, whether political or economic, should not come as a surprise. The Tories have never been able to shake the "master-slave" mode of thinking. In the early years of this century the Tories were determined to keep us bound to Britain. Arthur Meighen said: "Ready, aye ready," to Lloyd George during the Chanak crisis. Now we have

"branch-plant Brian" saying: "Ready, aye ready", to Ronnie Reagan and the captains of U.S. industry.

It is hardly a coincidence that the Government should make the announcement of FIRA's demise on the eve of the Prime Minister's "cap-in-hand" speech to the Economic Club of New York. I am sure he will make the corporate boys at the Iron Ore Company misty-eyed with pride.

On the whole, FIRA was good legislation. It had the effect it was intended to have. With the exception of the recession years, foreign investment in Canada increased annually from 1974 on. But, the investment was responsive to Canadian needs. In every major sector of the economy there was a reduction in the amount of foreign ownership. One need only consult the figures for foreign control of Canadian industry from 1971 to 1981. Mining went from—

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

ORAL QUESTION PERIOD

[*English*]

PEACE

GOVERNMENT POLICY

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I would like to direct my question to the Deputy Prime Minister in the absence of the Prime Minister and of the Secretary of State for External Affairs. During the election campaign, as well as during the debates last year about the peace mission of the then Prime Minister, Mr. Trudeau, both the Prime Minister and the Secretary of State for External Affairs said that they welcomed that initiative, and that they would support any initiative of that nature.

Is it still the policy of the Government to maintain that same type of policy, to try to initiate on our own, as Canadians, some peace policies around the world? Or are we to take for granted the statement in *The Toronto Star* of the Secretary of State for External Affairs, who said that the peace mission was no longer valid for the Prime Minister of Canada?

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, the views of the Prime Minister and of this Party were fully expressed during the debate which occurred immediately prior to the rising of the House last June, when we had, before the House, the debate on the Bill to establish the Canadian Institute for International Peace. Indeed—

Mr. Chrétien: And Security.

Mr. Nielsen: —and Security. Indeed, the Prime Minister has said since that time that those initiatives will not only be followed but will be increased.

STATEMENT ATTRIBUTED TO MINISTER

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, do I understand from the Deputy Prime Minister that the statement reported over the weekend, that the peace initiative was not valid because Canada was taking a course of its own and that in the future the policies of the administration would be to do exactly as the Americans would do, was apparently made by the Secretary of State for External Affairs as quoted in *The Toronto Star* on Sunday?

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am sure it is not deliberate on the Hon. Member's part to distort the Prime Minister's position on this matter. I have not had the advantage of reading what the Secretary of State for External Affairs has said, but certainly I know it to be the intention of the Prime Minister and of his Government to work very closely with countries throughout the world in an effort to bring about that peace which is so highly desired by all of us in Canada, and, indeed, all of us throughout the world.

[*Translation*]

INQUIRY WHETHER CANADA WAS CONSULTED

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I have a supplementary for the Deputy Prime Minister. Could he inform the House why, in an interview given by the U.S. Secretary of state on the weekend, Mr. Shultz stated that he was consulting the allies of the United States before meeting with Mr. Gromyko and failed to indicate that Canada had been consulted? Has Canada been consulted? If not, does the Deputy Prime Minister intend to take the necessary steps to ensure that Canada's voice is heard by the United States before it meets with Mr. Gromyko?

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am sure that the Prime Minister will seek every appropriate occasion to generate vigorous discussions, not only with the United States but with the leaders of other countries in the world, to pursue the objective which we all commonly hold in the search for peace.

* * *

NUCLEAR ARMAMENTS

DEPLOYMENT OF CRUISE MISSILES

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I would like to address my question along the same line, and as the Minister of Defence is in his seat perhaps he is the most appropriate person to answer.

On November 30 I raised a question in the House concerning the serious threat to the whole North American defence system occasioned by the major deployment by the Soviets of Cruise missiles on submarines and bomber aircraft. The Secre-

tary of State for External Affairs said he would consider raising that matter with the Soviets and the Americans as part of the agenda at the Geneva arms talks. That has now been rejected. If the Government has rejected that approach to try to provide a ban on the deployment, what is the answer, and what is the position of the Government in relation to that major new threat in the whole area of arms escalation?

• (1420)

Hon. Robert C. Coates (Minister of National Defence): Mr. Speaker, I would think that the real answer to the Hon. Member's question is the reduction of nuclear armaments in the world. I believe that is what the Secretary of State of the United States, and the Foreign Minister of the U.S.S.R. are going to be meeting about in January, and I believe that is what the Foreign Ministers at the NATO meeting are going to be discussing this week.

CANADIAN REPRESENTATIONS

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I could not agree more with the Hon. Minister. However, if that is the case, why is the Government refusing or rejecting any representations to either of the superpowers in order to make that case, and to express on behalf of the Canadian people our concern about that threat and that we would like them to put the question of banning the deployment of Cruise missiles on the agenda for the Geneva talks? Why, Sir, is the Minister not making that representation on behalf of Parliament and of the Canadian people?

Hon. Robert C. Coates (Minister of National Defence): Mr. Speaker, we are making every representation possible for the reduction of nuclear armaments in the world. I would ask the Hon. Member if he would give the Secretary of State for External Affairs some support—

Mr. Axworthy: I did.

Mr. Coates: —rather than putting obstacles—

Mr. Axworthy: He rejected it.

Mr. Coates: —in the way of his achievements in that direction.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

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[*Translation*]

FOREIGN INVESTMENTS

DISCUSSIONS WITH UNITED STATES

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is directed to the Minister of Finance.

On his trip to the United States, why did the Minister discuss with Americans the changes the Government intends to make in the Foreign Investment Review Act?

[*English*]

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am not quite sure that I understand the thrust of the question put by the Hon. Member. We discussed in very general terms the whole question of foreign investment policy, industrial policy, and the approach we were going to be taking on deficit management. A wide range of things was discussed. I am not sure that I understand what the Hon. Member is driving at. However, the purpose of these meetings is to have a broad understanding of the policy direction between the two countries.

* * *

FOREIGN INVESTMENT REVIEW AGENCY

INQUIRY WHETHER DETAIL OF CHANGES DISCUSSED

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, let me be a little clearer. We are talking here about major changes which have taken place, which were tabled in this House last Friday, with respect to foreign investments. Reports after that presentation indicated that the Minister had discussed—

Some Hon. Members: Question.

Mr. Langdon: Would the Minister please confirm that the details of some of those changes had been discussed with the American authorities on his visit to the United States before that Bill was tabled?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the answer is no to that question. I did not discuss the details. I discussed the general direction in which this Government is going regarding the whole policy on foreign investment, but not the details.

EFFECT OF CHANGES

Mr. Steven W. Langdon (Essex-Windsor): Would the Minister tell us whether in the course of those general discussions he managed to receive any assurances from the United States that, in fact, such changes in law as you were talking about in Cabinet at that stage would lead to any new jobs or new investment here in this country?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member has to understand that neither the Government of Canada nor the Government of the United States orders the private sector to invest or not invest. Those are decisions which are taken by the private sector in response to the general policy environment. What we are trying to do, and what the Americans encouraged us to do, is to improve the environment for private sector investment, because that is the way we can create permanent jobs. The only way we are going

to solve the unemployment problem in this country is through private sector job creation.

* * *

ENVIRONMENTAL AFFAIRS

MANUFACTURE AND STORAGE OF LETHAL GASES

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Minister of the Environement. I would like to ask the Minister, one week after the Bhopal tragedy, whether she can assure this House, and all Canadians, that there is no manufacture or storage of lethal gases, including methyl isocyanate, in this country? If she cannot give us that assurance, would the Minister be prepared to produce a map indicating the locations, for the benefit of both municipal and provincial Governments?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, to answer my hon. colleague's question, I would like to point out I already said that the substance responsible for the tragedy in Bhopal is not manufactured in Canada. We do, of course, manufacture thousands of hazardous products.

[*English*]

REQUEST THAT MINISTER MEET PROVINCIAL COUNTERPARTS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I do not know whether the Hon. Minister has answered my question in full. However, in view of the importance of this issue, and the importance of preventive measures for the protection of Canadians at large, would the Minister be willing, before her departure for Europe, to meet with her provincial counterparts and discuss a long list of preventive measures which can only be implemented by the municipal and provincial Governments together?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I do not intend to meet my provincial counterparts to discuss this matter before I leave for Europe. However, I repeat that I have asked my senior officials to meet with their counterparts in the provincial governments and industry. They are experts in this field and I have asked them to reassess the series of emergency measures we have designed to cope with crisis situations, and I have every confidence in their judgment.

[*English*]

FOREIGN INVESTMENT REVIEW AGENCY

RECORD OF FOREIGN OWNED COMPANIES

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. Is the Minister aware that Canada has more foreign ownership and control per capita than any other industrialized nation in the world? Does he know that of the top 50 companies in Canada, the greatest number of lost jobs over the past two years was due to U.S. owned companies? Does the Minister also know that in the year 1983 Canada had a deficit of $9.4 billion in interest and dividend payments primarily due to the United States?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in answer to the Hon. Member's question, I would remind him that in much of the period back to 1976 we had our experience and experimentation with FIRA. There has been a net outflow of direct investment in this country, and tens of thousands of Canadians are now jobless today, thanks to that experiment.

AGENCY ELIMINATION—EFFECT ON INVESTMENT

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, would the Minister care to explain how eliminating FIRA will in any way influence investment in Canada by Canadian companies, which do not have to go through FIRA, if they already exist here, in order to decide whether to invest or not?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, again in answer to the Hon. Member for Hamilton Mountain, I would remind him that reinvestment of retained earnings by non-Canadian companies in Canada is one of the more positive factors in our country's investment program at the present time. However, we in this Party believe that the over-all amount which is invested in new plant and machinery must go up dramatically if we are to get Canadians back to work.

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ENVIRONMENTAL AFFAIRS

CANADIAN WILDLIFE SERVICE—REQUEST FOR RE-EXAMINATION OF BUDGETARY CUT-BACKS

Mr. George Baker (Gander-Twillingate): Mr. Speaker, my question is directed to the Minister of the Environment. It is staggering for the future of our country that people who are researching the continued existence of indigenous animals in our environment, in co-operative research with the United States and the provinces, are being laid off. Will the Minister re-examine these cuts which have decimated the Canadian Wildlife Service?

● (1430)

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I have explained many times—I think we have a serious communications problem in this House, because my hon. colleagues opposite do not seem to understand what I am saying—I have explained many times that we are continuing to shoulder our responsibilities under our federal mandate which concerns threatened species and migratory birds, and that we are withdrawing from areas under provincial jurisdiction which concern other animals.

[*English*]

TERMINATED POSITIONS—REQUEST THAT MINISTER TABLE JOB DESCRIPTIONS

Mr. George Baker (Gander-Twillingate): Mr. Speaker, there is a problem of communication because this is rampant and flagrant irresponsibility on the part of the Government. Will the Minister table the 84 job descriptions of positions which have been terminated in the Canadian Wildlife Service, so the people of Canada can really see what the Government thinks of the environment?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, since we have decided to make budgetary cutbacks as a result of the incredible deficit we inherited from the previous government, I do not intend to bring back to the Department the 84 positions mentioned by my hon. friend.

* * *

[*English*]

RESEARCH AND DEVELOPMENT

PRACTICE OF FOREIGN OWNED COMPANIES

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is for the Minister of Science and Technology. In view of the fact that many foreign companies when they came into Canada had much of their research and development done by their parent companies, can the Minister tell the House what he proposes to do to stop this practice or control it in the future?

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, of course the new Government intends to make it more attractive for those companies to do research and development in Canada, through a variety of incentives which will become evident to this House in the coming months, including the more active use of world product mandates than has been the case in the past.

FREE ECONOMIC ZONES PROPOSAL

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I would ask the Minister how far the Government is prepared to go to attract foreign investment? Do those incentives include what the British Columbia Social Credit Government proposed, that is, free economic zones which apparently will take away trade union rights, cut back on wages and benefits to employees, and so on? Is the Minister prepared to rule that out? Will he not go that far?

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, I assume that the NDP is prepared to rule out the concept of free economic zones. We have not yet ruled out that possibility.

* * *

FARM CREDIT CORPORATION

MORATORIUM ON FARM FORECLOSURES

Mr. Maurice Foster (Algoma): Mr. Speaker, my question is for the Minister of Agriculture. I want to welcome him back after his being away from the House for two weeks. My question concerns the farm debt crisis which is facing many agricultural producers today. Over a month ago the Minister instituted a moratorium on Farm Credit Corporation foreclosures, but he has really taken no action to relieve the problem during this last month. Is the Minister preparing to bring in legislation before the Christmas recess, because the moratorium ends on January 15? If he does not, it is going to be seen as a cynical move to avoid farm bankruptcies during the Christmas recess.

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I take some satisfaction in the fact that the Hon. Member knew I was absent. The Hon. Member's allegation that nothing has been done with respect to the suspension of farm foreclosures by the FCC after January 15 is false. Since that time I have made an announcement concerning the utilization of the FCC appeal boards across the country. If FCC clients wish, they can appeal their cases to the appeal boards.

As well, in keeping with a campaign commitment, we are going forward with a pilot project involving the FCC, the Ontario Ministry of Agriculture, farmers, farm organizations and, indeed, traditional lending agencies. In addition to that, I made an announcement—

Mr. Speaker: With great respect to the Minister. Thank you.

PROPOSED UNITED STATES PROGRAM

Mr. Maurice Foster (Algoma): Mr. Speaker, over two months ago the Government of the United States instituted a set-aside-program to help active and productive producers get through the debt crisis. Are this Minister and this Government willing to institute a similar program for Canadian agricultural producers?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, my information is that the legislation to which the Hon.

Member refers is not yet law. However, as I attempted to indicate in my response to the Hon. Member's first question, I made an announcement concerning lowering of FCC interest rates.

* * *

SHIPBUILDING

ASSISTANCE PROGRAM TERMINATION DATE

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my question is for the Minister of Industry and pertains to the expiration of the Shipbuilding Industry Assistance Program, which is to come about on June 30, 1985. During the election the Conservatives promised the shipbuilding industry would receive top priority from their Government. Is the Minister prepared to co-operate with the Shipbuilding and Ship Repair Association and major shipbuilders by extending that program for at least two years through to June 30, 1987?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, this matter is under review. I assure the Hon. Member that we are giving it a top priority. In fact my officials and myself have met with representatives of the shipbuilding industry, and I can assure the Hon. Member that we will continue to give it a priority with a view to working out a long-term satisfactory arrangement for the shipbuilders of this country.

EFFECT ON VESSEL CONSTRUCTION

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, the Minister is of course aware that this industry is going through the worst recession since World War II, with an enormous loss of employment. There is currently a builder operating in the—

Mr. Speaker: With great respect.

Mr. Skelly: Is the Minister aware that a vessel to be built in Vancouver if the SIAP Program is continued will be built in Korea if he does not make an announcement very soon on this matter?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I am aware of the vessel to which the Hon. Member refers. That has, of course, been reviewed during some of the discussions we have had with the industry.

* * *

EXTERNAL AID

CHARITABLE DONATION FOR MISSIONARIES IN ETHIOPIA

Mr. Ken James (Sarnia-Lambton): Mr. Speaker, my question is directed to the Minister acting for the Secretary of State for External Affairs. I would like to bring to his attention the fact that late last month arrangements were made for a donation amounting to $82,000, from Mr. Juthani of Sarnia, Ontario, to be given to the Missionaries of Charity headed by Mother Theresa in Addis Ababa. The money is currently in a trust fund in Addis Ababa and the arrangements were for the Canadian ambassador to make the donation at the embassy. My question is—leaving some out—could the Minister tell me the status of this donation? If it has not yet been given to Mother Theresa, when will the arrangements be made by the ambassador?

Hon. Jim Kelleher (Acting Secretary of State for External Affairs): Mr. Speaker, I am aware of the Hon. Member's concern emanating from his constituency. I am advised that the Department is presently endeavouring to get the money to Mother Theresa, and is doing all it can to expedite the transfer of this money.

* * *

[*Translation*]

THE CENSUS

USEFULNESS OF DETAILED DATA ON ETHNIC COMPOSITION OF POPULATION

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have a question for the Minister of Supply and Services.

In his answer of December 6, 1984, the Minister stated that he had administrative records through which he could gather the data necessary to satisfy government requirements. Since questions 7 and 27 of the 1986 census for the first time concern natives and disability, can the Minister indicate precisely where the administrative records he referred to originated from, as far as natives and disability are concerned?

[*English*]

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, I believe I indicated that Statistics Canada has a wide variety of data gathering methods. The census is one, and that will be held at least every ten years for sure. There are statistical surveys, administrative data, and a whole host of other means by which Statistics Canada can gather the necessary information. I want to assure the Hon. Member that Statistics Canada will provide the necessary data so that these important policy questions can be addressed, based on the most accurate data possible regarding the question the Hon. Member raised.

● (1440)

REQUEST THAT 1986 CENSUS BE REINSTATED

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, in the past the Minister promised that the cancellation of the census would be reviewed. In view of the fact that a number of Statistics Canada employees assigned to the census will be transferred January 1, only a few days away, why does the Minister not now admit that the cancellation of the census was a mistake? Why can't he and the Minister of Finance immediately withdraw, and reinstate the 1986 census?

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, the Hon. Member, on the one hand, seemed to welcome the suggestion that there was going to be a review. He now suggests that we should not review it but should make a unilateral decision. He should make up his mind.

* * *

FORESTRY

REFORESTATION NEEDED IN BRITISH COLUMBIA

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is for the Minister of State for Forestry. I am sure he is aware that there are over one million hectares of unsatisfactorily restocked lands in British Columbia, and that a proper program of reforestation would create 200,000 person years of employment. Will the Minister confirm that if the NSR lands are left untouched there will be a loss of at least 62,000 forest related jobs in British Columbia over the next three to four years?

Hon. Gerald S. Merrithew (Minister of State (Forestry)): Mr. Speaker, after having visited the area I am certainly aware of the concern of the people in the forestry industry regarding NSR lands in B.C. I do hope that the Government will be able to deal with this issue through the signing of a federal-provincial forest agreement very shortly.

Mr. Fulton: Mr. Speaker, I am sure the Minister is aware that if he proceeds and signs the $30 million per year Canada-B.C. reforestation agreement which he seems intent on signing, no NSR lands will be replanted in British Columbia, none of the backlog will be dealt with, and at least 62,000 British Columbians can kiss their jobs goodbye as a result of the Minister signing that inappropriate agreement.

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[*Translation*]

CANADIAN BROADCASTING CORPORATION

REQUEST FOR INFORMATION ON RUMOURED LAY-OFFS

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, my question was for the Minister of Communications, but since he is not in this House, I hope there will be someone on the government side to answer. It concerns reports that some 900 people might be laid off by the CBC as a result of the drastic cuts announced by the Minister of Finance. Since thousands of Canadians are concerned about losing their jobs, I would ask the Government, if not to give us details of the number of people who will be laid off, at least to tell us if indeed there will be 900 layoffs as rumoured.

[*English*]

Hon. Thomas Siddon (Acting Minister of Communications): Mr. Speaker, as the Minister of Communications has indicated previously in the House, it will be appropriate for the Hon. Member to wait patiently for a few more days. The matter is still subject to consultation. In fact the President of the CBC is to make a recommendation to the Board of Governors shortly. When that recommendation is received, I am sure the Minister will be acting.

[*Translation*]

Mr. Guilbault (Saint-Jacques): Mr. Speaker, does that answer mean that there will be a larger number of layoffs? Indeed, why did the Minister announce last Friday a new policy to make retirement easier by encouraging early retirement? Does this not mean there will be a massive layoff?

[*English*]

Mr. Siddon: Mr. Speaker, I must repeat that the Hon. Member should await the announcement of the Minister as to the areas in the CBC where these savings will be achieved.

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[*Translation*]

GOVERNMENT EXPENDITURES

SCRUTINY BY AUDITOR GENERAL

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Deputy Prime Minister. During the past two years, the Auditor General's scrutiny of Government expenditures was often made almost impossible because of essential and factual documents that were considered confidential Cabinet documents. In view of the open policy announced by his Party during the election campaign, could the Deputy Prime Minister give the House the assurance that the Government will remove such obstacles in future?

[*English*]

Mr. Broadbent: Just say yes, Erik.

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I cannot possibly say yes because the hon. gentleman has smuggled premises into his question which are quite false. There are no obstacles now to the Auditor General pursuing the fulfillment of his statutory duties under the Act which enables him to do so. Indeed, the Prime Minister has said repeatedly that we are prepared to go well beyond that. May I ask the hon. gentleman how much more open we might be than to suggest that Mr. Hopper appear before the Public Accounts Committee? How much more open can we be than to suggest that the chairman consult with her colleagues on that committee with a view to permitting Mr. Dye to ask any questions that he pleases of Mr. Hopper, with respect to that transaction?

AUDITOR GENERAL

PETRO-CANADA PURCHASE OF PETROFINA—EXAMINATION OF DOCUMENTS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, can the Deputy Prime Minister please indicate to the House how he expects, in a one and one-half hour committee session, that the Auditor General can investigate a $1.7 billion take-over? Why should the Auditor General not be able to have the specific documents to work from, rather than being shut into a committee session to ask a few questions?

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, as we have heard the Minister of Energy, Mines and Resources reassure the House, the Auditor General has received all of the documents that it is possible for the Department to give to him in order for Mr. Dye to accomplish his audit. If Mr. Dye has any other specific requirements, I am unaware that he has made requests for any such specific documents.

Mr. Cassidy: He is going to court to get them.

Mr. Nielsen: I have read the pleadings in that court case. The specifics which Mr. Dye has gone to court for are a full range of Privy Council documents. As far as the Petrofina-Petro-Canada audit is concerned, he has had everything the Government can possibly supply him through the appropriate Department of Energy, Mines and Resources.

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NATIONAL REVENUE

VERIFICATION OF RESEARCH AND DEVELOPMENT INVESTMENTS

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, my question is for the Minister of National Revenue. I will let him get back to his seat.

Mr. Turner (Vancouver Quadra): Did you rehearse it, Perrin?

Mr. Blenkarn: The Minister indicated publicly that the Government was out $1.5 billion by virtue of R and D investment credits. That would indicate about $3 billion worth of R and D investment which would not normally have taken place. What effort is the Minister making to ensure that that R and D investment actually takes place? Is he actually going to be going after people who improperly use that investment credit? What action is he taking on that matter?

Hon. Perrin Beatty (Minister of National Revenue): Mr. Speaker, if I had known that was the question, I would have spoken to the Hon. Member when I was down at that end.

The Government does indeed have a concern with regard to R and D tax flips. An enormous volume of them have gone through. The Government is looking at them to ensure that any which are claimed are legitimate, and that people are not abusing the system. In any case where we find that fraud exists we obviously take the appropriate action.

* * *

THE CONSTITUTION

UNILINGUAL QUEBEC TRAFFIC TICKET—GOVERNMENT FACTUM

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question would have been for the Secretary of State. In his absence I will address it to the Minister of Justice, that very relaxed, carefree, and careless Minister who does not read the factums that are before the court in his name. Has he read the factum in the case of the appellant, MacDonald, with regard to the right of English-speaking Canadians to have documents of the courts served on them in English in Quebec? My first question is whether he has read the document.

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the hon. gentleman has read the document, but he still knows nothing about it.

Mr. Gauthier: Mr. Speaker, that is what I meant by a slip-shod Minister. He does not even know how to answer a question.

REQUEST FOR WITHDRAWAL

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, by his own admission the Minister has not read the document. Will he at least withdraw it? That is arrogance that the Minister just displayed.

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, the hon. gentleman is only frustrating himself in his attempts to make a mountain out of a legal mole-hill. The hon. mole is not being very successful.

• (1450)

The intervention in the MacDonald case to which the hon. gentleman keeps referring was decided upon back in 1983. I have made myself familiar with the factum and the legal position the Government is taking. The legal opinion of the Department of Justice in this matter has not changed in the last five to six years. It is the same position that we advanced in the Bilodeau case in Manitoba that was accepted by the Court of Appeal for Manitoba, and it is the same in the particular case be is talking about.

As a matter of policy, I believe that tickets should be issued in both languages in Montreal but, as a matter of law, according to Section 133 of the Constitution, it is our opinion that they are not required to be in both languages, but just in one of the official languages. There is a difference between what the law is and what the law should be.

Oral Questions

AIR SAFETY

MAINTENANCE OF ONTARIO GOVERNMENT AIRCRAFT

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, my question is directed to the Minister of Transport. Given the recent scathing report of the regional Director of Aviation Regulations for Transport Canada which pointed to serious deficiencies in airworthiness, maintenance, and inspections of the Ontario Ministry of Natural Resources air fleet, what plans does the Minister have to ensure that the Ontario Government will maintain its aircraft in proper and safe working order and that the province's restraint program will not jeopardize air safety?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, that matter is being investigated by Transport Canada officials. Of course the Ontario Government, as everyone else, will be called upon to conform to the air regulations and standards.

STATEMENT ATTRIBUTED TO PROVINCIAL MINISTER

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, does the Minister agree with his Conservative colleague, the Ontario Minister of Natural Resources, who said, in responding to questions about this matter: "The Department of Transport should be doing more with its time than trying to cross-analyse another government agency". Will this have any bearing on the Minister's action?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I repeat that the matter is being investigated by Transport Canada officials. I will report on the outcome when it is completed.

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CANADA PENSION PLAN

ANNOUNCED OVERHAUL OF QUEBEC PENSION PLAN—CO-ORDINATION MEASURES

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is directed to the Minister of Finance. Last weekend Premier Lévesque indicated that his Government is planning a major overhaul of the Quebec Pension Plan. Would the Minister indicate to the House if he has met with his provincial counterpart to ensure co-ordination between any changes that are planned to the Quebec system and those that would follow suit in terms of changes to the Canada Pension Plan?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, a meeting which I had planned with my counterpart in the Province of Quebec was to take place two or three days after his resignation. Thus, I have not had an opportunity to discuss this with him.

I am very conscious of the concerns raised by the Hon. Member and I will keep them very much in mind when we do get together.

TIMETABLE QUERY

Hon. Douglas C. Frith (Sudbury): Is the Minister prepared to indicate to the House if the Government is prepared at this time to give a timetable on changes and improvements to the Canada Pension Plan, which I believe all Members of the House agree are long overdue?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am not prepared at this time to give a precise timetable. I can indicate to the Hon. Member that it is an area with which we are quite concerned and with which we want to deal. Matters related to pension reform will be addressed in the budget, I would hope, but it is very difficult to give a specific timetable on the full range of pension reforms at this time.

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CANADIAN INTERNATIONAL DEVELOPMENT AGENCY

BASIS FOR AWARDING CONTRACTS—REQUEST THAT CONTRACTS BE REFERRED TO COMMITTEE

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, my question is directed to the Deputy Prime Minister. According to Saturday's *Montreal Gazette*, the Secretary of State for External Affairs recently withdrew a $6 million CIDA contract awarded to a Quebec consortium by his Liberal predecessor and has given it, instead, to a consortium in British Columbia which was the original winner in the CIDA competition.

Will he assure the House that all CIDA contracts will now be awarded on the basis of the point system developed by CIDA? To help ensure this, will the Government table contract bids and evaluations in the relevant standing committee?

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I have not read the account in *The Gazette* to which the Hon. Member refers. I shall do so, and I will consider the rest of her question as representation and give the appropriate consideration thereto.

REQUEST FOR MINISTER'S CONSIDERATION

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, when the Minister is giving consideration to the point system that CIDA uses and the tabling of contract bids and evaluations, will he also consider—particularly when he says yes to those two requests—abolishing the Tory committee that advises who should get bids?

Some Hon. Members: Oh, oh!

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I know of no such Tory committee, and I believe I would if there was one. In any event, I will take the Hon. Member's representations under very serious consideration.

[*Translation*]

AIR CANADA

REQUEST FOR SINGAPORE ROUTE DETAILS

Mr. Gilbert Chartrand (Verdun-Saint Paul): Mr. Speaker, my question is directed to the Minister of Transport.

As the House is aware, starting January 15, Air Canada will be flying to Singapore. I found out not long ago that the flight will originate from Toronto International Airport, with crews from Montreal. I would like to ask the Minister first of all, whether it will be possible to have this flight leave from Mirabel International Airport which was built and designed for this purpose, and second, whether he is prepared to let 100 employees, all Air Canada flight attendants, be moved to Toronto without their having a say in the matter?

Hon. Benoît Bouchard (Minister of State (Transport)): Mr. Speaker, we have taken the question as notice. We shall make enquiries to find out why this flight will originate from Toronto instead of from Montreal, and we will pass on the appropriate information to the Hon. Member.

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NUCLEAR ARMAMENTS

REQUEST FOR REASONS WHY MINISTERS ABSENT FROM DEBATE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Deputy Prime Minister. In view of the debate on peace and the nuclear arms freeze which started this morning and will continue this afternoon, I would like to know why neither the Prime Minister nor the Secretary of State for External Affairs nor the Minister of National Defence have been in the House to take part in this debate on an issue that is of vital importance for this country and for the entire world.

[*English*]

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, as the Hon. Member knows, the Prime Minister is in New York today engaged in the business of the country. As she knows, or should know, the Secretary of State for External Affairs is in Brussels at very important meetings, on behalf of our country, in that part of the world.

GOVERNMENT POSITION

Ms. Sheila Copps (Hamilton East): Mr. Speaker, this issue has been on the Order Paper since last Friday, and we have known about it since last Wednesday. If the Prime Minister, the Secretary of State for External Affairs, and the Minister of National Defence will not participate in the debate, will the Government at least provide a Minister who is prepared to put forth the position of the Government on this issue, which was not the position put forward by the Minister this morning?

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, if the Hon. Member will contain herself and be patient, I am sure she will probably hear the most brilliant, outstanding contribution to the debate this afternoon which will be made by the Minister of National Defence.

* * *

AUDITOR GENERAL

REQUEST FOR ACCESS TO CABINET DOCUMENTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, before I direct my question to the Deputy Prime Minister, I am glad to hear that the Minister of National Defence will change his approach.

Some Hon. Members: Oh, oh!

Mr. Broadbent: My question arises from an answer given by the Deputy Prime Minister to an earlier question from the Hon. Member for Ottawa Centre. In his response the Minister asked for suggestions about more openness for the Auditor General. Considering that the Auditors General in the Provinces of Nova Scotia and Prince Edward Island are given continuing right of access to documents considered by a previous Cabinet, will this Government live up to its commitment to openness and give those powers to the federal Auditor General?

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, indeed, the Prime Minister has met with the Hon. Member and with the Right Hon. Leader of the Opposition with respect to that particular aspect and several other aspects of the problem. However, the facts are that the Auditor General, in connection with the case at hand, Petrofina-Petro-Canada, has been provided with all of the documents through the Department of Energy, Mines and Resources that he needs to complete his audit. What he is asking for now may well be available through Petro-Canada.

• (1500)

Petro-Canada, in the form of Mr. Hopper, is going to be appearing before the Public Accounts Committee. I would suggest, in that spirit of openness, that Mr. Dye be invited. If I were a member of that committee, I would put the proposal forward that he be invited to question Mr. Hopper, but not for an hour and a half. We have seen committees sit in this House for days and weeks, and weeks on end, and if Mr. Dye needs that much time with Mr. Hopper in order to satisfy himself, then members of that committee could surely accommodate him.

PRIVILEGE

REPLY OF MR. CROSBIE DURING QUESTION PERIOD ALLEGED FALSE

Mr. Speaker: I must advise the House that I am in receipt of a question of privilege in the name of the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand).

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I wish to raise a question of privilege, of which I gave you notice on Friday.

On December 6 I asked the Minister of Justice (Mr. Crosbie) to tell the House who in the Government approved the Government's factum in the Duncan MacDonald case before the Supreme Court. Duncan MacDonald of Montreal is asking the Supreme Court to confirm that under Section 133 of the Constitution of Canada he has the right to have a court summons in Quebec in the English language.

An Hon. Member: What is the question of privilege?

Mr. Allmand: I will get to that in a minute—

Mr. Speaker: With great respect, the Hon. Member will start, please, with the question of privilege.

Mr. Allmand: Mr. Speaker, I need some explanation. The question of privilege, very briefly, is that the Minister in answering my question on December 6—and I have to put the question again to the House—said that I should have been aware that the factum had been presented to the Supreme Court denying MacDonald's contention because it was approved by the Government of which I was a member. I quote his answer, Mr. Speaker:

> —the hon. gentleman should know about that. He was part of the government when it was approved.

Immediately after the Question Period I checked the factum. I found that the factum was dated November, 1984. I also discovered that the factum was only approved after the present Government took over in September. I checked further with the former Minister of Justice, the Hon. Member for Saint-Henri-Westmount (Mr. Johnston), who held that portfolio until September 17. He never approved of such a position.

My question of privilege, Mr. Speaker, is that this Minister of Justice rose in this House to give an answer to my question without any thought to the question whatever and made a completely false statement.

Mr. Speaker: I take it, with due respect to the Member, that we have a dispute with regard to facts arising out of an answer given to a question in Question Period. The Member fully knows the citations which indicate very clearly that no question of privilege can arise out of an answer given in Question Period.

Mr. Allmand: That is not my point.

Mr. Speaker: If that is not the Member's point, the Member has now had three minutes to introduce a question of privilege and is saying that what I have just recited as his question of privilege is not his question of privilege. Does the Member have a new question of privilege?

Mr. Allmand: Mr. Speaker, if we had a bit of time to explain our question—

Mr. Speaker: May I say very carefully to the Member and to all Members that the question of privilege is the ultimate parliamentary question. That is precisely why long speeches in advance of presenting the case for a prima facie case of privilege are not allowed. Therefore one must begin with a clear statement of the question of privilege that it is being claimed has been breached. I invite the Member to do so.

Mr. Allmand: Mr. Speaker, my question of privilege, and I will put it as succintly as possible, is that if this Question Period is to have any meaning, then the Ministers on the government side must give serious attention to the questions asked and make an attempt to answer a question seriously.

Mr. Speaker: May I remind the Member, please—

Mr. Prud'homme: I have a point of order, Mr. Speaker.

Mr. Speaker: It is difficult to recognize a Member on a point of order during a question of privilege. I think the Hon. Member knows that. Does the Member have some submission he wishes to make with regard to this question of privilege?

Mr. Crosbie: Mr. Speaker, may I—

Mr. Speaker: No, with due respect. Let me make this very simple. I will explain why. There is no question of privilege here.

Mr. Crosbie: I have the right to reply.

Mr. Speaker: Order, please. The question of privilege, I repeat to Hon. Members, is the basis of all of our privileges and should not be treated lightly. May I refer Members to Citation 19(2) of Beauchesne's Fifth Edition, which reads as follows:

> The failure of a Minister of the Crown to answer a question may not be raised as a question of privilege.

The refusal of a Minister to answer a question on the grounds of public interest cannot be raised as a matter of privilege. I can go on with citation after citation. If a Member is dissatisfied with the answer to a question, the same principle applies. This is, in effect, the failure of a Minister to answer a question to the Member's satisfaction. If a Member believes that an answer contains an error of fact, this is not a mater of privilege. If the Minister agrees there has been an error of fact, it is open to him to correct it. If he disagrees, it becomes a matter of debate, not a matter of privilege.

Misunderstandings regularly occur—I will take a minute to explain this, if I may, for the benefit particularly of new Members; I presume others know this—with regard to the matters which constitute questions of privilege, and Members in the past have regularly tried to raise questions of privilege

arising out of answers to questions. I think it is important to state for the record that the answers to questions have nothing to do with parliamentary privilege. If a Member is dissatisfied with an answer, he should pursue the matter in some other way. For example, by raising it on the adjournment motion or, as the Member well knows, if there are other accusations or concerns that he has, he has remedies open to him. I therefore find there is no question of privilege.

Mr. Gray (Windsor West): I rise on a point of order, Mr. Speaker.

Mr. Speaker: I have a point of order from the Hon. Member for Windsor West (Mr. Gray).

Mr. Gray (Windsor West): Mr. Speaker, is it your ruling that if in answer to a question a Minister uses unparliamentary language or accuses the person of knowingly misleading the House—

Mr. Deans: That is hypothetical.

Mr. Gray (Windsor West): —then that cannot be raised?

Mr. Speaker: The answer is coming from the far corner of the House. No Speaker would ever dare try to give an answer to that question because it is purely hypothetical. I can assure you the Speaker would be indulging in what lawyers know as *obiter dicta*, and every Speaker who tries that has got himself in trouble. This Speaker is not going to give answers in advance to questions that are hypothetical, with due respect.

Mr. Allmand: Mr. Speaker, I have a point of order. I appreciate the ruling you made with respect to differing with the Minister's answer, if there is a dispute on a question of fact or if he does not answer a question. I must say I would look for direction from the Chair on what an Hon. Member must do when he has been misled—it is not just a question of fact—in the House on a very sensitive point in the Province of Quebec among English-speaking people.

Mr. Speaker: I will take that as a serious matter and suggest to the Member that what he should do is put the matter down for the adjournment motion. The Member knows he has an obligation to do that on the day of the question. However, under the circumstances, given that this is the first time we have dealt with this matter in this way in this Parliament, I am prepared to assume that I have received a notice from the Member with regard to that question and answer if he so chooses.

Mr. Crosbie: Mr. Speaker, I rise on a point of order. The hon. gentleman is making false statements in this House about positions I have taken.

Mr. Speaker: That is not a point of order. Order, please.

Mr. Crosbie: It is absolutely false. I will not say "knowingly false" because he does not know enough to say anything.

Mr. Nunziata: Is it any wonder you are not the Leader?

Mr. Speaker: Order, please. I guess every Speaker is going to have a day like this!

Some Hon. Members: Oh, oh!

Mr. Prud'homme: Mr. Speaker, I am sure with patience on both sides, from the Chair and from the House, we will get to know the rules much better. The Hon. Member just said that the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand) misled the House. I would like your direction. If this is not a question of privilege, what is a question of privilege?

Mr. Speaker: If a Member uses language which causes disorder in the House or language which is unparliamentary, it is the Speaker's obligation to require that that language be withdrawn. Or if it is brought to the attention of the Speaker by another Member, it is the obligation of the Speaker to require that that language be withdrawn.

● (1510)

The word "false", if one cares to consult Beauchesne, is a fascinating word. It has variously been ruled in order and out of order, if one reads the chapters and the rulings very carefully. If Members want a small lecture for the rest of the day on what a Speaker has to do with his hours of reading Beauchesne, I will give it.

Some Hon. Members: Oh, oh!

Mr. Speaker: However, turning to the issue of when the word "false" is used, if the word is used normally to say that a Member has stated a falsehood in the sense that one believes what he is saying is wrong or is not true as a matter of fact, then that is parliamentary. Now I am indulging in an *obiter dictum*. Watch out! However, those are basically the rulings which have been made on that basis. If someone were to say that a Member had knowingly uttered a falsehood—in other words, had challenged his character—one would be in a different situation. I heard both Members say that each was speaking falsehoods. They were saying things which they believed were in disagreement. That is what I heard. Now that we have dealt with this question of privilege and have given the Member what I believe is advice as to what he should do with it, I suggest that we should leave this matter to the late show—

Some Hon. Members: Oh, oh!

Mr. Speaker: I think someone took me the wrong way on that! With respect, I think we should leave this matter to the late show if the Member cares to pursue that remedy. Presumably both Members would then have the right to debate the matter.

Mr. Gauthier: I rise on a point of order.

Mr. Speaker: With great respect, could we leave this matter here and proceed?

Point of Order—Mr. Lewis

Mr. Gauthier: Mr. Speaker, since you are responsible for budgets in this place, I submit that there has been a serious misappropriation of funds. This Minister is paid to do his homework and he has not been doing it.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please.

Mr. Crosbie: On a point of order, Mr. Speaker—

Mr. Dingwall: A point of order—

Mr. Speaker: With great respect, this is verging on real disorder. Could we just leave it here, please?

* * *

POINTS OF ORDER

WEARING OF POLITICAL BUTTONS IN CHAMBER

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I rise on a separate point of order arising out of Question Period, specifically the questions asked by the Hon. Member for Ottawa Centre (Mr. Cassidy). In Beauchesne it is very clear, Mr. Speaker, that you are responsible for decorum in the House. I submit that it cheapens the House for Members to wear political buttons in the Chamber.

I suggest this with reluctance because it is obvious that Ottawa Centre, as a provincial riding, deserves better representation than it has had in the past. Also I do so with reluctance because, if that Hon. Member were to wear that button and ask more questions, we would win the election for sure.

Some Hon. Members: Order, order.

Mr. Keeper: What was the name on the button?

Mr. Blackburn (Brant): How do you spell her last name?

Mr. Speaker: May I say with respect that new Members have just had a small lesson on how to sneak in a political point through a phony point of order.

Mr. Lewis: Privilege, Mr. Speaker!

Mr. Speaker: Privilege, privilege, privilege. Actually, that is between all of us as old friends. May I respond to the point of order.

Ms. Copps: That is not a point of order.

Mr. Speaker: There is a rule to which the Hon. Member is referring about displays in the House. I take it the Hon. Member was basing his point of order on that. I had seen the badge and had already looked up the citation to determine in my own mind, if it was raised, what was the answer. Citation 333 in Beauchesne's reads:

> Speakers have consistently ruled that it is improper to produce exhibits of any sort in the Chamber.

I have checked the precedents. They have referred to a number of other matters in the past. Since most Members are expected in fact to wear pins on their lapels to indicate that they are Members of the House, I would be in some difficulty if I were to rule that a lapel pin was a violation of the House. If I were to rule that some other pin was improper, I would be creating a problem for Members required to wear pins to get themselves into the building. Therefore I cannot find that there has been a breach of the privileges of the House by the wearing of the badge.

I would remind Members of the practices which occurred in the last Parliament during both leadership conventions. I see other Members rising to put pins on. On the basis of the precedents, this is a matter for which the Speaker has some difficulty finding any other solution other than to say that it is not a point of order. Members may wish to have the matter of wearing other than parliamentary badges dealt with in the usual way by the standing committee of the House.

Mr. Prud'homme: On this point, Mr. Speaker—

Mr. Deans: On this point—

Mr. Speaker: I have already ruled on the point. It cannot be on this point.

Mr. Deans: Mr. Speaker, I rose for clarification; that was all. I just wanted to be clear. Was the button the one that read "Elect Evelyn Gigantes"?

Mr. Speaker: Lesson two! Can we proceed?

USE OF UNPARLIAMENTARY LANGUAGE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I rise on a point of order. I am seeking some guidance. On a number of occasions, both from the Speaker's chair and from the government side of the House, there have been declarations that this is not Queen's Park. Could the Speaker in fact clarify for the House just what are the regulations in this august Chamber with respect to the issue of truth? It seems to me that when a Member accuses another Member—

Mr. Speaker: Order. I admire the ingenuity of the point and I take it as sincere. Therefore I refer the Member to the rules and to various books, if one wants to look at them—Beauchesne, Erskine May, and Bourinot if one wants to go back that far—and to the rulings given by previous Speakers on the use of what is parliamentary language and what is not. I think that is all I can do today.

ROUTINE PROCEEDINGS

[*English*]

HUMAN RIGHTS

THIRTY-SIXTH ANNIVERSARY OF UNIVERSAL DECLARATION

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, on December 10, 1948, the Universal Declaration of Human Rights was adopted and proclaimed by the United Nations General Assembly. Besides outlining the civil and political rights which characterized traditional codes of human rights, the Universal Declaration went further by including economic, social and cultural rights. It became the initial document in what was to become the International Bill of Human Rights.

The importance of the Declaration lies in its provision of a common standard of achievement for all peoples and all nations and in its effectiveness as a yardstick to measure the compliance by governments with the international standards of human rights.

I think it is important to note on this anniversary that in countless disputes the United Nations has referred to the Declaration, whether in dealing with allegations of forced labour, racial discrimination, customs inconsistent with the dignity of women, or other abuses of fundamental rights and freedoms.

Today, 36 years after the proclamation of the Universal Declaration, I am pleased and privileged to recognize Human Rights Day, 1984, which is so justly chosen to coincide with the birthdate of this historic document.

It was Dag Hammarskjold who said:

Only on a scrutiny of truth, can a future of peace and justice be built.

During the past year Canada's reports to the United Nations on our implementation of civil and political rights and the Convention on the Elimination of Racial Discrimination came under scrutiny by all appropriate UN bodies. Canada was commended for the thoroughness of our reporting.

In the coming year Canada will be taking yet another important step in enhancing the human rights protection of individual Canadians with the coming into force of the equality provisions of the Charter of Rights and Freedoms on April 17, 1985.

The Government of Canada is also committed to joining with other governments throughout the world in undertaking special efforts such as support to the United Nations Decade of Disabled Persons and the Second Decade for Action to Combat Racism and Racial Discrimination.

I should like to highlight two of the special international events in which Canada will be an active participant in 1985. The first is the designation of 1985 as International Youth Year by the UN. This year will see a wide range of international, national and local activities being undertaken by young people in countries throughout the world focusing on the themes of participation, development and peace. These themes have very differing aspects in various parts of the world. One can consider, for instance, that in some countries the bridge between infancy and adult responsibilities is sudden and cruel while in developed countries the transition is more gradual.

• (1520)

The second event is the World Conference on the UN Decade for Women which will be held in Nairobi next July. Canada strongly supports the attainment of full equality for women at home and abroad, their participation in the search for international peace and co-operation and their full integration in economic and social development.

We also encourage the increasing recognition for the critical role that women play in developing countries, particularly in such vital activities as the production of food. It is certainly true that women have often suffered most in times of natural disasters such as famine. Women in drought-stricken countries often give up their meagre scraps of food so that their children may live. Sometimes it is a vain sacrifice.

I think that all Canadians would like me to draw particular attention to the acute food shortage in Africa, as hunger clearly has a bearing on the enjoyment of the rights enshrined in the Universal Declaration. Freedom from hunger is without doubt an essential element in the realization of the dignity and worth of the individual. An ongoing program to help others to feed themselves by improving methods of production, conservation and distribution of food is a high priority in our efforts to assist developing countries; but drought and famine are natural disasters which require an immediate and more direct humanitarian response.

To this end, the Government of Canada has created the post of Canadian Emergency Co-ordinator for the African Famine and has pledged $50 million to help alleviate this critical situation. The broad and compassionate response that countless Canadians have made to the crisis in Ethiopia is particularly laudable as it springs from individual initiatives and concern.

Human Rights Day provides an opportunity for all Canadians to reflect on the efforts we have made both at home and abroad to promote and protect human rights. I am, therefore, pleased and privileged to address the House on this day and to use this occasion to reinforce for all Canadians their Government's commitment to upholding the human rights and fundamental freedoms which are the foundations of a civilized and caring society.

Hon. Herb Gray (Windsor West): Mr. Speaker, I am pleased to be able to join in this activity today for the purpose of marking the thirty-sixth anniversary of the proclamation of which my hon. friend had spoken.

This Declaration of Human Rights has provided a benchmark to peoples and to countries of the world when it comes to setting standards with respect to basic human rights. It is also important that we rise in the House today to make these statements, as we are doing, because, as the Deputy Prime Minister (Mr. Nielsen) has said, tomorrow is Human Rights

Day 1984. It could be argued that every day should be human rights day. At the same time, there is some value in singling out a particular day of the year to pay special attention to a subject as important as basic human rights. Unfortunately, even in a country like Canada we need to be reminded from time to time about the importance of the concepts and provisions enshrined in the Universal Declaration of Human Rights.

While every day should be human rights day and while those of us in this House of Commons have a special responsibility to support the existence of and in fact to strengthen basic human rights for all our people and the peoples of this world every day, it is useful to set aside a special day as we are setting aside Human Rights Day 1984.

I am very proud to have been part of a Government that enshrined in the Constitution of Canada the Charter of Basic Rights and Freedoms. This Charter of Basic Rights and Freedoms is consistent with the Universal Declaration of Human Rights. It can be said that in many ways its provisions have been inspired by this Universal Declaration. In enshrining in the basic law of this country the kinds of rights and freedoms found in the Charter of Rights and Freedoms, the Government of the Right Hon. Pierre Trudeau did something that was widely supported eventually on all sides of this House and by people all across this country. Speaking of its being enshrined in the basic law of this country, I can say again that it is a step which is consistent with the importance and the thrust of the Universal Declaration of Human Rights.

As I recall the Declaration, it contains provisions not only for the strengthening and maintenance of what we commonly refer to as human rights, the basic right to speak, worship, make decisions for ourselves in terms of expression and ideas, but also talks about the right to food, shelter and education, matters important to our ability to live on this earth in peace, in security and dignity.

In conclusion, in marking the thirty-sixth anniversary of the proclamation of the Universal Declaration of Human Rights, we in this country, as well as reaffirming our commitment to what we commonly look upon as human rights, should also reaffirm our commitment to the kinds of basic rights such as food, shelter, education and good health, those rights to be able to live in peace, harmony and dignity in this country and this world, which are so important to the people of this country and to all humankind.

I am pleased on behalf of the Official Opposition, of my Party, to join in the marking of the important occasion of which the Deputy Prime Minister spoke. The declaration in question helps to confirm the essential value of human personality, the essential value of humankind. If we forget this value, certainly we in this House and the people of this country are forgetting what is important to ensure not only the future of humanity but of the very earth itself.

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I appreciate the opportunity to speak on behalf of the New Democratic Party on this thirty-sixth anniversary of the signing of the Universal Declaration of Human Rights. Perhaps at the beginning it is important to recognize that our world has broadened its understanding of what human rights are since 1948. I would like to give two brief examples.

If we were writing the Declaration today, I am sure that we would use more sexually inclusive language. The first article states: "All human beings are born free and equal in dignity and rights. They are endowed with reason and conscience and should act towards one another in a spirit of brotherhood". If we were writing this declaration today, I think we would also want to include the word "sisterhood". The philosopher Wittgenstein once said: "The limits of my language are the limits of my world". Language that discriminates against women leads to action that discriminates against them. Therefore, it is important that we have inclusive language. That would go for something such as the Declaration of Human Rights.

If we were writing the Declaration today, we would also want to include an article to the effect that everyone has the right to live in a clean and healthy environment. This is especially underscored since last week's Union Carbide disaster in Bhopal, India, where thousands of people were killed or maimed. We do not need to go to India to see the importance of that issue. In the seventies, high mercury levels on the English-Wabigoon River system destroyed the health and economy of local Indian communities. We have seen and heard of the destruction of the environment and the livelihood of the Lubicon Indians and the concerns of the Fort McKay band in northern Alberta about the pollution from the oil sands developments in Fort McMurray.

• (1530)

As we look at human rights, we must do so both globally and nationally. Globally, it is important, especially today when we are having a debate on a nuclear freeze, to remember Article 3 which states: "Everyone has the right to life, liberty and security of person." It is important that we, as a world, come to terms with the whole question of nuclear warfare in order for Article 3 to have some meaning and substance.

Globally, we face a situation of widespread denial of rights which most people in Canada take for granted. Article 15 states:

> Everyone has the right to a nationality. No one shall be deprived of his nationality.

It is something which Canadians take for granted. Why do they have to bother putting it into a declaration of rights?

There was an interesting report on the radio this morning regarding Bishop Desmond Tutu, the winner of this year's Nobel Peace Prize. When he met with President Reagan, the Bishop told the President that he did not travel on a South African passport but, rather on a travel document which describes his nationality as being "undeterminable at present". He told President Reagan that his people were being turned into aliens in the land of their birth. Even the right to a nationality is something which cannot be taken for granted in South Africa.

To raise the issue of human rights is a dangerous practice in many countries. The 1983 report of Amnesty International states:

> Some governments have made it a criminal offence to publish information about human rights violations in their countries or to send such accounts abroad. Human rights activists have become prisoners of conscience as a result in the German Democratic Republic and China as well as in other countries. In the U.S.S.R. members of unofficial groups monitoring the state's adherence to the Final Act of the Helsinki Conference on Security and Cooperation in Europe, which the U.S.S.R. signed in 1975, have been inprisoned and sent into internal exile in remote and harsh parts of the country. In El Salvador people attempting to publicize human rights violations have themselves become victims of "disappearances". Relief workers working with refugees in Honduras have been arrested, tortured, and in some cases killed.

The report goes on to point out the hypocritical use of human rights issues in order to make political propaganda. It continues:

> Governments, news media and other institutions have used human rights issues in polemical attacks on other nations while deliberately giving inaccurate assessments of progress on human rights by their allies. Selectivity in human rights work has poisoned many discussions in the United Nations.

Amnesty International calls for a scrupulously non-partisan approach. All Canadians should be concerned, not only about global issues, but also about local Canadian issues. I refer specifically to the treatment of Japanese-Canadians. There should be a specific apology made to them and a redress mechanism should be provided. We must deal with the question of discrimination against Indian women. We should mark Human Rights Day not only with speeches, but with action.

Some Hon. Members: Hear, hear!

* * *

PARITY PRICES FOR FARM PRODUCTS ACT

MEASURE TO ENACT

Mr. Lorne Nystrom (Yorkton-Melville) moved for leave to introduce Bill C-215, an Act respecting parity prices for farm products.

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

Some Hon. Members: Agreed.

Mr. Nystrom: Mr. Speaker, the purpose of the Bill on parity pricing is to provide a parity price to farmers based on a cost of production formula for wheat, oats and barley for human consumption within Canada and to establish voluntary marketing commissions for pork and beef. In addition, its purpose is to lay the groundwork for parity prices for those producers.

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

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, the following questions will be answered today: Nos. 20 and 33.

[*Text*]

DEPARTMENT OF ENERGY, MINES AND RESOURCES LAWYERS

Question No. 20—**Mr. Howie:**

How many lawyers are employed by the Department of Energy, Mines and Resources?

Hon. Pat Carney (Minister of Energy, Mines and Resources): There are nine lawyers assigned to the Department from the Department of Justice.

FOREST RESEARCH CENTRE

Question No. 33—**Mr. Howie:**

1. Will tenders be called for the construction of the Maritimes Forest Research Centre in Fredericton, New Brunswick and, if so, on what date?

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

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

Hon. Roch La Salle (Minister of Public Works):

1. Project tender call is anticipated to occur September, 1985.

2. Present status of the project is:

(a) The Master Plan Concept has been finalized and approved.

(b) The Concept Design for the facility has recommenced as a result of program changes initiated to bring the project cost into line with available funding.

3. (a) The architectural firm of Arcade Albert of Shediac, New Brunswick has been engaged to provide design, working drawings and supervisory services.

(b) The fee has been set at $2,200,000.

[*Translation*]

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

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

Some Hon. Members: Agreed.

Supply

GOVERNMENT ORDERS

[*English*]

BUSINESS OF SUPPLY

ALLOTTED DAY, S.O. 62—NON-CONFIDENCE MOTION—UNITED NATIONS RESOLUTION ON NUCLEAR ARMS FREEZE

The House resumed consideration of the motion of Mr. Broadbent:

That this House takes note of the following United Nations Resolution:

REVIEW AND IMPLEMENTATION OF THE CONCLUDING DOCUMENT OF THE TWELFTH SPECIAL SESSION OF THE GENERAL ASSEMBLY: IMPLEMENTATION OF GENERAL ASSEMBLY RESOLUTION 38/73 E ON A NUCLEAR-ARMS FREEZE

Indonesia, Mexico, Pakistan, Sweden and Uruguay: draft resolution

Nuclear-arms freeze

The General Assembly,

Recalling that in the Final Document of the Tenth Special Session of the General Assembly, the first special session devoted to disarmament, adopted in 1978 and unanimously and categorically reaffirmed in 1982 during the twelfth special session of the General Assembly, its second special session devoted to disarmament, the Assembly expressed deep concern over the threat to the very survival of manking posed by the existence of nuclear weapons and the continuing arms race,

Recalling also that on those occasions, it pointed out that existing arsenals of nuclear weapons are more than sufficient to destroy all life on earth and stressed that manking is therefore confronted with a choice: halt the arms race and proceed to disarmament or face annihilation,

Noting that the conditions prevailing today are a source of even more serious concern than those existing in 1978 because of several factors, such as the deterioration of the international situation, the increase in the accuracy, speed and destructive power of nuclear weapons, the promotion of illusory doctrines of "limited" or "winnable" nuclear war and the many false alarms which have occured owing to accidental reasons,

Noting also that the Seventh Conference of Heads of State or Government of Non-Aligned Countries, held at New Delhi in March 1983, declared that the renewed escalation in the nuclear-arms race, both in its quantitative and qualitative dimensions, as well as reliance on doctrines of nuclear deterrence, has heightened the risk of the outbreak of nuclear war and led to greater insecurity and instability in international relations,

Bearing in mind that in their Joint Declaration issued on 22 May, 1984, the Heads of Government of six Member States of the United Nations, coming from five different continents, urged the nuclear-weapon States "as a necessary first step . . . to halt all testing, production and deployment of nuclear weapons and their delivery systems",

Believing that it is a matter of the utmost urgency to stop any further increase in the awesome arsenals of the two major nuclear-weapon States, which already have ample retaliatory power and a frightening overkill capacity,

Believing also that it is equally urgent to initiate or resume negotiations for the substantial reduction and qualitative limitation of nuclear arms,

Considering that a nuclear-arms freeze, while not an end in itself, would constitute the most effective first step for the achievement of the above-mentioned two objectives, since it would encourage the initiation or resumption of negotiations and prevent the continued increase and qualitative improvement of existing nuclear weaponry during the period when the negotiations would take place,

Firmly convinced that at present the conditions are most propitious for such a freeze, since the Union of Soviet Socialist Republics and the United States of America are now equivalent in nuclear military power and it seems evident that there exists between them an overall rough parity,

Conscious that the application of the systems of surveillance, verification and control already agreed upon in some previous cases would be sufficient to provide a reasonable guarantee of faithful compliance with the undertakings derived from the freeze.

Convinced that it would be to the benefit of all other States possessing nuclear weapons to follow the example of the two major nuclear-weapon States,

1. Urges once more the Union of Soviet Socialist Republics and the United States of America, as the two major nuclear-weapon States, to proclaim either through simultaneous unilateral declarations or through a joint declaration, an immediate nuclear-arms freeze, which would be a first step towards the comprehensive programme of disarmament and whose structure and scope would be the following:

(*a*) It would embrace:

(i) A comprehensive test ban of nuclear weapons and of their delivery vehicles;

(ii) The complete cessation of the manufacture of nuclear weapons and of their delivery vehicles;

(iii) A ban on all further deployment of nuclear weapons and of their delivery vehicles;

(iv) The complete cessation of the production of fissionable material for weapons purposes;

(*b*) It would be subject to appropriate measures and procedures of verification, such as those which have already been agreed by the parties in the case of the SALT I and SALT II treaties, and those agreed upon in principle by them during the preparatory trilateral negotiations on the comprehensive test ban held at Geneva;

(*c*) It would be of an initial five-year duration, subject to prolongation when other nuclear-weapon States join in such a freeze, as the General Assembly urges them to do;

2. Notes with satisfaction that the Union of Soviet Socialist Republics have already submitted the report requested in General Assembly resolution 38/73 E of 15 December 1983;

3. Hopes that the other major nuclear-weapon State will find it possible to comply also with the request of the General Assembly before the closure of its thirty-ninth session;

4. Decides to include in the provisional agenda of its fortieth session an item entitled "Implementation of General Assembly resolution 39/. . . on a nuclear-arms freeze".

and calls upon the Government to adopt it as policy thereby rejecting the position of the previous administration.

Mr. Speaker: Before hearing the Hon. Member for Renfrew-Nipissing-Pembroke (Mr. Hopkins), I am in a position to consider a matter previously raised regarding the admissibility of the amendment before the House. I gather that the Hon. Member for Windsor West (Mr. Gray) would like to make a submission at this time. As I heard no submissions earlier on this matter, I take it the Hon. Member for Windsor West is rising to make his submission on the matter now. On that point of order, I will recognize him.

Mr. Gray (Windsor West): Mr. Speaker, bearing in mind what happened when a question of privilege arose the other day, I felt that I would get to my feet quickly and put on the record my submissions with respect to the matter which you are ready to rule upon. In this case it is the admissibility of the amendment offered by the Leader of the Opposition (Mr. Turner) to the motion currently before the House. I would argue that the amendment is properly acceptable and I would do so by bringing to the attention of Your Honour a number of citations.

I would first like to draw to your attention, Mr. Speaker, Citation 425 of Beauchesne, which states:

The object of an amendment may be either to modify a question in such a way as to increase its acceptability or to present to the House a different proposition as an alternative to the original which must, however, be relevant to the subject of the questions.

I would submit that the amendment offered earlier today by the Leader of the Opposition certainly makes the motion much more acceptable to Members of the House who form part of the Official Opposition. I would also submit that the amendment in question, while being an alternative to the original, is certainly relevant to the subject of the motion itself. It is not simply the kind of amendment which has been dealt with on other occasions by other Speakers; that is an amendment which would produce the same result as if the original motion were simply negatived. We have an amendment which takes note of a situation in the world political community which has developed since the United Nations resolution—which is quoted in the motion—was brought before the United Nations. The amendment calls upon the present Government to take steps to urge the superpowers in their forthcoming meeting to consider a number of matters, including a verifiable freeze and the reduction of nuclear arms. In this connection, this amendment, if accepted and adopted, along with the adoption of the main motion, would certainly carry the policy of the Government beyond what it was in the past.

I would also like to submit that the amendment proposed by the Leader of the Opposition is acceptable because Citation 428 of Beauchesne states:

(1) A motion may be amended by: (a) leaving out certain words; (b) leaving out certain words in order to insert other words; (c) inserting or adding other words.

● (1540)

Therefore, if some thought should be given to the possibility that the amendment is not in order because its basic thrust is to delete certain operative words in the motion offered by the New Democratic Party and to insert other words, then it is still, by virtue of the citation in question, in order.

I conclude with a comment, Mr. Speaker, on the point which I anticipate may be raised against the acceptability of the amendment, that is, that the amendment may be one which proposes a direct negative or will produce the same result as if the original motion were simply negatived. I have dealt with the latter point. I again and further submit that the amendment offered by the Leader of the Opposition is not simply to negate what is in the motion presented by the New Democratic Party. It is not intended simply to produce the same result as if the original motion were simply negatived. In that connection, I draw Your Honour's attention to Beauchesne's Fifth Edition, Citation 431, which reads as follows:

An amendment to alter the main question, by substituting a proposition with the opposite conclusion, is not an expanded negative and may be moved.

I have already said, Mr. Speaker, that in my respectful submission, the amendment offered by the Leader of the Opposition is not intended to offer simply a totally opposite conclusion, but to move the policy of the Government forward from what it was in the past. Therefore, Mr. Speaker, for the various reasons I have given, I submit that the amendment which was proposed earlier this day by the Leader of the Opposition is acceptable and should be allowed to be brought before the House for a decision.

Mr. Deans: Mr. Speaker, I will be very brief. I want to deal with three questions quite quickly. To begin with, Sir, I would ask you to find that the amendment offered by the Leader of the Opposition is not in order. It is not in order for a number of reasons perhaps but one reason in particular I find peculiar. You will note, Sir, in the original motion as contained on page 9 in today's Order Paper and Notices, the final paragraph states:

—and calls upon the Government to adopt it as policy—

In fact, that is the most relevant phrase within the motion. What we have asked is that the House of Commons look at a motion which is currently before the United Nations, and we have reproduced that same motion. We are asking that the House of Commons vote today to require the Government to adopt that motion as policy. The amendment put forward by the Leader of the Official Opposition eliminates that motion in its entirety. Therefore, it leaves a motion before the House of Commons the end direction of which is quite unclear. There is no directive to the Government. What we would have would be a statement reproducing the motion of the United Nations, together with a statement by the Official Opposition with regard to an agenda which it would like to see, without the House having before it in actual fact any question upon which to vote.

I suggest that if on no other ground, the amendment we have before us should fail on that ground. There has to be a motion to put and the motion we have is that the Government adopt the resolution of the United Nations as the policy of the Government of Canada. That, in fact, is what the Official Opposition has failed—and I hope inadvertently—to put within the context of its amendment.

I would like to say further that I can well appreciate what the Official Opposition is attempting to do. I do not quarrel, in the main, with the addition of many of the directives which the Official Opposition has offered as an agenda for the arms talks, which presumably may take place some time in the year 1985. I am not arguing that there is no place for that particular suggestion within the motion which we have offered. Not for a moment am I suggesting that. We put our motion on the Order Paper many days ago. I would have been prepared on behalf of this Party to enter into discussions with the Official Opposition during that intervening period in order to incorporate, or to agree in advance that the various and many suggestions which it has put forward might be incorporated in the over-all motion when it is put to the House.

There is one final point I would like to make. I can appreciate that perhaps the Official Opposition does not like the idea in the final paragraph in which we have said:

—thereby rejecting the position of the previous administration.

I would like to say to the Official Opposition that in the interests of putting together a motion which would be acceptable to the House of Commons, a motion which would gain wider support, I would be prepared on behalf of my Party to offer to withdraw those last two lines, if that were acceptable by unanimous consent.

Mr. Speaker: I understand the point the Hon. Member is trying to make. However, I believe we are moving quite a long way away from the adminissibility of an amendment into an area which really is properly a matter for debate or negotiation somewhere else. Would the Hon. Member conclude his argument with regard to admissibility, please?

Mr. Deans: Therefore, in order to tie it up, Mr. Speaker, let me say that I believe the amendment put before you is not acceptable. I believe, in fact, my hon. colleague and friend, the House Leader of the Opposition, probably made my point better than I could in his references to Beauchesne. He did not go quite as far perhaps as he ought to have gone in indicating what was acceptable and what was not. However, I want to point out that Citation 425 of Beauchesne's Fifth Edition, as I read it, by itself would have made the amendment offered by the Official Opposition an unacceptable amendment.

I urge you, Sir, to consider that that particular amendment is not in order and to note, as no doubt you will, our desire to find an acceptable alternative amendment which will incorporate both what the Official Opposition wants and what we would like to see without any offensive language contained within it.

Mr. Hnatyshyn: Mr. Speaker, I will also try to be brief because I understand and appreciate the importance of allowing the maximum amount of time to enter into a substantive debate with respect to a very important issue in terms of our position on this most important topic. I believe, Mr. Speaker, since the matter has been raised and since the House Leader of the Opposition has indicated by his intervention that he himself has some concern about the admissibility of the amendment, that I should attempt to assist, if I may, with respect to this particular point of order.

It seems to me that the amendment which is proposed by the Right Hon. Leader of the Opposition (Mr. Turner) appears to be at variance, in my estimation, with the established practices of the House in at least two respects. First, it has been long recognized, Mr. Speaker, that any amendment which has the effect of being a direct negative of a motion then before the House is out of order. The House Leader of the Opposition has alluded to this. This rule applies both to a simple negative of the whole question and to an amendment which approves part of a motion while disapproving the rest.

Citation 436 of Beauchesne's Fifth Edition outlines the practices of the House with respect to amendments which negate all or part of a motion. Citation 436(3) in Beauchesne's Fifth Edition provides a reference to a Speaker's ruling of October 20, 1932, which is found at pages 47 and 48 of the Journals for that day. The motion which was before the House on October 20, 1932, called for the approval of a trade agreement. An amendment was proposed thereto which expressed approval of portions of the agreement while disapproving certain other aspects thereof. The Speaker declared the proposed amendment out of order.

I suggest, Mr. Speaker, that, as in the 1932 case, the proposed amendment which is before us now would have the effect of negating a portion of the main motion. By deleting the last paragraph of the main motion, the proposed amendment would have the effect, if passed, of causing the House to adopt a nuclear arms policy which is significantly different from the one proposed in the main motion. Indeed, the amendment proposes that the House should endorse the policies of the previous administration, and thereby it flies in the face of the last paragraph of the main motion, which calls upon the Government to adopt it as policy, thereby rejecting the position of the previous administration.

● (1550)

The other practice of the House offended by the amendment proposed by the Right Hon. Leader of the Opposition is outlined in Citation 482 of Beauchesne's, which reads as follows:

> On an allotted day, during consideration of the business of Supply, an amendment must not provide the basis for an entirely different debate than that proposed in the original motion.

That citation provides references to two rulings by the Chair which support the general principle outlined in that citation. There are certain words contained in those rulings which, in my view, have a direct bearing on the issue before you at the moment, Mr. Speaker. I would like to cite briefly from those rulings. On June 1, 1972, when faced with an amendment to an opposition motion, the then Deputy Speaker had the following to say, as reported at page 2767 of *Hansard:*

> Certainly, there are times and circumstances when a motion on an opposition day is amendable. Indeed, the Chair has allowed amendments, if not in this session, in the last session of this Parliament. On opposition days, however, we must look very carefully at amendments and the circumstances . . . because if they change the direction or the impact of the motion, they are not acceptable. I think it would be unfair to opposition parties if such amendments were acceptable. This is, of course, in the interest of all opposition parties and the interests of fairness.

That was based on a similar ruling given in March of that year which I will not quote now. However, clearly the amendment proposed by the Right Hon. Leader of the Opposition would both negate in its form the motion moved by the Leader of the NDP (Mr. Broadbent) and, if allowed to be put to the House, would provide a basis, I suggest, for an entirely different debate from that which has been proposed in the original motion. In my submission both equity and established paractice require that the amendment proposed by the Right Hon. Leader of the Opposition be ruled out of order.

Mr. Speaker: I will need to have an investigation conducted into how various speakers who have preceded me got hold of my notes.

I say to the House Leader for Her Majesty's Official Opposition with respect, that it is my view that Citation 482 of

Beauchesne's applies directly in this case. The effect of the motion put forward by Her Majesty's Loyal Opposition is to change the subject of the debate so radically as to offend against the traditions of Supply days. This is always a difficult matter for the Speaker, but I think that Hon. Members know we have strong traditions about motions put forward for debate on days allocated for Supply.

Maybe I should just enunciate those two principles in brief before I make a final ruling. The Government House Leader referred to them. The first principle is that the amendment must not change the direction or impact or thrust of the main motion. The second is that the spirit of fair play, which has been ruled on in this matter before, requires that the allotted days should not be taken away from the mover of the motion by means of another Member moving and amendment. Those are the two principles followed by this House for some years on allotted days.

I might also add, when deciding whether an amendment is in order as an amendment, notwithstanding whether or not it negates the motion, there is another test that can be used as a simple rule of thumb, that is, to see whether the amendment could stand alone as a separate motion and be debated separately. That, it seems to me, applies in this case. The motion as moved could form an additional motion for another day. However, on balance I find that Citation 482 does apply directly and I must therefore indicate, with all due respect, that the amendment is, in my view, out of order.

We will resume debate with the Hon. Member for Renfrew-Nipissing-Pembroke (Mr. Hopkins).

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I understand that when I was interrupted at one o'clock I had about six minutes left. At that time I said I was going to mention something which has very seldom been mentioned in this House. I was talking about superpowers. In making the statement I am about to make I do not want to seem self-righteous because I would like to think that my sins are no greater, and hopefully no lesser, than those of my colleagues on either side of this House. But when we talk about superpowers and get tied up in this debate at the humanitarian level, I would like to say to my colleagues that there is only one superpower, only one Supreme Being on the face of the earth. God is supreme. Certainly in this debate, when we talk about saving humanity, that must come into play. Our Maker created us all. He gave us talents, understanding and the ability to communicate. It is up to us to make use of those abilities. Both Mr. Chernenko and President Reagan have said that a nuclear war cannot be won and must not be fought. We hope that this will be the attitude when these gentlemen meet. We hope also that what follows will be a greater emphasis on the reduction of conventional armaments. Today veterans of the two World Wars and the Korean war will tell us that conventional wars are no picnic either.

In the interests of the coming talks between the United States and the Soviet Union, Mr. Speaker, I feel that we as parliamentarians should suggest that in all places of religious worship, people, regardless of creed or culture, set aside a special day of world-wide prayer for the success of the coming disarmament negotitions between the U.S. and the Soviet Union. This will emphasize the importance of this subject to all people, as it must be emphasized.

We are all children of the same Creator. If there ever was a time when we all need spiritual guidance and moral and political commitment, and political will, it is now. If we do not use all our human talents, all our moral and political will, to promote a solid solution, something other than just a piece of paper, then we are not keeping faith with those who died in previous wars, those whom we honour every November 11. In a debate such as this, we should say that in our minds every day of the year must be a November 11.

We must also think of our own generation and of the generations to come, Mr. Speaker. I have before me a book on the Chamberlains. I was going to read a paragraph spoken by Neville Chamberlain to the nation on radio at 11.15 a.m., on Sunday, September 3, 1939, when the Germans entered Poland. I do not have time to do that, but I do want to read what he said to the House of Commons that afternoon. He said:

> This is a sad day for all of us and for none is it sadder than for me. Everything that I have worked for, everything that I have hoped for, everything that I believed in during my public life has crashed into ruins.

• (1600)

I say to the people in every democratic nation and every nation of the world that now is the time for us to take that speech seriously because none of us wants to be guilty of contributing to the ruins that would be far-reaching and far beyond anything ever dreamed of on September 3, 1939.

We look back today to the great leaders in foreign affairs, such as the Right Hon. Lester B. Pearson, the Right Hon. Louis St. Laurent, the Right Hon. Pierre Elliott Trudeau and his peace mission, and to many others who have contributed greatly through the United Nations and other organizations. We in the Liberal Party, Mr. Speaker, are proud of the background of those people who have done so much. It is our commitment to work toward good diplomacy and solid agreements and to work with our friends throughout the world.

I would like to refer to the last sentence in the motion before us today which reads: "thereby rejecting the position of the previous administration." This is the motion of the Hon. Member for Oshawa (Mr. Broadbent), the Leader of the New Democratic Party.

The Acting Speaker (Mr. Charest): I regret that the Hon. Member's time is up.

Hon. Robert C. Coates (Minister of National Defence): Mr. Speaker, I welcome the opportunity to put forward and explain yet again for the benefit to the NDP the Government's position on the nuclear freeze. Simply put, we do not favour proposals for a U.S.A.-U.S.S.R. nuclear freeze at existing levels. Mutual security is not enhanced if current imbalances are locked in, as they would be in Europe. At the same time, as

our Ambassador for Disarmament, a former and distinguished colleague in this House, Mr. Douglas Roche, said at the United Nations last month, we recognize that:

> Many Canadians believe that the present level of nuclear weapons endangers the continuation of life on the planet. But mere declarations of a freeze are not a meaningful response to this danger. Rather, we want immediate resumption of negotiations on reductions. Canada has said this many times. I want to repeat our demand: Canada wants the present dangerous levels reduced by immediate unconditional resumption of negotiations on reductions.

The Government's reasons for voting against the three nuclear arms freeze resolutions in the United Nations last month are well laid out in the explanation for the Canadian vote given by our Ambassador for Disarmament. Ambassador Roche pointed to the major flaws seen by the Government in the three resolutions in New York, and I shall not repeat them here. I would, however, like to address some further flaws in the resolutions we have before us. They are of two sorts: political and technical.

On the technical side, the resolution ignores the reality that a freeze raises the same, if not greater, problems of definition and verification as do reduction proposals. Developing an effective and verifiable freeze would not be a simple matter. It would involve long and complicated negotiations. The time and energies of both sides would be better spent negotiating reductions, and that is the call we hope to see emerge from next month's meeting between Secretary Shultz and Foreign Minister Gromyko. We want the U.S.A. and the U.S.S.R. to do much better than a freeze.

There are many other flaws in the resolution and I will mention just one other. We do not agree that reliance on the doctrine of nuclear deterrence has heightened the risk of nuclear war, as asserted. On the contrary, one can only regret that the rest of the world to which the NDP has drawn attention has not been as successful in avoiding war over the past 35 years.

In political terms, adoption of the proposal would conflict directly with Canada's support for NATO's two-track decision which calls for the deployment in western Europe of INF missiles in the absence of concrete negotiated results obviating the need for such deployment, and with Canada's undertaking to permit the flight testing of unarmed Cruise missiles in Canada. It is probably not too much to say that it is these purposes which have given rise to the resolution. The House knows the position of the NDP on NATO and NORAD. It would have Canada withdraw from both. While sheltering under the United States' nuclear umbrella, they would have Canada go it alone.

There is a curious irony in a proposal which would attempt to influence NATO policy coming from a Party which would have Canada withdraw from that organization. The more so, because not only would the result be a loss of our military security, it would also remove us from the mainstream in the search for progress toward a more stable relationship between East and West, which is the other purpose of the alliance. The NDP position would remove Canada from all consultation and participation in the major arms control issues of today; strategic and INF nuclear arms control, the mutual balance force reduction negotiations on conventional arms, and the Stockholm Conference.

There is another curiosity to be found in the NDP proposal. Members will have noted that the Soviet Union has been applauded for providing its views on a freeze to the U.N., which is no doubt a worthy act. The United States, on the other hand, has been singled out for not having complied so far with the U.N. resolution in question. On the question of the resumption of nuclear arms reduction negotiations, however, the NDP resolution is strangely silent when it comes to identifying which country walked out of the negotiations in the first place. It was the U.S.S.R. and not the United States of America. That choice of example tells us something.

Last week I attended the December meeting of NATO's Defence Ministers. I took the opportunity to say something about the totality of the Canadian defence effort and the direction the Government intends to take in the years ahead. Our objectives, which are to enable Canada to better contribute to and play its part in the common defence, were very well received by all my colleagues. It was also a great pleasure for me to join my alliance colleagues in reaffirming, by way of our communiqué, that:

> NATO preserves the peace and security of its members through the maintenance of military forces sufficient for deterrence and defence and through the continuing attempt to develop a stable East-West relationship.

It is a statement that the framers of the motion before us should ponder. It is through solid work, not empty declarations, that progress will be made. I also told my colleagues that in the period ahead we must stay steadily on the course we have set for ourselves to ensure that effective deterrence is maintained, to increase our capacity for conventional defence, to modernize and to increase our forces' ability to survive and to respond to attack, and to ensure that our forces are demonstratively ready should they be attacked and will be able to fight if they are forced to fight.

Some examples of the improvements I identified are: increases in our land and air forces in Europe, full-scale exercise in 1986 of the Brigade Group which we have committed to the defence of northern Norway, and protection of our European airfields and troops by low level air defence. We are moving forward in Europe. As the Prime Minister (Mr. Mulroney) said in the House on February 9:

> You can't have it both ways. You cannot echo support for NATO and consistently neglect support for our Armed Forces so that our alliance commitments cannot be honoured. Nor can we continue to flail at the nuclear umbrella and not be prepared to enhance the conventional deterrent.

● (1610)

A concrete example of what good relations with allies can achieve is to be found in the presence today in Canada of the United States briefing team on defence procurement. Secretary Weinberger and I have agreed to use the steering committee of the Defence Production Sharing Arrangement to monitor the work of the briefing team. The business community in Canada can be assured that Ministers take this initiative seriously. We will guarantee that their participation will be followed up.

Secretary Weinberger and I will assist the business community in every way to achieve both their and our objective, which is, additional defence procurement for Canadian industry. We are talking about new, permanent, long-term jobs that will make our present industry more viable in the days ahead.

Mr. Derek Blackburn (Brant): Mr. Speaker, I am pleased to be able to enter into this debate this afternoon on our motion, which one might say, is a carbon copy of a motion that was passed by an overwhelming majority of member states in a political committee of the United Nations a short time ago.

I rise to speak today on what is a unique opportunity for this country and indeed the Government. Today, there is an opportunity for the Government to demonstrate real change, which is, after all, what helped to bring the Conservative Party to power. Although we have seen many flip-flops from the Government on election promises, I ask today, on this one crucial issue, that the Government show Canadians how it is different from previous Liberal Governments.

I will not denounce the Government. Instead, I will invite it to join with those of us on this side of the House to support the motion. I want the Government's co-operation. I want it to state publicly what many sitting on the Government benches privately believe, namely, that we must end this nuclear madness and that now is the time to begin to do it in earnest.

I want the Government to join with other Governments in NATO, such as that of Denmark, which have found the courage to support nuclear freeze initiatives at the United Nations. I want it to realize also that this will not shatter the alliance.

I want the Government to join the growing support for a nuclear freeze because, as I recall someone saying this summer, "Together, we can be better".

I want to explain why I think now is the time for us to support the United Nations resolution on the nuclear weapons freeze. As some Members of the House may know, I spent many years exposing many young people to the lessons of history. Indeed, that was my chosen profession before I came to serve here in the Commons some 14 years ago. I often quoted to those young people the words of a wise man who said that those who do not learn from history are condemned to relive it. I realize that it is a quotation that is often used today, but it still rings true.

I want to remind the Government of some of the lessons of history. I hope it will be as open to those lessons as were those young people. However, I will not take the Government back too far because I know that some Members opposite do not have such great memories. Indeed, I often wonder why so many government members cannot even remember what they promised the people of Canada last summer.

I will only take the Government back to the turn of the century. That should suit the Government well. Many members of the Government look back to that period with some warmth. Some say that the Government's legislation is an attempt to take us back even further.

Let me focus on just one issue that confronted the world in those days. It was an arms race similar to the one that confronts the world today. Of course, the countries and weapons involved were different. In those days, it was Britain and Germany who were involved in a naval arms race. But the circumstances were remarkably similar. Both sides felt threatened by the other. Both sides were engaged in what was in those days massive military spending during peace time. Both sides felt that they had no option but to compete in the arms build-up to preserve a balance of power. Both sides professed that they did not want war. Yet, as we all know, war did occur a short time later. Those weapons were used in World War I. The lesson I wish to point out is simple. More weapons did not prevent that war, they only heightened the tensions.

That lesson is repeated many times in history. There has never been a weapon constructed which has not been used. That is true of all weapons, from the bow and arrow to the atom bomb.

Some people believe that the power of nuclear weapons make their use unthinkable. The people of Hiroshima and Nagasaki know differently. Another lesson to be drawn from this is that professed good intentions are not enough. As long as weapons and the threat they represent exist, wear is not only likely, it is inevitable.

Any accident can set off a war. In the case of World War I, who could have predicted that one impassioned activist with a bomb could have dragged the world into a war by assassinating the Archduke Franz Ferdinand? Yet that is what happened.

Today, there is a whole new generation of what are called threatre nuclear weapons which are capable of striking their targets in just minutes. That means that the world can be brought to the brink of destruction before there is any chance for diplomacy to work on a political solution. The arms race has escalated to the point where the side that perceives itself under attack and in danger of losing will have to go nuclear. That is why NATO has what it calls its flexible response. It reserves the right to go nuclear.

A third lesson to be taken from history is that deterrents cannot put off war forever. After the horror of trench warfare and mustard gas had ravaged a generation of young men, people called World War I, "The war to end all wars". They were wrong, tragically wrong. The next war was just 20 years away.

After World War II had ravaged the globe and ended with those mushroom clouds over Japan, veterans called it "The big one" and people assured themselves that the atom bomb made war unthinkable. They were wrong. We have the Diefenbunker to prove it.

Nuclear war is indeed thought about every day. Otherwise, where would this whole new generation of nuclear weapons be coming from? Somebody must be spending a lot of time thinking about nuclear war. Indeed, some people right here in Canada must be thinking about it, I am sad to say. What other

conclusion is there when we are helping to develop and to test the Cruise missile in Canada?

I want to clear up a misconception that some people have about Canada in this regard. I recently read in the paper that Canada is now free of nuclear weapons because the Genie nuclear missiles have been made obsolete by the introduction of the CF-18 with its conventional missiles. That is not quite true. Canada's hands are not entirely clean.

Just last week, the Secretary of State for External Affairs (Mr. Clark) confirmed that the Cruise missile will once again fly over Canada in 1985. That is sad news to our Party. In fact, the aid and consent that Canada lends to the testing of this weapon casts a shadow much further than Cold Lake, Alberta. It casts doubt on Canada's role as a peacemaker and makes a mockery of that same Minister's consideration to ask the Americans and the Soviets to ban Cruise missiles from their arsenals.

Not only do we help test the Cruise, we helped to build it. The Defence Production Sharing Arrangement between Canada and the United States allowed a Canadian company to help build the guidance system for the Cruise missile. The Canadian Government helped to make the development of that guidance system possible with aid to Litton Systems under the Defence Industry Productivity Program.

Even now, a group of Pentagon officials are touring our country, with government encouragement and assistance, telling Canadian companies how to follow in the footsteps of Litton Systems. The Government of Canada is directing investment dollars from other areas such as education and health care, which as studies show, would create two to three times as many jobs as investment in weapons production. The Conservative Government is helping sow the seeds of our own destruction and is passing it off as job creation. It is sad hoax and it has to stop.

● (1620)

That is why I am calling for the Government to show that real change for which it was elected. I want the Government to join with the thousands of Canadians who support the nuclear weapons freeze. I want the Government to join with those people who showed their resolve by signing petitions supporting the freeze and sending them to this House.

I want the Government to join with our neighbours to the south in the U.S. Congress, who also support a nuclear weapons freeze. I want the Government to join with those who realize that there is a rough parity in the nuclear arsenals of the United States and the Soviet Union. Even President Reagan recognizes that both sides have enough nuclear weapons to destroy the world many times over. After all, it was he who campaigned this fall a few weeks ago by saying: "America is back. America is strong". So even he realizes that the West is strong enough to negotiate an arms agreement. And, after all, who in the Conservative Government would argue with President Reagan?

I am asking that the Government join with NATO allies, such as Denmark who have the wisdom to support a nuclear weapons freeze without fear of losing their allies. I ask that the Government show the courage of the Belgian Government, which has had the wisdom to reconsider its position on nuclear weapons. I ask that the Government join with those on its own benches who privately support the nuclear weapons freeze. Finally, I ask that the Government join with us in taking one small step toward peace.

If Canada takes that step and supports this motion for a mutual, verifiable nuclear weapons freeze, then just maybe it will have some effect. Maybe the Governments of the United States and the Soviet Union will take notice. Maybe it will tip the balance while there is rough nuclear parity and signs of an East-West thaw. Maybe. We may never know. But we will be able to say that today, Canada has done its part. Canada will have shown the world that it is indeed a strong, independent voice for peace.

There are certain assumptions upon which I believe our defence policy is based. Certainly in the public domain there are some assumptions, and I do not agree with them. I do not believe for one moment that the next war, heaven forbid if there should be one, will be simply or exclusively a conventionally fought war.

Second, I do not believe there is any such thing in practice as a limited nuclear war. We are being very foolish if we think for one moment that if either side is backed to the wall in a conventional war or a limited nuclear war, known I think as a theatre war, it will not push the final button and let everything go.

Third, there is only one kind of war, and this follows from my other two points, and that is, a total nuclear global holocaust. Despite the relative importance and potency of the weapons during the hot summer days of July and August 1914, the great powers still went to war over a single shot fired in a little town in the Balkans called Sarajevo. It can happen again, only this time ending up in a total nuclear holocaust.

Then there is the assumption that the nuclear deterrent has kept us at peace for 40 years. We were reminded this morning that 40 years is but a fleeting moment in time. Even if it has kept us at peace for 40 years, Mr. Speaker, do we all realize what that means? It means that the nuclear deterrent will never fail. That is what it means.

In view of the fact that we are only human and historically we have always only been human, and in view of the fact that man has always gone to war and that we have had so many sophisticated non-nuclear deterrents in the past, is there any human being in this Chamber who honestly believes that the nuclear deterrent will keep us at peace for ever and ever? That is madness. That is why we have to begin today, not tomorrow, not next week, to rid the globe of all nuclear weapons. This motion merely allows us to take one tentative step.

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

[*Translation*]

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I would like to speak in the debate this afternoon in order to resolve a number of procedural problems that were raised earlier. I intend to make a speech, and I have no questions.

The Acting Speaker (Mr. Charest): Very well. Debate.

Mr. Chrétien: Thank you Mr. Speaker. First of all, I would like to say that it bothers me somewhat that, at least as far as I know, we are not going to have more than one debate during this session on a subject as important as this one. We were advised Wednesday of today's debate, and I think it is incredible that, considering the fact that this will be our sole opportunity to discuss a problem that millions of Canadians see as the most important issue facing our generation, neither the Prime Minister (Mr. Mulroney) nor the Secretary of State for External Affairs (Mr. Clark) could find the time to be in the House. I remember when they were both in the Opposition and were asking us every day for a debate on the subject, and now that we do have a debate here in the House, they have found other, more pressing business to attend to. I also remember that the Prime Minister, in his first speech as Prime Minister which he made when he visited his alma mater in Nova Scotia, a few weeks after he was sworn in, I remember that he said that for him, nuclear armament would be his number one concern during his mandate. Today, we have a debate on this issue, and normally we will not have another before the end of this session which may last until June or even later, and I therefore consider it entirely unacceptable that neither the Prime Minister nor the Secretary of State for External Affairs are present in the House today.

[*English*]

I think the speeches made so far today have given an indication of how serious the problem is. I could go on about all the disasters the world could face if ever some error were committed by the two superpowers using the arsenals in their possession. The U.S.S.R. has 1,398 intercontinental ballistic missiles in land-based silos hundreds of thousands of times move powerful than the atomic blast at Hiroshima. The same is true of the United States. The Americans have 1,037 intercontinental ballistic missiles, which represent the potential for thousands of Hiroshimas.

We know that on June 3, 1981, a computer malfunctioned in the United States. We came within minutes of having a decision made by a very responsible general, General James Hartinger, that would have affected life. He was informed one moment that a technological problem and occurred and he was faced with making a decision based on a technical error.

I am sure everyone will recall a film shown on television not long ago and, as a result of it, how emotional the youth in universities around the world became. People were frightened and preoccupied by this film. Many felt they had no future because of the continuing escalation in nuclear armaments by the two superpowers. Today we are confronted with the problem of expressing the views of Canadians on the matter. I am surprised that there are so few Members in the House and no government leaders to express their views today.

• (1630)

Of course, we all want peace and disarmament. However, I am quarreling with the proposition of the NDP today. I am glad the House Leader of that Party, the Hon. Member for Hamilton Mountain (Mr. Deans), recognized that there was a political element in the motion before the House. He asked to delete, if it were possible, some of the words of the motion because he felt that they offended. That is why my Party cannot vote for the main motion. It is basically because it introduces politics into the matter. It calls upon the Government to adopt the motion as policy and thereby reject the position of the previous administration. That injects an element of politics of an unacceptable nature into the motion.

We in the House unanimously supported the peace mission of Mr. Trudeau when he was Prime Minister. We felt that it was extremely important for the voice of Canada to be recognized around the world as that of a country that tries to find new solutions to the fundamental problem confronting humanity. To introduce a motion today which will deny the validity of the peace mission of former Prime Minister Trudeau, which was supported by all three Parties in the House, introduces politics into this debate. I am glad the House Leader of the NDP had the courage to recognize that these words were too many. Despite the fact that we could debate the main motion, some elements of it made it impossible for members of my Party to subscribe to the motion, at least on that point.

There is another flaw in the resolution of the NDP. It has been overtaken today by what has happened in the world. When the resolution was proposed at the United Nations, the intent of it was basically to induce the superpowers to start negotiations, to agree on a freeze of nuclear armaments and when the freeze was agreed upon to reduce the arsenal.

We all want peace. The problem is the process. However, now there is a new element in the process. The Leader of my Party rose in the House this morning and indicated that on January 7 and January 8, 1985 the two superpowers have decided to meet without preconditions to review the situation on nuclear disarmament. We should welcome this opportunity. I am sure the people who proposed the resolution at the United Nations had that in mind. They wanted to ensure that the superpowers came together and made a move which would give some relief to the anxiety of the people of the world.

When my Leader rose this morning, he made a proposition indicating that we should give to the superpowers an agenda which will lead to peace and disarmament. It was a very good move to which we are happy to subscribe. I am sure all Members of the House are able to subscribe to it.

There is massive new development. It was not easy for us in government to agree to the policies of the past. With the build-up in the U.S.S.R. and the deployment of SS-20s in Europe, the western world was suffering from a lack of

deployment. We accepted the two-track policy after the suffocation policy of Mr. Trudeau was not accepted. We realized that we had to let the Pershing and Cruise missiles be deployed in Europe. Now the deployment has taken place, the U.S.S.R. realizes that NATO countries can be together when it is important. We are in a new era as a result of what happened in the last month when the two major powers decided to return to the negotiating table.

This is why we offered in the amendment we proposed on behalf of Canadians an agenda for freezing acceleration in nuclear armament and an agenda which will lead not only to a freeze but to the eventual goal which we all have in mind—disarmament, especially nuclear disarmament which is so threatening to the world.

I should like to propose a new amendment to the House this afternoon in an attempt to obtain as much of a consensus as possible. As my Leader said this morning, we would like to propose an agenda for the peace talks which will start again in January. In our anxiety to put forward a new agenda, and not wanting to deny all that had been said, we proposed a motion, which unfortunately the Speaker ruled out of order. My new motion will guarantee that our intentions are all-inclusive. We subscribe to the intention of the motion of the NDP. We want disarmament. We want a bilateral freeze, not a unilateral one. We want the two superpowers to agree to a freeze. A freeze has to be verifiable, otherwise it does not exist. That was the intention of the United Nations resolution. However, if we express that ourselves, it has to take a realistic form. The realistic form has to be in the agenda which the Leader of the Official Opposition (Mr. Turner) proposed this morning.

I should like to reintroduce in an acceptable fashion the motion which my Leader presented this morning. Hopefully it will be acceptable. I will explain it later if I have some time remaining, but now I will read it for the record. I propose, seconded by the Hon. Member for Windsor West (Mr. Gray),:

That the motion be amended by deleting all of the words following the words "on a nuclear arms freeze" in the second to last paragraph of the motion and by adding the following:

"and, noting that the resumption of arms talks by the Soviet Union and the United States in Geneva in early 1985 announced by the superpowers on November 22, subsequent to the presentation of the above resolution at the United Nations significantly alters the political situation on which the resolution is based and constitutes an effective first-step in the achievement of the two objectives to be attained in the declaration of a nuclear freeze, calls upon the government to adopt as policy the intent of the whole resolution by urging that the meeting of the two nuclear superpowers have on its agenda the negotiation of limits on their nuclear arsenals, a mutually verifiable freeze and significant reduction; a strengthening of the nuclear non-proliferation treaty; a renewed emphasis on the mutual and balanced force reduction talks in Vienna; the encouragement of political emphasis on the Stockholm conference; a moving up of the date of the United Nations special session on disarmament now scheduled for 1986; an international agreement to ban the testing and deployment of high-altitude anti-satellite weapons; and the refining and improvement of nuclear weapons verification techniques."

● (1640)

[*Translation*]

Mr. Speaker, I have a copy of the amendment in French, which I would like to submit to the House.

I feel that the Official Opposition is actually proposing a new agenda that addresses the situation as it is today without concentrating on past problems. Personally, I think we now have a chance to review our positions in the light of this new development. Who would have thought six months ago that the superpowers would be meeting in January 1985 to make a fresh start? And why should we, in Parliament, not be willing to look at a new approach to disarmament? I think that is what Canadians want. As I said earlier, the Prime Minister has been very positive on that point in his speech at Antigonish. This is the only debate we have. In my opinion, the House missed a golden opportunity to say clearly to the Canadian people that we want, as soon as possible, to see an end to the proliferation of nuclear weapons in this stupid race which does not appear to end. It cannot be done without prior conditions. That is why we are proposing in the resolution that the first item on the agenda of the superpowers that are to meet in January be a freeze acceptable to both parties and verifiable as well by both parties.

That would be the starting point of negotiations in other fields of disarmament. But if the agenda of the two superpowers could be accepted in the words proposed by the Leader of the Opposition—it faithfully reflects the intent of the resolution introduced at the UN, but it also advocates something positive for the future—I think we now have before the House an agenda which is much more positive and much clearer, and which is consistent with the new situation which did not exist at the time of the UN resolution, when the wish expressed was that the superpowers meet and offer the world a new solution.

Mr. Speaker, I hope the motion I have just proposed will be accepted, for the issue is so complex that we want the same resolution to reflect the intent of the UN resolution, but we also want to add a concrete mechanism, in keeping with today's reality. I would suggest that, if the House were to adopt the proposition of my party, I mean the motion of the New Democratic Party as amended by the Leader of the Opposition, we would be making a worthwhile contribution.

During the last election campaign and the few months before, because of certain events you are familiar with, I met with hundreds of Canadians during my party's leadership race and during the election campaign in my capacity as Secretary of State for External Affairs, and I have to say that the disarmament issue was raised all the time. More fascinating and more important still, the issue was invariably raised first by younger people in our society, students who were concerned about the future of both Canada and the whole world. We can spend hours and days in the House trying to find ways to reduce inflation by one or two points or lower the unemployment rate by five or six points, but all that will prove fruitless unless we find a way to eliminate the danger which is threatening all nations the world over.

As I pointed out earlier, both sides now have nuclear arsenals which are more destructive than thousands of times

the Hiroshima striking power. If ever there should come a day when, through error, indifference or inadvertence, a nuclear war breaks out, we will have failed in our responsibilities. That is why I think this debate was very important, and I would urge both the NDP and the government to endorse our motion which does take full consideration of the intent of the UN resolution, but in a concrete, positive and challenging agenda for the meeting of the two superpowers next January 7 and 8. I hope the House will accept the amendment I have just moved.

The Acting Speaker (Mr. Charest): Having had the opportunity to consider the amendment introduced by the Hon. Member for Saint-Maurice (Mr. Chrétien), I rule that it is in order. I submit it, therefore, to the House in the following fashion:

Mr. Chrétien, seconded by Mr. Gray (Windsor West), moved:

[*English*]

Shall I dispence?

Some Hon. Members: Agreed.

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

Ms. Jewett: Mr. Speaker, I would like to ask the Hon. Member for Saint-Maurice (Mr. Chrétien) a question. He will know, of course, that the nuclear freeze resolution at the United Nations has come up each year. Indeed, in the last several years it has come up while talks were going on, either INF or START talks. I therefore wonder why he feels that somehow the whole idea of a nuclear freeze should not be pursued simply because talks are once again to go on. I just do not understand. We have had debates at the UN on the nuclear freeze every year. Indeed, the UN is debating the matter again. As the Hon. Member knows, it will be coming up this week or next week. I just wonder why he feels there is something so vastly different with talks beginning in January when we have had talks every year that we have been debating the nuclear freeze. We want a nuclear freeze.

[*Translation*]

Mr. Chrétien: Mr. Speaker, I indicated in my remarks that we are in favour of a nuclear freeze. If you read our amendment carefully, you will note that we mention a nuclear freeze, but only as a first step towards disarmament. And that is the problem we have been faced with whenever we have had to deal with the position of the NDP who feel that a nuclear freeze is the solution. It is not the solution, because we would end up with the same situation as we have just now. There are now too many nuclear weapons and we would give to the public a false sense of security if we insisted only on a strict nuclear freeze. There are just too many. With the existing weapons, we could all get killed a hundred times over.

And we refuse to give people a false sense of security. We mean to say . . . I fully support the notion that we must begin somewhere. We now have a motion dealing with a resolution aimed at convincing the superpowers to use a nuclear freeze as a first step toward disarmament, but we should not be satisfied with the idea, which I have too often met in my discussions with people concerned with this problem, that a nuclear freeze is the whole solution. The whole solution it is not, for it is only the first step toward the solution which is nuclear disarmament and not nuclear freeze.

[*English*]

Ms. Jewett: Mr. Speaker, the former Minister, because of his preamble to an amendment which has not yet been ruled on, argues that the announcement of talks possibly getting under way again significantly alters the political situation. I am saying to the former Minister that there is no significant alteration in the situation. The talks have gone on before. Let us face it, they were mostly deadly gambits. So why can the former Minister not accept the present United Nations resolution as he has already agreed it is the first step? Then, if we can get support for the intent, which he speaks of in his amendment, why can we not have the Government do what we have suggested, which is to support the resolution itself, not just the intent, but the resolution itself? Then, we can move on to all the other matters, many of which would be covered by a freeze. Why can we not have a straightforward support of the UN resolution, not just its intend, but the resolution itself?

• (1650)

Mr. Chrétien: Mr. Speaker, the problem with which we must cope is the politicking of the NDP on the resolution, rather than having a clearcut resolution. The NDP introduced a political element in stating that it condemned everything which had been done in the past by the previous administration. It is very easy for the Hon. Member to get up and appeal to my best instincts, which are so numerous, but, she is just playing politics with terrible problems such as nuclear disarmament.

We have to cope with the problem which has been given to the House by the NDP which is playing politics with disarmament. My amendment has tried to cope with that political problem. The House unanimously approved the peace mission of former Prime Minister Trudeau. It was a denial of that end other initiatives which were taken, such as the suffocation policies, which were supported by the House. But, the NDP again wants to play politics with war and peace. So we proposed a resolution, which was within the intent of the UN resolution, to establish a positive agenda for future development in disarmament talks around the world.

Mr. McCurdy: Mr. Speaker, as a new Member I am having great difficulty in understanding the argument of the Hon. Member for Saint-Maurice (Mr. Chrétien). He says the New Democratic Party was playing politics by the insertion—

Ms. Copps: The Hon. Member for New Westminster-Coquitlam (Ms. Jewett) said that this morning.

Mr. McCurdy: I am sorry. If the Hon. Member would listen to what I am saying, then perhaps we could debate what I am saying rather than some presumption of what I am saying.

It has been suggested, both in this House and outside the Chamber, that the only reason for rejecting the New Democratic Party's proposition was that in the last phrase it suggested that we reject the policy of the previous administration. That does not justify the complete butchering of the resolution. At this stage of the game we are dealing with politics superimposed upon politics, and the proper resolution is for us to adopt the resolution of the New Democratic Party.

Mr. Chrétien: Mr. Speaker, I was to be helped by this intervention! The NDP motion, in fact, could be put in three lines. One line would accept the resolution and the rest would deal with the problem of blaming the previous administration for many of its initiatives which have been supported. Now the Hon. Member is complaining because there is a procedural difficulty which was created by the NDP. It wants to make some political points in the debate. We had to deal with that situation this morning, when the amendment, which was proposed by the Leader of the Opposition, was rejected by the Speaker. We wanted to incorporate into the debate the agenda for future talks. It was the only way we could do it.

If the NDP, rather than playing politics earlier today, had limited its resolution to what the Hon. Member for Windsor-Walkerville (Mr. McCurdy) is asking at this time, that perhaps would have been a bigger problem for us. Now we have to cope with that. As we have done traditionally, we will come up with something positive rather than play politics. That is exactly what we have done, and the NDP will have to live with it.

Mr. Langdon: Mr. Speaker, one hesitates to enter a debate about political hypocrisy with the Liberal Party.

It seems to me that the motion which we have placed on the Order Paper effectively asks the House of Commons to do what no Government in Canada—whether that of the Liberal Party or that of the new Government of the Right Hon. Member for Manicouagan (Mr. Mulroney)—has been prepared to do, that is, to vote along with the great majority of other countries in the United Nations for the specific commitment to a nuclear freeze. I would ask the Hon. Member Saint-Maurice (Mr. Chrétien) if in fact he is not—in his attempt to obscure the past record of his Government—the one who is really playing politics with this issue.

The Liberal Party should be prepared to stand up, as it did when it was in power, and admit that it would not vote for the United Nations resolution. It is not politics on our part, it is the politics of that Party when it was in government. Does the former Minister not have the honesty to admit that it was the politics of his Party when it was in government and therefore it should be the position which it is forced to hold when out of government?

Mr. Chrétien: It is easy for me to reply—

[*Translation*]

The Acting Speaker (Mr. Charest): I must remind the Hon. Member for Saint-Maurice (Mr. Chrétien) that he has only two minutes left.

Mr. Chrétien: Fine, Mr. Speaker. I will be glad to limit myself with two minutes.

[*English*]

I would like to reply to the Member. It was not me who started to talk about the motion being too political; it was his own House Leader who said that in this House a few minutes ago. When he was speaking on the Speaker's ruling, he said that the last line should not have been there. It is not our doing. The Hon. Member for New Westminster-Coquitlam (Ms. Jewett) said the same thing. It is not I who said it. I am just stating what they said. We want disarmament. We want a freeze. We say that in our resolution. We want a freeze to be agreed upon immediately by the superpowers.

Mr. Hovdebo: You voted against it.

Mr. Chrétien: No. If the Hon. Member read my motion, he would see that we are proposing—

Mr. McCurdy: Your motion does not say that. I have read the amendment.

Mr. Chrétien: Yes, I am sorry that I am not very good, but the Member must read the resolution. I am sure the Member has not read the amendment. Read it.

Mr. Gauthier: He's just like Crosbie. He never reads the document.

Mr. Chrétien: Yes, he is just like the Minister of Justice (Mr. Crosbie) who never reads his documents. He can read it and after that he can ask his question. Again, the poor NDP is playing politics. It had a chance to do something positive but could not resist the perpetual temptation to play politics with everything including peace.

The Acting Speaker (Mr. Charest): The period for questions and comments is now terminated.

Mr. William C. Winegard (Guelph): Mr. Speaker, may I begin by saying that this day had been quite an education for a new Member. It has been a day not marked particularly by courtesy in the House. It is a day when we seem to be more content with hooting and hollering than in addressing the significant issue which is before us.

Some Hon. Members: Hear, hear!

Mr. Winegard: Although I have been on my feet in the House before, this is my first opportunity to speak at length. I have looked forward to this occasion for some weeks.

Before discussing the resolution, I would like to congratulate the Right Hon. Leader of the Opposition (Mr. Turner) on his return to the House. Thousands of Canadians were sorry to see him leave Parliament eight years ago, including me.

The issue before us is significant to all Canadians. It is an issue which was discussed at some length during the election campaign, and it continues to occupy our thoughts.

• (1700)

I hope I will be forgiven, since this is my first opportunity to say something about Guelph, if I inform this House of some of the background of my community. Such background will help Hon. Members understand the position I take on this and many other issues. Guelph is the county seat for Wellington. It began as an agricultural centre and, I am delighted to say, Mr. Speaker, that it retains much of that soundness and common sense today. Guelph is surrounded by an agricultural area and has a diversity which is envied by most people. It has a sense of history and is a place of beauty. We even have a correctional institution to house those people who come from other parts of the province. We also have a university which has been actively involved in this particular issue. Our university was the site of one of the main peace and disarmament conferences over the past 12 months.

I believe the people of Canada want an end to nuclear weapons. They want peace and they want disarmament. However, the natural caution of most Canadians dictates that we do not want a freeze which has the possibility of harming our strategic position.

I would like to address one specific element in this discussion, namely, verification. In an era of suspicion and uncertainty, nations are unlikely to accede to agreements affecting their own national security without some adequate means of assurance that other signatories will indeed live up to the terms of their agreement. An arms control agreement is essentially an agreement between states to undertake restrictive measures. Since the benefit to each state arises from the compliance of the other, there is, of course, mutual advantage. In simple terms, Mr. Speaker, verification is the means by which such assurance is given to the other states. Consequently, the nature of the verification measures associated with the arms control agreements is of vital importance. The Swedish-Mexican freeze resolution, unlike the other two freeze resolutions at the United Nations, does address the problem of verification in greater detail. The resolution calls for appropriate measures and procedures of verifications such as those which have already been agreed to by the Parties in principle in SALT I and SALT II.

Ignoring the fact, Mr. Speaker, that the resolution is declaratory and thus does not envisage the necessary negotiations of verification measures, there are elements called for in the resolution which simply are not verifiable under the suggested verification procedure. The SALT I and SALT II agreements deal with anti-ballistics missile systems with intercontinental ballistic missiles and with heavy bombers. It is relatively easy to verify the deployment or testing of these major weapons systems by national technical means. Indeed, non-intrusive national technical means are generally adequate to monitor fixed ICBM sites, the number and locations of heavy bombers and the number of submarines actually deployed. However, these methods are totally inadequate to monitor tactical nuclear weapons systems or dual use weapons delivery systems which we have today.

Furthermore, countries must still come to grips with how to verify submarine launch Cruise missiles and Cruise missiles which are deployed on surface ships. Stronger verification methods will be needed in order to ensure a ban on deployment and production of nuclear weapons and delivery systems.

It is a fact of life, Mr. Speaker, that in the world of arms control and disarmament, the need for verification is based on suspicion. To imply that disarmament should be based on mere trust or confidence, or even on less than adequate verification measures, is not realistic. It is the view of this Government that the need for adequate verification in arms control agreements is too important for national security for us to accept the partial measures proposed in the freeze resolution.

I did not know last Thursday evening when I hosted the dinner of an international conference on the verification issue in the context of arms control negotiations in Europe, that the subject of that seminar would be raised in the House the following day. For two days last week, several persons from the United States of America, Germany, the Netherlands and, of course, Canada, met to study this issue. Our own contribution to verification is an important one, one which I wish more Canadians knew about. We are interested in this area. We are active participants in the research on verification, particularly on what is needed to reach verification agreements between parties. We start from the assumption that no agreement will be lasting without an agreed upon level of verification, and those levels depend upon the technology available and the degree of intrusiveness allowed by participating countries. Not all verification, as I said earlier, Mr. Speaker, can be accomplished by technological means. Unfortunately, for some purposes, the verification must be an on-site inspection.

A freeze on testing, Mr. Speaker, is perhaps the most likely option to begin the nuclear reduction process. However, even here the verification means is only suitable for relatively large test units. It should come as no surprise to any Hon. Member of this House that we are indeed divided on this issue. Each of us approaches it from a different perspective. As a veteran of World War II, I want to work for peace while remaining strong. I do not look for a quick solution to this difficult and perplexing problem. It has taken us 40 years to get ourselves into this mess. It may well take 40 years to remove the weapons, the fear and the suspicion from all of our hearts and minds.

Let us not vote for United Nations resolutions which cannot be enforced. What compliance system could be used to verify a ban on production and delivery systems? I remind Hon. Members of this House that the Cruise, which we hear so often discussed, is a delivery system. People talk about it as if it were some kind of weapon in itself. The U.S.S.R. has repeatedly refused to accept on-site inspections. Yet we know that is what is required if one of these resolutions of the United Nations is to succeed. Despite the good intent of the motion, it does not,

in my opinion, provide the assurance of verification which Canadians demand.

• (1710)

A few days ago I brought to the attention of this House the recent statement of the Aspen Institute International Group called Managing East-West Conflict. It does not promote dramatic win or lose situations. It is a sober, simple, long-range statement that addresses the tensions of the world and how to reduce them. Surely that is what this debate should be about. Reduce those tensions and the rest will follow.

The Acting Speaker (Mr. Charest): Questions or comments? the Hon. Member for Saint-Denis (Mr. Prud'homme) rising on a question or a comment?

[*Translation*]

Mr. Prud'homme: I must say I am very much impressed by the quality of the speech delivered by the new Chairman of the Committee for External Affairs and National Defence. This is a committee which is very dear to me, having been a member for 20 years and a chairman for eight years.

One of the questions I would like to ask my hon. colleague and new Chairman is this: Does he intend—not that I require a final answer today—but the Committee for External Affairs and National Defence has published a book that is most interesting for those who are concerned with disarmament and security. We worked for months, we heard witnesses from all parts of Canada, and also from abroad, including the Soviet Union—the Committee was keenly interested in Mr. Arbatov's evidence—and we made recommendations.

We did not have that much follow-up, because of all sorts of events, but I would like to ask the new Chairman of the Committee for External Affairs and National Defence whether he intends to follow up on the recommendations that were made directly to the Government, and especially to the foreign affairs commission—and, to give a concrete example, a follow-up on the United Nations' First and Second Conferences on Disarmament—to extract from the deliberations of that Conference the main resolutions and bring them back in order that there should be in fact not just a follow-up, but some concern on the part of Members of Parliament—I appreciate those matters are not of interest to all Hon. Members—but that we may have a follow-up because I am in total agreement with him.

Regardless of all our discussions today, Mr. Speaker, and apart from the fact that we are divided on the question of whether the previous administration should be blamed, or the policy changed, what is important is to get the two superpowers to sit down, irrespective of whatever may be done in this Parliament and in all other Parliaments in the world, if we cannot convince the two superpowers that, for the sake of world sanity, it is time that the two of them should get together, sit down, and discuss without preconditions.

What worries me is that President Reagan, our distinguished neighbour—because when we refer to the United States all the relevant qualifications must be added, our friends and so on and so forth; this is obvious, but still it must be said in case people have any doubts—however I am a bit frightened by the anti-Soviet rhetoric comparing the Soviet Union with the devil, with a monster, certainly does not help reduce world tensions. I am convinced of it. What we should try to do, and I do not want to take the Hon. Member by surprise by asking him a question without warning, even though I know that he already has an opinion on the matter, is to have the Committee on External Affairs and National Defence contribute to greater public awareness and understanding of the issue, first in Canada, and then world-wide, to bring the two super-powers to the negotiation table without imposing political preconditions.

This is indeed the wish of the International Parliamentary Union which I shall be presiding until tomorrow when a new chairman will be chosen. The International Parliamentary Union, to which we regularly send twice a year representatives of our various parties, has always supported for the past three years, that is since Budapest, Korea, Nigeria, Lagos, the Lagos Conference, the Seoul Conference, in South Korea, and the Budapest Conference, the wish of parliamentarians throughout the world that the two super-powers come to the negotiation table without imposing any preconditions. I wish every success to the new chairman of the Committee on External Affairs and National Defence, and I hope that we shall be able in this Committee to discuss the issues I have just mentioned. My only question, which is quite short, would be to ask him whether he intends to look at these many resolutions.

[*English*]

If I may put it the other way, perhaps the Standing Committee on External Affairs and National Defence could look back at its final report to the House of Commons, including the minority views expressed by some Members, so that they could be implemented by the, if I may say, Hon. Members' committee.

Mr. Winegard: Mr. Speaker, I thank the Hon. Member for his good wishes. I hope I am slightly ahead of him in this matter. I have read the report, I have been in conversation with Ambassador Roche, and he has agreed to speak to the committee any time that we wish him to do so, and to review with us some of those recommendations and give us his good advice. I believe we will be doing that and, furthermore, if it is not part of the major foreign policy review, we will be doing it as a committee in any case.

Mr. Prud'homme: Thank you for your patience, Mr. Speaker. I spoke to the Hon. Member before, so I am not taking him by surprise. Does he have any news to announce to the House? Would this great and important policy review on foreign affairs be made by a special committee of the House of Commons or by his own committee?

Mr. Winegard: Mr. Speaker, I cannot answer that at the present time. It is still a matter of some discussion. The committee has made its feelings known to the Secretary of State for External Affairs (Mr. Clark), and the chairman of the committee and the Minister are still in discussion on this matter.

The Acting Speaker (Mr. Charest): I might just remind the Hon. Member for Saint-Denis (Mr. Prud'homme) that the questions should be related to the speech made by the Hon. Member for Guelph (Mr. Winegard), not necessarily to what is going on in the Standing Committee on External Affairs and National Defence.

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, it is with a great deal of pleasure that I participate in this debate today and speak in support of the motion by the New Democratic Party. The motion asks basically two things. It asks the Government to adopt a position in support of a nuclear freeze and, in doing so, make a definite split with the program put forward by the previous Government. That program, if it was not schizophrenic, certainly worked against the wishes of many people in Canada, and I think it caused concern around the world.

The resolution supports a statement by the United Nations that basically asks for a nuclear arms freeze. It would be subject, of course, to verification and it would be for a five-year duration. In the process of asking the Government to adopt this particular policy, we want a very clear statement on the part of the Conservative Government that it accepts these goals and that it will rationally pursue them in Canada.

There are sound reasons for this, Mr. Speaker. After the Conservative Government authorized our representatives at the United Nations to vote against this particular nuclear freeze motion, the explanations given by the Government were rather schizophrenic. The Government's opposition, I think, is rather ill-conceived and ill-founded, and many people have expressed the same feeling. It is interesting that Mr. Roche made some comments about why the Government did it. He suggested that the reason it voted against the motion was not that it disagreed with it but, rather, that it was a question of the practicality of the concept. There was no point in supporting simply a declaratory effort at the United Nations; it would have no effect, and certainly would not lead to constructive alternatives. He also indicated that he was opposed to it because there was no provision for dealing with peaceful nuclear explosions.

● (1720)

This is complete nonsense, Mr. Speaker. Any declaratory effort or any effort whatsoever that moves the world one inch closer to nuclear disarmament is worth making. It is almost immoral not to take a position in support of this. It is incomprehensible that the Government should have authorized the country's representatives at the United Nations to vote against the motion unless one accepts the statement of the Secretary of State for External Affairs (Mr. Clark). If we accept his statement, we begin to understand why the Government voted against such a logical and important motion.

The Secretary of State for External Affairs said he did not want to lose his influence in NATO. It strikes me and my Party and many people in Canada that we do not have any influence in NATO. The United States, in fact, reserves the right to act unilaterally in the defence of western Europe. If something arises in western Europe, we will not be consulted. If we are lucky, we may be informed after the event, but we certainly do not have the influence that the Secretary of State for External Affairs is attempting to suggest to justify this.

He is also suggesting that he does not want to lose his influence with the United States. Again, I do not believe that the Government has any influence with the United States. I think the United States tells the Government of Canada what to do, when to do it, and how much to do. I think the previous Liberal administration, run by the former Prime Minister, followed the same course of activity. There were occasional schizophrenic outbursts, with attempts at disciplinary action by the United States, then he would fall back into line. Certainly, Mr. Speaker, we do not have the kind of influence that Canadians want within NATO. The United States would follow unilateral action without its NATO allies. The western European defence community has stated in the past that it will act unilaterally in defence of western Europe. Ultimately, voting against a nuclear freeze is not going to cause us to lose whatever influence we do have. I think it is extremely unfortunate that the Government authorized its representatives to vote against it.

The communication between the Secretary of State for External Affairs and the Government with the officials at the UN was obviously not very clear. That is an extremely unusual thing to do and I believe that the Conservative Government will pay dearly in political terms for this. There is an enormous number of people in the country who want to have a nuclear freeze and nuclear disarmament. They go to bed at night in fear of what the end result of failing to take positive action on this is going to be. There will be political repercussions.

The briefings that they are giving to people at the United Nations would not lead Canadians to have very much confidence in what is happening. The ambassador for disarmament has stood up and made comments which are virtually ludicrous. He has stood up and said that there is no point in supporting a declaratory statement. He has said that we cannot vote for a declaration of a nuclear freeze because we are afraid of peaceful nuclear explosions and other technical details. That is complete nonsense. Someone, whether the Secretary of State for External Affairs or someone in the Prime Minister's Office, is not giving our officials at the United Nations a clear briefing on what is expected of them. The Minister must be prepared to stand up and take the political consequences of saying that if we vote for the nuclear freeze, the Americans are going to be mad at us and our NATO allies might be mad at us and we are therefore afraid to take a proper action. If they have not got the guts to stand

up and vote for something that is morally correct and appropriate given the times we are facing, then they should admit that they do not have the guts to vote for this because Canada is afraid of criticism.

Unfortunately, I do not think that anyone in the Government has thought out very clearly the approach that we should be taking. The motion put forward by the New Democratic Party today states very clearly what should be done. The Conservative Government should adopt as policy the motion put forward by the group at the United Nations. It should make a very clear statement that it is going to stop the kind of schizophrenic activity that the previous Liberal Government was involved in.

I would like to take a few minutes to review some of the activities of the previous administration because it ties into the amendment. The previous administration decided to test the Cruise missile. It took the flak for it across the country. I heard a Member of the Conservative Party say that this really does not involve nuclear weapons as it is only a delivery system. If it delivers a nuclear bomb which is designed to kill and destroy, then certainly it is a part of the nuclear freeze concept. Any weapon or any machinery that delivers or produces a weapon must be considered in a comprehensive nuclear freeze. The previous Liberal administration took the position that it was in favour of testing the Cruise missile. It allowed the construction of components of the nuclear weapons delivery system and, if I am not mistaken, of the weapons themselves. Today the Liberals talk of supporting nuclear freezes, but the past administration was not so inclined.

There are other aspects that were of serious concern. There were enormous demonstrations in Vancouver and other parts of the country. The presence of American vessels carrying nuclear weapons and the over-flying of Canada by American aircraft armed with nuclear weapons certainly are matters of serious concern. The previous Liberal Government of Canada was delaying to the point where it was ludicrous. It allowed the presence of American weapons on Canadian soil. A 1.5 megaton warhead on a Genie missile was fired from a Voodoo—an outdated aircraft, an outdated missile, and a completely outdated concept of defence.

It may pay to review how far out of touch that previous administration was, as were administrations prior to it. A Voodoo dating back to something like 1954 and this Genie missile with the 1.5 megaton warhead were thought to be useful in shooting a missile into incoming fleets of Russian bombers that were flying in formation over the north. Later on it was pointed out that there was only one propeller-driven Russian aircraft that was even capable of making that particular flight. It does not happen that way anymore. A committee in the United States Senate pointed out years ago that the concept was completely obsolete and that it obviously was there for alternative motives. Unfortunately, that administration adopted and continued with what essentially was an obsolete defence system. It was supportive of the manufacture of components into nuclear weapons delivery systems and nuclear weapons. It permitted nuclear armed aircraft to fly over Canada and nuclear armed American vessels to enter Canadian harbours. Finally, it agreed with the testing of the Cruise missile. These facts should be placed clearly on the record. So I welcome the change in position of the present members of the Liberal Party, a change that advocates support for a nuclear freeze.

• (1730)

I believe, however, that the House should adopt our motion so that this Parliament can make a new start that will be divorced from the positions taken by past administrations. That new beginning can start with the support of a nuclear freeze. The members of the Official Opposition have ample opportunity to support the motion before us today in this new session of Parliament. In our motion we demand that the Government support a nuclear freeze and all its subsidiary requirements. In our motion we ask for a definite Canadian policy on a nuclear freeze that would break from the previous administration's approach to it.

Let me comment on the proposed amendment. I suggest that this amendment put forward by that Liberal group today would change the complete intent of what we are trying to do here. The United Nations resolution makes clear what we want to support. The final statement of our motion calls upon the Government to adopt it as policy. We clearly set out who should adopt this policy and which agency is responsible for enforcing it.

Third, we make it clear that we want to reject the policies of the previous administration in relation to the nuclear freeze and its various aspects. I suggest that to adopt the amendment would destroy completely the intent to make a new beginning that Canadians would like to see Parliament achieve.

Our motion does not have a political intent but, rather, one that has the clear goal of establishing a new direction and beginning. I hear some Liberal Members muttering with discontent, but I suggest we have held out the olive branch for them to join us in a new beginning.

It is significant that the amendment was proposed by the artful dodger, the Member for Saint-Maurice (Mr. Chrétien). He stands up cunningly in the House to paint a picture that would make us believe that black is white and white is black. He has inferred that our Party is engaged in some political game, but I would refer him to debates which took place in the House when he was on the other side. He swore to one position then with regard to the Cruise missile debate, but we see him trying to adopt another position today.

Surely this amendment does not fit the circumstances and absolutely denies the intent of our motion. I believe that we have a valid and legitimate goal, which is to encourage the Government with the support of the Liberal Opposition, to adopt a policy of nuclear freeze that will mark a new beginning of change. It will signal that this is a different Parliament with a different administration that will not follow the rather schizophrenic aspects of the previous administration.

We have heard much detail about the various aspects of nuclear freeze, including technicalities and hypothetical situa-

tions that may arise. When this Parliament commenced, I began a file on people from my riding who have written with respect to nuclear disarmament issues. These people from the riding of Comox-Powell River have expressed concern and their belief that the Government should act quickly to support disarmament and a nuclear freeze and look seriously at the peace tax proposals.

Every day an increasing number of Canadians are becoming seriously concerned about nuclear disarmament. When they hear the message from our Ambassador for nuclear Disarmament and the contradictory message from the Secretary of State for External Affairs, combined with the silence from Ministers opposite who should be clarifying a solid position on disarmament, those signals do not instil confidence in the people of Comox-Powell River or in other communities in the country about what the Government is doing.

I cannot pass up this opportunity to comment on the position of the provincial Government of British Columbia with respect to the nuclear-freeze aspect. There is a belief that this is solely a federal Government problem. However, there are villages, towns and cities in the Comox-Powell River riding in which there have been referendums asking their citizens how they felt about the testing of the Cruise missile. In many cases, 80 per cent of the citizens in those communities were absolutely opposed to that testing. In other referendums they have been asked for their opinion about a nuclear-free zone. When those citizens realized that the Government would not take an acceptable position in this respect, they asked their local representatives to declare their area a nuclear-free zone. The village of Gold River is an example. The inhabitants have presented a petition to the Prime Minister (Mr. Mulroney) stating that Gold River would be delcared a nuclear-free zone and that he should act to make all of Canada a nuclear-free zone.

The Province of British Columbia refused to allow the Sunshine Coast regional district to erect a sign stating that the district, by it own declaration, has been declared a nuclear-free zone. The provincial Government's role in this incident is almost ridiculous. It is almost a mirror image of the present Government in the length to which it went not to allow that sign to be posted. It is absolutely ludicrous. Nevertheless, those citizens will not forget that at the time of the next election. It will come back to haunt the Government.

In the time I have left, let me reiterate that the motion before the House today should be supported by every Member. It asks the Government to adopt definitely a solid moral position on the nuclear freeze. Let us make a break with the past so that Canadians will receive a signal that the Government and Parliament are convinced about the direction in which the country should be moving, and that the Government will separate itself from the past administration's schizophrenic and occasional negative approach to this issue.

I strongly believe that the amendment moved by the Official Opposition will totally destroy the intent of our motion. I hope it will be disallowed so that we could proceed to a vote on the resolution before us.

Mr. Stackhouse: Mr. Speaker, having listened to the Hon. Member and other New Democratic Party Members throughout the day, I have been impressed how he, like his colleagues, has spoken about a verifiable freeze without ever indicating or hinting how that verification would be established. This is really the nub of the matter. All the hopes of humanity for nuclear disarmament, since the atomic age began, have foundered on the possibility thus far of achieving some acceptable method of verification. For example, the United States has demanded onsite inspection. This has been consistently rejected by the Soviet Union. Neither side has been willing to trust the other with manning such on-site inspection teams. Without that there is no sure hope of finding an acceptable method of verification. It is true that in recent years methods have been developed by which there could be some verification via outer space and by satellite, but that is not adequate, Mr. Speaker. We have to have on-sight inspection if we are to have some verification of further production of nuclear weapons.

• (1740)

We have to think of something new. I am disappointed that the New Democratic Party did not live up to its name and give us some new thoughts, such as multinational monitoring of nuclear weapons production and testing so that we could have some verification by neutral non-nuclear powers that might be acceptable to the Soviet Union and to the United States. It has been a very great disappointment to me that the New Democratic Party would call upon the Parliament of Canada to endorse a nuclear freeze and call it a verifiable freeze without giving us any clear indication of how we and the country could expect that verification to be established.

Mr. Skelly: Mr. Speaker, apparently 111 nations did not feel in committee at the United Nations the same way as the previous speaker. They felt that the application of the systems of surveillance, verification and control already agreed upon in some previous cases would be sufficient to provide a reasonable guarantee of faithful compliance with the undertaking derived from the freeze. That is the first thing.

Second, we should not try to obscure the key point, as the resolution points out to the country in the form of a debate, that the Conservative Party authorized its representatives at the United Nations to vote against the freeze. The previous speaker, the Hon. Member for Scarborough West (Mr. Stackhouse), said it was a problem of verification. The Ambassador said he had two other different reasons, a problem with peaceful nuclear explosions, and the Secretary of State for External Affairs (Mr. Clark) says the reason he did not allow it to be voted for was that he was afraid of the United Nations and his NATO allies. What is it, Mr. Speaker? The Conservatives have to sit down and get their game together.

In response to the Hon. Member I will say that there is no doubt that the representatives of 111 nations felt confident enough to support this freeze with the verification methods available and in place today. Certainly there is an element of good faith; certainly a freeze. There is enough power available to blow the world to smithereens. The freeze does not put

anyone else in a serious position. Nevertheless, that was the feeling. What the Conservative Government has to do is to get its house in order. We have three speakers, the Hon. Member for Scarborough West, the Secretary of State for External Affairs, and our Ambassador, directed by the Government, coming up with three different, completely unrelated stories. The responsibility lies with the Conservatives to support this motion today and to make a new beginning.

Mr. Axworthy: Mr. Speaker, just in the last minute or two before the vote, I think it is important to address an issue raised by the previous speaker who said that people in this country—there is no question, people right across the country—are interested in finding some solution to the horrendous problem facing us. The approach taken by the NDP is not the way to do it.

Mr. Deans: How do you know?

Mr. Axworthy: Here we have an amendment on the floor which provides an opportunity for all Parties to take a non-partisan approach and agree that one of the most important events is the coming together of the United States and the Soviet Union to make an agreement and to start new negotiations. This is an opportunity for this Parliament to speak on behalf of Canadians and represent their interests in a non-partisan way. This is a very rare and important opportunity. But here they stand posturing and saying, "Well, it is far more important to endorse the freeze", which has been superseded already by events—

Mr. Deans: Not at all.

Mr. Axworthy: —and by the willingness.

An Hon. Member: No.

Mr. Axworthy: And if new Democrats knew anything about their history—

Mr. Blaikie: You are full of it, Axworthy.

Mr. Axworthy: Obviously they do not know much about their history because they are the ones failing this country by not supporting this amendment.

[*Translation*]

The Acting Speaker (Mr. Charest): Order, please. It being 5.45 p.m. it is my duty to interrupt proceedings and to put forthwith every question necessary to dispose of the supply proceedings now before the House under the provisions of Standing Order 62(10).

[*English*]

The question is the following one. Mr. Chrétien, seconded by Mr. Gray (Windsor West), moves:

That the motion be amended by deleting all of the words following the words "on a nuclear arms freeze" in the second to last paragraph of the motion and by adding the following:

"and, noting that the resumption of arms talks by the Soviet Union and the United States in Geneva in early 1985 announced by the superpowers on November 22, subsequent to the presentation of the above resolution at the United Nations significantly alters the political situation on which the resolution is based and constitutes an effective first-step in the achievement of the two objectives to be attained in the declaration of a nuclear freeze, calls upon the government to adopt as policy the intent of the whole resolution by urging that the meeting of the two nuclear superpowers have on its agenda the negotiation of limits on their nuclear arsenals, a mutually verifiable freeze and significant reduction; a strengthening of the nuclear non-proliferation treaty; a renewed emphasis on the mutual and balanced force reduction talks in Vienna; the encouragement of political emphasis on the Stockholm conference; a moving up of the date of the United Nations special session on disarmament now scheduled for 1986; an international agreement to ban the testing and deployment of high-altitude anti-satellite weapons; and the refining and improvement of nuclear weapons verfication techniques."

All those in favour, please say yea.

Some Hon. Members: Yea.

The Acting Speaker (Mr. Charest): All those opposed, please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Charest): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Charest): Call in the Members.

The House divided on the amendment (Mr. Chrétien), which was negatived on the following division:

● (1800)

(*Division No. 5*)

YEAS

Messrs.

Allmand	Frith	Marchi
Axworthy	Gagliano	Nicholson (Miss) (Trinity)
Berger	Garneau	Nunziata
Boudria	Gauthier	Ouellet
Caccia	Gray (Windsor West)	Penner
Chrétien	Guilbault (Saint-Jacques)	Pépin (Mrs.)
Copps (Ms.)	Hopkins	Prud'homme
de Corneille	Isabelle	Robichaud
Dingwall	Kaplan	Rompkey
Finestone (Mrs.)	MacLellan	Rossi
Foster		Turner—32. (Vancouver Quadra)

NAYS

Messrs.

Althouse	Blenkarn	Chartrand
Andre	Blouin (Mrs.)	Clark (Brandon-Souris)
Angus	Bouchard	Clinch
Beatty	Bourgault (Mrs.)	Coates
Belsher	Boyer	Cochrane
Benjamin	Bradley	Comeau
Bernier	Brightwell	Cook
Bertrand (Mrs.)	Brisco	Cooper
Binns	Broadbent	Corbett
Bissonnette	Browes (Mrs.)	Cossitt (Mrs.)
Blackburn (Brant)	Cadieux	Côté (Langelier)
Blackburn (Jonquière)	Caldwell	Crosbie (St. John's West)
Blaikie	Cardiff	Crouse
Blais-Grenier (Mrs.)	Champagne (Champlain)	
	Charest	

Messrs.

Dantzer
Darling
Daubney
Deans
de Jong
Della Noce
Desjardins
Dick
Domm
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Ellis
Elzinga
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Fulton
Gagnon
Gass
Gérin
Gervais
Girard
Graham
Gray (Bonaventure-Îles-de-la-Madeleine)
Grisé
Gurbin
Gustafson
Halliday
Hamilton
Harvey
Hnatyshyn
Holtmann
Hovdebo
Howie
Hudon
Jacques (Mrs.)
James
Jardine
Jepson
Jewett (Ms.)
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Keeper
Kelleher
Kempling
Kindy
King
Ladouceur
Landry (Mrs.)
Langdon
La Salle
Lawrence
Layton
Lesick
Lewis
Lopez
MacDougall (Timiskaming)
MacKay
Mailly (Mrs.)
Malone
Manly
Mantha
Martin (Mrs.)
Mayer
Mazankowski
McCurdy
McDermid
McDougall (Mrs.) (St. Paul's)
McKenzie
McKinnon
McMillan
Merrithew
Minaker
Mitchell (Ms.)
Mitges
Moore
Murphy
Nickerson
Nielsen
Nowlan
Nystrom
Oberle
Orlikow
Paproski
Parry
Pennock
Peterson
Pietz
Plamondon
Plourde
Porter
Ravis
Redway
Reid
Reimer
Ricard
Riis
St-Julien
Schellenberger (Wetaskiwin)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Skelly
Sparrow (Mrs.)
Stackhouse
Stevens
Suluk
Taylor
Toupin
Towers
Tremblay (Lotbinière)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Waddell
Warner
White
Wilson (Swift Current-Maple Creek)
Winegard
Wise
Witer
Young—173.

● (1810)

Mr. Speaker: I declare the amendment lost.

The question is on the main motion. Mr. Broadbent, seconded by Mr. Deans, moves:

That this House takes note of the following United Nations Resolution:

REVIEW AND IMPLEMENTATION OF THE CONCLUDING DOCUMENT OF THE TWELFTH SPECIAL SESSION OF THE GENERAL ASSEMBLY: IMPLEMENTATION OF GENERAL ASSEMBLY RESOLUTION 38/73 E ON A NUCLEAR-ARMS FREEZE

Indonesia, Mexico, Pakistan, Sweden and Uruguay: draft resolution

Nuclear-arms freeze

The General Assembly,

Recalling that in the Final Document of the Tenth Special Session of the General Assembly, the first special session devoted to disarmament, adopted in 1978 and unanimously and categorically reaffirmed in 1982 during the twelfth special session of the General Assembly, its second special session devoted to disarmament, the Assembly expressed deep concern over the threat to the very survival of mankind posed by the existence of nuclear weapons and the continuing arms race,

Recalling also that on those occasions, it pointed out that existing arsenals of nuclear weapons are more than sufficient to destroy all life on earth and stressed that mankind is therefore confronted with a choice: halt the arms race and proceed to disarmament or face annihilation,

Noting that the conditions prevailing today are a source of even more serious concern than those existing in 1978 because of several factors, such as the deterioration of the international situation, the increase in the accuracy, speed and destructive power of nuclear weapons, the promotion of illusory doctrines of "limited" or "winnable" nuclear war and the many false alarms which have occurred owing to accidental reasons,

Noting also that the Seventh Conference of Heads of State or Government of Non-Aligned Countries, held at New Delhi in March 1983, declared that the renewed escalation in the nuclear-arms race, both in its quantitative and qualitative dimensions, as well as reliance on doctrines of nuclear deterrence, has heightened the risk of the outbreak of nuclear war and led to greater insecurity and instability in international relations,

Bearing in mind that in their Joint Declaration issued on 22 May, 1984, the Heads of Government of six Member States of the United Nations, coming from five different continents, urged the nuclear-weapon States "as a necessary first step . . . to halt all testing, production and deployment of nuclear weapons and their delivery systems",

Believing that it is a matter of the utmost urgency to stop any further increase in the awesome arsenals of the two major nuclear-weapon States, which already have ample retaliatory power and a frightening overkill capacity,

Believing also that it is equally urgent to initiate or resume negotiations for the substantial reduction and qualitative limitation of nuclear arms,

Considering that a nuclear-arms freeze, while not an end in itself, would constitute the most effective first step for the achievement of the above-mentioned two objectives, since it would encourage the initiation or resumption of negotiations and prevent the continued increase and qualitative improvement of existing nuclear weaponry during the period when the negotiations would take place,

Firmly convinced that at present the conditions are most propitious for such a freeze, since the Union of Soviet Socialist Republics and the United States of America are now equivalent in nuclear military power and it seems evident that there exists between them an overall rough parity,

Conscious that the application of the systems of surveillance, verification and control already agreed upon in some previous cases would be sufficient to provide a reasonable guarantee of faithful compliance with the undertakings derived from the freeze,

Convinced that it would be to the benefit of all other States possessing nuclear weapons to follow the example of the two major nuclear-weapon States,

1. Urges once more the Union of Soviet Socialist Republics and the United States of America, as the two major nuclear-weapon States, to proclaim, either through simultaneous unilateral declarations or through a joint declaration, an immediate nuclear-arms freeze, which would be a first step towards the comprehensive programme of disarmament and whose structure and scope would be the following:

(*a*) It would embrace:

(i) A comprehensive test ban of nuclear weapons and of their delivery vehicles;

(ii) The complete cessation of the manufacture of nuclear weapons and of their delivery vehicles;

(iii) A ban on all further deployment of nuclear weapons and of their delivery vehicles;

(iv) The complete cessation of the production of fissionable material for weapons purposes;

(*b*) It would be subject to appropriate measures and procedures of verification, such as those which have already been agreed by the parties in the case of the SALT I and SALT II treaties, and those agreed upon in principle by them during the preparatory trilateral negotiations on the comprehensive test ban held at Geneva;

(*c*) It would be of an initial five-year duration, subject to prolongation when other nuclear-weapon States join in such a freeze, as the General Assembly urges them to do;

2. Notes with satisfaction that the Union of Soviet Socialist Republics have already submitted the report requested in General Assembly resolution 38/73 E of 15 December 1983;

3. Hopes that the other major nuclear-weapon State will find it possible to comply also with the request of the General Assembly before the closure of its thirty-ninth session;

4. Decides to include in the provisional agenda of its fortieth session an item entitled "Implementation of General Assembly resolution 39/... on a nuclear-arms freeze".

and calls upon the Government to adopt it as policy thereby rejecting the position of the previous administration.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

Mr. Speaker: In my opinion the nays have it.

And more than five Members having risen:

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

Some Hon. Members: Agreed.

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

(*Division No. 6*)

YEAS

Messrs.

Allmand
Althouse
Angus
Benjamin
Blackburn (Brant)
Blaikie
Broadbent
Deans
de Jong
Fulton
Hovdebo
Jewett (Ms.)
Keeper
Langdon
Manly
McCurdy
Mitchell (Ms.)
Murphy
Nystrom
Orlikow
Parry
Riis
Skelly
Waddell
Young—25.

NAYS

Messrs.

Andre
Axworthy
Beatty
Belsher
Berger
Bernier
Bertrand (Mrs.)
Binns
Bissonnette
Blackburn (Jonquière)
Blais-Grenier (Mrs.)
Blenkarn
Blouin (Mrs.)
Bouchard
Boudria
Bourgault (Mrs.)
Boyer
Bradley
Brightwell
Brisco
Browes (Mrs.)
Caccia
Cadieux
Caldwell
Cardiff
Champagne (Champlain)
Charest
Chartrand
Chrétien
Clark (Brandon-Souris)
Clinch
Coates
Cochrane
Comeau
Cook
Cooper
Copps (Ms.)
Corbett
Cossitt (Mrs.)
Côté (Langelier)
Crosbie (St. John's West)
Crouse
Dantzer
Darling
Daubney
de Corneille
Della Noce
Desjardins
Dick
Dingwall
Domm
Dorin
Duguay
Duplessis (Mrs.)
Edwards
Ellis
Elzinga
Fennell
Ferland
Finestone (Mrs.)
Fontaine
Forrestall
Foster
Fraleigh
Fretz
Frith
Gagliano
Gagnon
Garneau
Gass
Gauthier
Gérin
Gervais
Girard
Graham
Gray (Bonaventure-Îles-de-la-Madeleine)
Gray (Windsor West)
Grisé
Guilbault (Saint-Jacques)
Gustafson
Halliday
Hamilton
Harvey
Hnatyshyn
Holtmann
Hopkins
Howie
Hudon
Isabelle
Jacques (Mrs.)
James
Jardine
Jepson
Johnson (Bonavista-Trinity-Conception)
Joncas
Jourdenais
Kaplan
Kelleher
Kempling
Kindy
King
Ladouceur
Landry (Mrs.)
La Salle
Lawrence
Layton
Lesick
Lewis
Lopez
MacDougall (Timiskaming)
MacKay
MacLellan
Mailly (Mrs.)
Malone
Mantha
Marchi
Martin (Mrs.)
Mayer
Mazankowski
McDermid
McKenzie
McKinnon
McMillan
Merrithew
Minaker
Mitges
Moore
Nicholson (Miss) (Trinity)
Nickerson
Nielsen
Nowlan
Nunziata
Oberle
Ouellet
Paproski
Penner
Pennock
Pépin (Mrs.)
Peterson
Pietz
Plamondon
Plourde
Porter
Prud'homme
Ravis
Redway
Reid
Reimer
Ricard
Robichaud
Rompkey
Rossi
St-Julien
Schellenberger (Wetaskiwin)
Scott (Victoria-Haliburton)
Scott (Hamilton-Wentworth)
Scowen
Shields
Siddon
Sparrow (Mrs.)
Stackhouse
Stevens
Suluk
Taylor
Toupin
Towers
Tremblay (Lotbinière)
Tupper
Turner (Ottawa-Carleton)
Turner (Vancouver Quadra)
Valcourt
Vankoughnet
Vincent
Warner
White
Wilson (Swift Current-Maple Creek)
Winegard
Wise
Witer—179.

● (1820)

Mr. Speaker: I declare the motion lost.

* * *

SUPPLY

MOTION FOR CONCURRENCE IN SUPPLEMENTARY ESTIMATES (B), 1984-85

Hon. Perrin Beatty (for President of the Treasury Board) moved:

That the Supplementary Estimates (B) for the fiscal year ending March 31, 1985, laid upon the Table Wednesday, November 7, 1984, be concurred in.

Mr. Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: On division.

Motion agreed to.

Mr. Beatty thereupon moved that Bill C-16 an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1985, be read the first time and be printed.

Motion agreed to and Bill read the first time.

Mr. Beatty thereupon moved that Bill C-16, an Act for granting for Her Majesty certain sums of money for the Government of Canada for the financial year ending March 31, 1985, be read the second time and referred to a Committee of the Whole.

Motion agreed to, Bill read the second time and the House went into committee thereon, Mr. Paproski in the chair.

Mr. Gray (Windsor West): It is usual at this point for the responsible Minister to give assurances that the Bill is in the usual form. Can either the Government House Leader (Mr. Hnatyshyn) or the Acting President of the Treasury Board give the committee these assurances? In fact, where is the Bill?

Mr. Beatty: Mr. Chairman, I guess I am as responsible a Minister as any. I can give the Hon. Member that assurance.

The Deputy Chairman: It is my understanding that the Bill was distributed this morning.

Clauses 2 to 6 inclusive agreed to.

Schedule agreed to.

Clause 1 agreed to.

Preamble agreed to.

Bill reported, read the third time and passed.

Mr. Speaker: It being 6.26 p.m., this House stands adjourned until tomorrow morning at eleven o'clock, pursuant to Standing Order 2(1).

The House adjourned at 6.26 p.m.

HOUSE OF COMMONS

Tuesday, December 11, 1984

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion) moved that Bill C-15, an Act respecting investment in Canada, be read the second time and referred to the Standing Committee on Regional Development.

He said: Mr. Speaker, the debate today is a debate on creating jobs for Canadians. It is a debate on getting Canadians to be more confident, more willing to invest their huge savings in productive investments. Canada needs in real terms about $100 billion in new equity investment between now and 1991. This Government, this Progressive Conservative Government, is planning now to achieve this target. The Liberal Government gave up. In doing so, I would suggest that they stopped thinking positively. The past Government was, in effect, willing to relegate some 600,000 Canadians to the jobless rolls rather than change an ideology they had become addicted to. Their hostility to what they called foreign investment was paramount.

The new agency described in Bill C-15, on which we are now commencing second reading debate, I would suggest will, in concert with the private sector, provincial Governments and our trade services, work with Canadian investors and non-Canadian investors to ensure that there are productive jobs created for Canadians between now and the 1990s. By changing the name of the agency, we will be sending a positive signal, changing from that hostile-sounding terminology of Foreign Investment Review Agency, to one of: We are open for business once again. I suggest that in changing the mandate from one of foreign investment review to Investment Canada we will demonstrate that indeed there is a strong, positive signal once again coming from Canada with respect to our investment potential, and that those who have money to invest, be they Canadian or non-Canadian, are once again welcome in this country.

• (1110)

The Foreign Investment Review Agency, which we know was created in 1974, became, I suggest, an agency that was out of touch with the realities of 1980. Canada's economic welfare and growth depend on investment. Much of this investment must come from non-Canadian sources. It must come from abroad, and indeed from the reinvestment of earnings by non-Canadian firms resident in Canada.

Canada's performance in the international race for investment has not been helped by FIRA, it has been hindered. Canada should be seen as an attractive place to invest, but unfortunately, in the minds and eyes of many of the world investors, Canada does not have that attractive image any longer. The negative impact of FIRA has given Canada a poor image among potential investors. Our capacity to compete in world markets for technology, investment and trade itself has consequently been hampered.

In a recent European Management Forum study Canada was ranked 22 out of 22 with respect to our attitude and receptiveness to inward investment, as they call it. Imagine, 21 countries such as Australia, New Zealand, Japan, the United States, the United Kingdom, Ireland and Greece were ranked higher on the list of those willing to welcome foreign investment than was Canada. This Government believes, Mr. Speaker, that that is not good enough. Those who are now jobless in the country expect the Government of the day to do more than simply discourage non-Canadian investment from this country, consequently cutting down our full potential. Every industrialized nation in that study was perceived to be more receptive to investment than Canada with respect to their individual countries. We will not allow Canada to continue in last place as a safe, welcome place for non-Canadian investment.

Investment Canada will adopt a positive stance toward non-Canadian investment but it will also want to encourage Canadian investors. Investment Canada, with its new mandate, will be designed to co-ordinate private sector investment, provincial Government activity, our trade services, and, of course, the role of the federal Government in achieving the productive plants, machinery and jobs that we need in Canada. In this new approach we are accepting the reality of the 1980s. We are once again putting Canada in step with the mood of the world today. We are not allowing some outworn ideology to say to Canadians that they cannot have that productive capital which non-Canadians may wish to invest in this country.

• (1115)

In short, let me say that we have found that there are many Canadians who would like to invest in this country. Certainly, they have the savings to invest in this country but they are hesitant because they do not have that necessary confidence to put their investment dollars to work.

We also find that there are non-Canadians who are interested in investing in Canada but they want Canadian partners. They believe that they would be more comfortable if they could work with Canadian investors in developing a business, industry or other activity here.

The purpose of Investment Canada as set out in Bill C-15 is to weld, to bring together, those types of investors. Its purpose is to bring Canadians who have funds to invest together with non-Canadian investors to work in a joint partnership, if you will. These non-Canadian investors may bring new technology or new distribution while also being interested in opening a plant in Canada with a view to serving not just the Canadian domestic market but all of the Americas and serving, through Canada, whatever demands there may be with respect to products that could be sold in the United States, Central and South America and throughout the world. This is what Investment Canada is hoping to achieve.

Let me direct Hon. Members' attention to Clause 5 of the Bill. It sets out some of the positive aspects that we perceive for Investment Canada. Clause 5 reads:

(1) The Minister shall

(a) encourage business investment by such means and in such manner as the Minister deems appropriate;

(b) assist Canadian businesses to exploit opportunities for investment and technological advancement;

(c) carry out research and analysis relating to domestic and international investment;

(d) provide investment information services and other investment services to facilitate economic growth in Canada;

(e) assist in the development of industrial and economic policies that affect investment in Canada;

(f) ensure that the notification and review of investments are carried out in accordance with this Act—

In short, this is a positive piece of legislation that will allow us once again to muster that investment which this country needs in plants and equipment to give our Canadian unemployed work in the future.

To those who may wish to oppose this Bill, I suggest they answer to the unemployed of this country as to why they are disinclined to allow the funds to be mustered to put those people back to work.

I have already set out certain of the subclauses that describe the positive aspects of this Bill. I would also emphasize that when this Bill becomes law it will also ensure that there will be suitable scrutiny of non-Canadian investment over certain thresholds. For example, with respect to direct acquisitions, we will review those that involve an investment of $5 million or more. The $5 million figure was chosen because, at this level, acquisitions are deemed to be of a consequential nature. If we take the 1983 figures as our base, it will mean that we have removed from any review 80 per cent in number of the cases that would ordinarily be reviewed. I would emphasize that the remaining 20 per cent that we will still be reviewing under this clause do represent 90 per cent of the assets involved based on the 1983 figures.

• (1120)

In short, what we are saying is that with respect to new investment, as most of the Members realize from the kits we distributed, there will be no review other than in a very narrow sector.

With respect to acquisitions, we are saying that if they involve $5 million or more there will be a review that catches 90 per cent in dollar terms, but 80 per cent of what the previous Government was reviewing in number will not be reviewed any longer.

I would also mention that as far as reviews are concerned indirect acquisitions, which are now fully reviewable regardless of size, under the new legislation will only be reviewed if they involve an investment of $50 million or more.

Let us put this into perspective. It is one thing for me perhaps to say in numbers, and this is true if you take all the categories, that 90 per cent will not be reviewed, but I believe many people in Canada do not realize the nature of the review which the former Government was enforcing.

The hundreds of cases that went through are very revealing. Since I have had the responsibility for the existing legislation, I have been asked to pass on whether a non-Canadian should have the right to buy, say, a hair-stylist shop or a hamburger stand in Canada. Those were two applications.

Mr. Axworthy: What about a popcorn stand?

Mr. Gauthier: Silly Sinc.

Mr. Stevens: Another one that my friend mentioned was a popcorn wagon.

Some Hon. Members: Oh, oh!

Mr. Axworthy: Don't forget the peanut stand. That is usually part of your line.

Mr. Stevens: This fellow, Mr. Speaker, who happened to be a non-Canadian, proposed to buy a popcorn stand from which he would sell, he said, peanuts, candy floss and other related items. When he made that proposal, his lawyers, and this is the law of the land, said: "Of course, you will have to clear that through FIRA". Apparently this fellow said: "What on earth is FIRA?" It was described to him as the Foreign Investment Review Agency of the Dominion of Canada. He made his application. On average, it takes $6,000, if you take the total budget of the existing agency, to process every application. The application chugged through the agency. In due course it came to me. I had to weigh whether this was a significant benefit to Canada. Having found that, in my opinion, it was a significant benefit, the application would then go to Cabinet itself.

The previous Government used up over 20 per cent of its Cabinet agenda reviewing these kinds of cases. This is why we are suggesting that 90 per cent of that type of review is not needed, that we can indicate people are welcome to come to Canada and get on with such investments. We have though

reserved the right in terms of indirect acquisitions, as I say, of $50 million or more and direct acquisitions of $5 million or more, to take a look at them and in that way we will catch the bulk of the big dollar items with respect to the legislation.

Mr. Waddell: One minister.

• (1125)

Mr. Stevens: I would emphasize that not only are we freeing up the system, we are allowing the system to function in the way the Hon. Member for Windsor West (Mr. Gray) perhaps anticipated when he wrote the original "Gray" report. This is often forgotten. In 1973 when the Foreign Investment Review Act was introduced, it followed the Gray report which recommended that the Government only intervene in important cases. This is sometimes forgotten.

I would like to quote from the report. It recommended such interference or intervention by "limiting the review process to major transactions". It went on to indicate that such review would be possible to maximize economic impact while minimizing the number of cases subject to intervention.

In effect, by knocking out 90 per cent of the cases which are otherwise reviewable, we are simply putting in place what the original Gray report indicated was needed. This is where I suggest that perhaps the problem arose. Ideology was aided and abetted, we will recall, in that period from 1972 to 1974 by this red rump group over there.

Mr. Waddell: You are the ideologue; we are the practical ones.

Mr. Stevens: The Government of the day brought in legislation which was far more sweeping than the Gray report ever anticipated. It was sweeping to the point of saying that every non-Canadian investment in the country should be subject to review.

Let me give another example. There is a moose hunting lodge not far from here which a non-Canadian thought he might like to buy. That of course triggered FIRA. We had to pass on that one. Apparently it is only open 10 days a year, but whether there was a significant benefit to Canada in having a non-Canadian buy that five acres with seven cabins on it had to be weighed. It took the might of the whole Cabinet to come to that determination.

Mr. Nielsen: There is a significant benefit to the moose.

Mr. Axworthy: That is about the level of judgment they could make.

Mr. Stevens: My critic in the Official Opposition has made a comment. I remind him that when FIRA was put in place unemployment in the country was slightly over 5 per cent. Today it is over 11 per cent.

Mr. Orlikow: What will it be a year from now?

Mr. Stevens: A lot lower, my friend.

Mr. Orlikow: We will look at it a year from now.

Mr. Axworthy: That is not what your Minister of Finance (Mr. Wilson) says. You had better read his report.

Mr. Stevens: It is interesting how the socialists come alive when we start pointing out a few of the hard facts. They have been saying: "My goodness, don't water down this thing called FIRA because it may trigger unemployment in the country", totally ignoring the fact that the unemployment with which we are now living is more than twice as high, number-wise, what it was when FIRA was put in place. Even on a percentage basis, it has gone from 5 per cent to over 11 per cent.

Mr. Orlikow: It will be 12 per cent next year.

Mr. Waddell: You are creating unemployment to fight inflation. Don't you know that?

Mr. Stevens: Let me touch upon another point which I believe Bill C-15 improves tremendously. I am referring to the question of how soon a person who has to have his investment reviewed receives an answer. Under the Act at the present time, there is a 60-day period. However, if the Minister dawdles and does not come to a decision, it is a very simple thing to apply for an extension. Once the extension is applied for, there is no termination. Cases have run for over a year before a person is given a yes or no answer. One has run for 18 months.

• (1130)

That is one of the great deficiencies in the present legislation. A person has a right to know. We are suggesting in our Bill that a 45-day turnaround is appropriate. From the date the application is finally filed, the Minister should be able to get enough information, contact the provinces and the various Ministers that might be interested, come to a conclusion and give an answer within 45 days.

There is a further 30-day extension in cases where that is required. However, if the Minister has not made up his mind after 75 days, the application is deemed to be approved. This is another positive signal to send to those who are interested in investment in this country. We hope Members will support it.

I would emphasize that during that period all the normal checks will be made. What we will be determining is not whether it is of significant benefit to Canada. In all fairness, how can one say that a non-Canadian who wishes to buy a hair-stylist shop is making an investment that is of significant benefit? That is why we are suggesting that it is too nebulous a word. Let's call it net benefit. Do we find that there is a net benefit? If we do, the application should be approved within 45 days, certainly within the 75-day period.

Mr. Waddell: You are assuming they are negative once you use the word "net".

Mr. Stevens: My socialist friend is spouting again. A socialist does not realize that there are credits and debits. As far as net benefit is concerned, I think even a socialist would realize that that is exactly what you have to weigh when you are considering whether an investment should be approved, wheth-

er it is of net benefit to Canada. Over 90 per cent of the time even the previous Government said there was a benefit to Canada and approved the application. We are saying the test should be more clear. Call it net benefit and hopefully we will project an image that is positive in the world for Canadian investment rather than negative.

The changes I have mentioned so far can be seen as the correcting of the negative aspects of the Foreign Investment Review Act. Earlier I mentioned the positive aspects. Let me touch on the one reservation we have made within Bill C-15. For those investments that may be of a cultural nature or of a national identity nature, we feel that, regardless of size, there should be a review process. When the parliamentary committee is seized with this legislation, we would like it to make some suggestions as to what should be included under the headings of cultural and national identity.

We believe that by regulation there should be a provision that ensures that book publishing or the media field, for example, should not be allowed to pass into non-Canadian hands without a review. That is why we have that big reservation. It is not necessarily a question of whether an investment is over $5 million. It is much more a question of what is the nature of what is being acquired. I anticipate that at committee various groups in the cultural field will indicate why they feel that something other than book publishing, for example, should be included under that general heading. We are interested to hear from Members on that. That is an important exception to the over-all open, non-review position that we want to take.

Mr. Caccia: How about films?

Mr. Stevens: We have the suggestion of films. I hope the Hon. Member turns up at committee and makes his case. I am not saying that films will not be included under the heading of cultural or national identity as far as this cause is concerned.

Mr. Waddell: Can we sneak in oil companies too?

Mr. Stevens: My socialist friend asks if we can sneak in oil companies. That shows their obsession. Regardless of the consequence and the number of people who may be thrown out of work, their ideology is paramount.

What I mainly want to do this morning is to give the highlights of this legislation, to stress that we believe it is a very integral part of our economic package to get this country back to work and get prosperity on the uptick once again. It is a very essential ingredient in our package. It is a campaign promise that we made very clear throughout the election. It is a promise that we believe the Canadian public expect us to deliver on in this House.

Some Hon. Members: Hear, hear!

Mr. Gauthier: That is the first applause you have had.

Mr. Stevens: Oh, no. My friend is counting. That is seven.

The legislation before us, Bill C-15, is much more than a modification of the previous Act. This legislation heralds a new day for Canada. Investment Canada will take us from a negative and defensive policy to a positive and forward-looking policy. Critics charge, including my socialist friend, that the legislation throws the door open to economic domination by non-Canadians. They say we will be unable to control acquisitions of Canadian business. These suggestions demonstrate a lack of understanding of the contents of the Bill.

More important, those suggestions are unworthy of Canada. They indicate some unsureness. They indicate a reluctance for Canada to take its rightful position in the world today as one of the most active and dynamic countries, a country having great promise if we simply come into the 1980s and accept that there is a role for capital, be it Canadian or non-Canadian, in the building of this great country.

I will conclude by saying that this Bill respecting investment in Canada is intended to enable us to build bridges rather than barriers. Canadians want more from the Government than an investment watchdog. Canadians want to know that their Government is actively encouraging and seeking investment that is in their best interests. Moreover, Canadians want to know that their country is indeed back in business.

• (1140)

In closing, I would say that I welcome any constructive criticism that fellow Members of the House or of the other place may care to offer during debate on this Bill. I certainly look forward to hearing in our committee review the various representations, but through it all I have the genuine hope that these debates about an Act respecting investment in Canada will make Canadians proud once again to be Canadians in a world setting and will let the world know that Canada has now come up to the 1980s.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: Does anyone wish to speak on debate? The Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy).

Mr. Orlikow: Mr. Speaker, I rise on a point of order. I was just wondering if there is a period for questions and comments at this time.

Mr. Deputy Speaker: No, there are no questions after speeches of the first three speakers.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, we welcome very much the introduction of this Bill by the Hon. Minister because it is the first major piece of economic legislation the Government has brought in as part of its so-called new regime of economic revival. Therefore, it gives this House its first chance to debate at some length and in a comprehensive way the outlines and positions of the new Conservative Government in relation to its stated objectives of economic growth.

We thank the Minister for his explanation of the Bill. I think he fully represents and constitutes the embodiment of

that kind of Conservative representation by which, for better or for worse, we will be governed for the next four years at minimum.

I think this is an important debate. I hope all Members of the House will take full advantage of it, listen to it carefully and respond to the arguments that are made. I would hope that the Hon. Minister and his colleagues both in Cabinet and in the Conservative caucus, rather than simply responding in some Pavlovian fashion to the call to arms and to the rhetorical flourishes, will listen carefully to what those opponents and critics of their positions have to say.

I believe that we come here sharing the same objective. We share an interest in creating work in the country. We have the shared goals of generating growth, encouraging investment and of having Canadian industry become a major participant in a new kind of world economy. When it comes down to our basic goals, I think we can say honestly that we on both sides of the House start from the same premise. Where we disagree fundamentally is in the methodology.

It is not as if one side or the other is for or against the creation of jobs. However, our primary concern with this legislation is that it is a faulty mechanism. It is one that is based upon seriously false premises. The end result of the enactment of this legislation will not be the creation of more jobs in Canada but will be the loss of jobs and economic opportunity. It will not provide an incentive for more Canadian investment but in fact will provide a deterrent to the establishment of an effective, modern, competitive, industrialized economy in Canada.

When living in an environment in which there is a requirement for individual countries to compete through high value-added products, manufacturing and high-technology industries, the end result of the Hon. Minister's legislation will be to provide a major deterrent and handicap to growth and development. Therefore, we have a very deep and abiding concern with this legislation.

We believe that if anyone has been caught up in ideology or theology, it is the high priest of the Ministry of Regional Industrial Expansion who has preached an evangelical sermon for years and has now found a new pulpit but in fact will not provide redemption for Canadians as a result. We will in fact find that the opposite will take place. That is why we hope that this debate will be listened to. We hope that we will be able to persuade, through argument at second reading and during committee stage, that there should be changes to this legislation in order not to damage Canadian business and in order to provide better incentives for Canadians to invest in their own economic system.

The real question is what is to be the proper direction and thrust of government policy in order to provide for the development of proper investment and effective job creation. I should say, by the way, that the two are not necessarily synonymous. The one thing we have certainly learned as we have moved into an age of knowledge-intensive industries is that new capital investment does not necessarily lead immediately to job creation unless the benefits of that capital investment and the profit from the wealth it creates is distributed in a way that will create jobs.

Someone could invest *x* amount of dollars in new machinery to gain productivity, but the end result, at least in that plant or location, would be the elimination of jobs. Therefore, to come at it from a simplistic point of view and simply say capital investment *per se* is sufficient does not take into account the realities of our present-day economy in which there can be a high level of job elimination or subtraction. What one must do is make sure that the capital investment is allocated and distributed, both on a regional and sector-by-sector basis, to ensure that there is a net gain in job creation for Canadians.

Another reason we have very serious concerns about what the Minister is trying to do is that, first, the so-called Investment Canada legislation is being brought forward in advance of the major economic Budget that the Minister of Finance (Mr. Wilson) has promised for next spring. It is not part of an integral, comprehensive plan. It is being rushed forward without giving Canadians an opportunity to see what the other parts of the formula will be. We are being given a one-shot unilateral approach by this Minister without having it put in the context of an economic policy.

What we have been promised by the Minister of Finance is consultation and discussion after which we will see the final results some time next spring. However, this Minister, for reasons known only to him or to his colleagues, has taken two initiatives which are quite outside the thrust of the approach of the Minister of Finance. Both his selling off the Crown corporations, thereby affecting in a very dramatic way development in the aerospace sector and the—

Mr. Stevens: Positively.

Mr. Axworthy: Negatively, because we do not know what the results will be. The Minister will not tell us. He will not tell us what the impact will be of selling to foreign buyers Canadair or de Havilland. We have the potential of another Avro Arrow on our hands. The Minister has not issued any guidelines, rules or conditions for that sale. This means that a foreign buyer can buy Canadair or de Havilland, strip its new technology and take it south, north, east or west and leave us with a hulk. The aerospace industry would then be abandoned. We have no idea what the framework of the sale will be because the Minister, when questioned before the committee, refused to say.

We are faced with a Minister who is not only working outside of the framework laid down by the Minister of Finance, but is initiating actions which have the serious potential of damaging major industrial sectors of the country. I suggest that the same fallacy is being perpetrated through this legislation. By not being able to judge its impact with relation to the other initiatives by the Government—which we will have to wait another six or seven months to see—we are being asked to buy a pig in a poke, one which carries with it some very serious potential problems for Canadian investors and Canadian business.

● (1150)

I would like to deal in part with the major principles of this legislation. First, the Minister decides to change the name. To quote Shakespeare, "What's in a name?" The Minister has told us there has been a perception abroad that the very name "FIRA" has struck fear and loathing in the minds of foreign investors and that somehow there is an atmosphere of anxiety and apprehension over the very name "FIRA". I believe it would be of some interest to its officials to know that they have had this incredible amount of power over foreign investors, who are usually much more hard-nosed and calculating than that.

However, if we accept the statement made by the Minister just 20 or 30 minutes ago that there is this incredible sense of fear and loathing, how does he explain the statement by the United States ambassador, Mr. Robinson, who has never been known as a man who limits his statements? He has always been more than forthright and honest in his comments about Canadian programs and policies. I quote from the Conference Board of Canada, not what you would call a Liberal think-tank, by any means. On page 9 Mr. Robinson said: "Canada remains a very good country for people to invest their money". It seems to me that the U.S. ambassador is not subject to the same fear and loathing which the Minister of Regional Industrial Expansion (Mr. Stevens) believes.

Mr. Stevens: He did not say "non-Canadians".

Mr. Axworthy: Mr. Robinson said in fact that we had made changes and things were now improving.

Mr. Stevens: Read page 58.

Mr. Axworthy: Let me continue, Mr. Speaker, and ask about that big foreign investment community out there. A questionnaire was sent out and one of the questions was: "What is it that affects your decision to invest or not to invest in Canada?" Out of 333 companies, 6.6 per cent named some facet of government regulation; only 6.6 per cent, Mr. Speaker. That is the "atmosphere of fear and loathing" about which the Minister talks.

When asked what makes these investors invest, a much higher percentage of companies said it is the whole question of market opportunities, competitiveness and profitability, the normal criteria by which business people make decisions. This Government has gone to this enormous time, effort and expense to tell us we have to change the perception when in fact the perception is generally positive.

Mr. Stevens: Read page 58.

Mr. Axworthy: We have gone through the studies. We have received statements from the U.S. ambassador and, in fact, we could quote, if the Minister likes, a number of other similar statements. It is far more a problem, Mr. Speaker, in the minds—and I use that term loosely—of the Conservatives because it has been part of their theology. They have gone around the country year after year preaching hate against FIRA. They have tried to whip up a storm of resentment. Where the problem has been is when Conservative spokesmen have appeared before American, German or French audiences and told them that FIRA is a terrible thing. That has been the problem, Mr. Speaker.

Let us look at the facts, Mr. Speaker, never mind the perception. Let us look at the reality. If there was such an incredible amount of anxiety out there, how does the Minister explain that last year over $4.1 billion of foreign capital was invested in this country?

Mr. Stevens: That did not regain what we lost in 1981 and 1982. What about the money that left?

Mr. Axworthy: The fact is, Mr. Speaker, that 1,000 foreign investors made applications and 97 per cent of those applications were approved. The Minister has tried to make out that FIRA was acting as some kind of a tight screen through which only the odd little person was able to sneak through, but 97 per cent of the applications last year were approved.

Mr. Stevens: One hundred and sixty you did not even decide.

Mr. Axworthy: Why does the Minister argue when somehow those who wanted to invest in Canada were, by and large, given the right to invest after they had properly gone through and been judged in relation to significant benefit to Canada? That is the key question. It is not the flow of capital which is the issue. It is what happens to the capital when it arrives. It is the impact of that capital and what it does in terms of creating jobs, research and development and world product mandates, which is the real issue.

It is the ultimate capitulation and surrender by this Government that it is totally eviscerating the opportunity of Canada to determine whether foreign capital will be used in a positive, constructive way, in order to ensure that the businesses which were acquired or started in this country would in fact be used to create jobs. By eliminating those requirements, by having no screening whatsoever for new business, by taking indirect acquisitions up to $50 million, and by raising the threshold for direct acquisitions, it is eliminating—as the Minister himself said—90 per cent of those applications, which means that investors can come into this country, buy a Canadian company, strip its technology, take it back to St. Louis, leaving nothing but the hulk; and the Minister says that is going to create jobs. That is the problem, Mr. Speaker, which this Minister does not understand.

FIRA was not used to keep capital out. It was used as a bargaining, leverage agency in order to make sure that we received proper benefits for this country.

Mr. Mazankowski: You have to be kidding!

Mr. Stevens: Most of them didn't even come to bargain.

Mr. Axworthy: That was the reason for FIRA and those people opposite did not understand its performance. That is the blindness. That is the theology. That is the problem. Hon.

Members opposite did not understand how it worked and they still don't. The Minister has been so blinded and conditioned for so long that he refuses to understand that the Foreign Investment Review Agency was an instrument designed to ensure that there was benefit from that capital for Canadians.

The end result of what the Minister is now doing is that Canadian companies which have developed a new technology, a value-added manufacturing base, can be acquired without any requirement or condition, and the benefits of that research and development or technology will not be given to Canadians but will be given to foreigners. Therefore, the net result of the Minister's initiative will not be the ability of Canadians to build a highly knowledge-intensive industry base, either in its traditional industries or its new industries, and we will run the real danger of having those attributes and assets stripped from Canadian companies and taken somewhere else. If the Minister thinks that that is going to create a place for Canada to compete in a highly competitive international atmosphere and environment, then, Mr. Speaker, he is out to lunch—

Mr. Caccia: He is dreaming in colour.

Mr. Axworthy: —and performing a serious disservice to the Canadian economy and to the Canadian business community.

Mr. Gustafson: You have been out to lunch for 16 years.

Mr. Axworthy: What interests me about the grand claims made for Investment Canada is that it is just not for foreign investment, it is going to be for all investment. We are going to have one central agency which will provide the stimulus and be the catalyst for all Canadian investors. But what does this legislation empower the Minister to do? He is empowered to publish a few pamphlets, from the looks of it. There is nothing in this legislation which provides any incentive, any more flexible opportunity for Canadian small business whatsoever. There is nothing here. It is a camouflage. It is a phony. It is a subterfuge. It is cosmetics. There is nothing which will enable the Canadian small business community to develop more capital.

Why has this Government been so reluctant and evasive in providing the kind of stimulus for small business when there is a full amount of capital in this country? We are the largest savers in the world. Thirteen per cent of our disposable income is in savings. Why is there not something in this legislation, or in the initiatives put forward by the Minister of Finance, to unlock that capital for equity or venture purposes for small business?

Mr. Stevens: It is in there.

Mr. Axworthy: There is nothing in there at all. The Minister can provide a few pamphlets. However, Mr. Speaker, as part of the Investment Canada initiative, for example, one idea should have been to fold in the Federal Business Development Bank as part of the operation so that Canadian investors could have a proper loan guarantee position available to them to invest in these areas.

• (1200)

Why has the Government been absolutely silent on the issue of a competition Bill? We tried several times, over their opposition, to bring in a Bill to allow for more competition in the business community. Why has the Government been reluctant to do the same? It is because we know in whose back pockets they belong. This is not a Government that really believes in competition. It does not really believe in breaking up the concentration of capital.

Part of the problem in this country has been far too much concentration of capital in large corporations. We know that job creation will take place primarily in the small and medium business sector, not in the large companies. In fact, there have been net job losses in the large companies. The major job creation will take place in the small business sector. From comparative studies between small business in Canada and the U.S. we know that the same percentage of new businesses emerges each year in the small business sector but they tend to hit a dead zone area and find it more difficult to expand and become medium or large size.

One of the reasons for that is our financial system. It is too rigid, too structured, and there is not enough venture and investment capital. But nothing this Government has done, either in this legislation or in the initiatives of the Minister of Finance, provides any opportunity for Canadian business in this area.

I hear the Minister of Regional Industrial Expansion was eloquent about how he wants to create jobs. I am in favour of that, no problem; but let us see what he is going to do. He says it is in the legislation, but where? Where is the policy or the program? Where is the freeing up of the economic rules and framework to allow that flow of capital to emerge? For example, when we were in government we initiated major programs of deregulation. We brought more competition into the transportation industry, specifically airline and trucking. We believed there had to be more scope for private innovation and competition. But where have we gone since then? The economic statement of the Minister of Finance added substantial new charges to the transportation industry which will detract from the industry's ability to take advantage of deregulation. They now face higher costs because of government action. We have this group of people who get up on every platform across the country and preach a theology of innovation and competition, and then turn around and increase costs for the small business community of Canada.

This is flip-flop, Mr. Speaker. They say one thing and do another. They have wonderful rhetoric but when you look at the real nature of their actions, you see a very different picture. They are so obsessed and mesmerized by the deficit reduction theology they have that they are now restricting the channels and opportunities for growth. They have dampened the opportunities for growth through these measures of heavier government spending, heavier government costs. The opportunity for the business community and consumers generally to have more money in their pockets through competition has thereby been lost.

The Minister stood up this morning and said it is a new day for Canada, the heralding of a new age. Yet it is the Government that is dampening and suffocating the possibilities for growth. That is the real danger. I hope the Conservatives will not smirk about it but take it into consideration. I am sure that during the committee hearings we will have enough witnesses to provide evidence of that. The Science Council of Canada, for example, has given us numerous analyses. I suggest the Minister might want to read some of their reports. They point out time and time again that if we are to provide for the development of a knowledge-intensive, high value-added industry in this country, then we must protect our industry in that area from takeover and acquisition and suffocation. Members opposite do not necessarily have to listen to me, although I think it would be wise if they did. They might want to listen to the Science Council as to what is required in terms of industrial strategy to meet the international competition we face.

The Minister talks about the 1980s; I am talking about the 1990s and the years beyond. The young people coming out of our universities and colleges are going to have to find jobs in those knowledge-intensive industries, but because of this Minister's actions those industries will all be south of us or north of us or east and west of us because they will not be able to survive here. That is the problem. That is the scenario which has been laid out for us. We do not have an open door; rather we are becoming the doormats of the world.

Do you know what is absolutely mind boggling about this, Mr. Speaker? This Government says it is going to establish a new relationship with the United States, the biggest foreign investor. We have this new privileged relationship. The Prime Minister (Mr. Mulroney) was in New York last night and the business community applauded him. Of course they did. They always like to see people come down there that they can sell the Brooklyn Bridge to. They love people like that. Of course they are going to applaud and stamp their feet and whistle and cheer. They like to see guys who are going to lie on their backs and go bow-wow. That is what is going on, Mr. Speaker.

I ask the Minister: did he make any effort, did the Secretary of State for External Affairs (Mr. Clark) make any effort, did the Minister for International Trade (Mr. Kelleher) make any effort to get reciprocity from the Americans on the prohibitions to foreign investment that are rampant in that country? They have anti-trust laws, securities laws, procurement laws, exclusion from a number of sectors. The Americans do not have a FIRA, but they sure as heaven have a lot of protective measures to ensure that foreign investors cannot buy up American businesses of all kinds.

There are many examples, and the Minister knows them, of a Canadian business going down to the States and there must be public disclosure because of the Securities Exchange Commission. Where is this in our Bill? If we are going to have an open hunting season on Canadian business, we should get the same rights in the United States. Perhaps, Mr. Speaker, the Minister has done this secretly or in private. But I do not believe that we should be making these kinds of changes in our ability to monitor foreign investment when other countries are not giving us the right to do the same in their country. Talk about selling out! Talk about poor bargaining! The wool has been pulled over our eyes and the Prime Minister is going down there and reinforcing that all over again.

No one is arguing, Mr. Speaker, that the United States is our major trading partner and source of foreign capital. Under FIRA they supplied 60 per cent of our trade, as I read the figures, or more depending on how you measure it. If that is the case, before we bring in this legislation, before we totally eviscerate our ability to make foreign capital responsible and accountable, why in God's name do we not ask the same thing of the Americans? Why do we simply give away our side of the bargain and not get anything in return? Is that what you call good business? Is that the kind of deal the Minister wants to go around making? We are simply the fall guys for the rest of the world. Is that going to be the new era, the new age? Canadians are simply the soft touches and easy makes in the international environment. Is that the kind of new economic policy we can expect?

If not, then I think the Minister better get on a plane tonight and go down to his friends in Washington. He should tell them that we are on second reading of this Bill, he knows the opposition is going to hold him there for a long time and so he has some time to bargain. Let him ask what those guys are prepared to give us in return. If he does not, then he is in serious dereliction of his responsibilities to the people of Canada as a Minister of the Crown. I think he should understand that.

Not only are we giving away our institutional rights, Mr. Speaker; not only are we threatening the potential for Canadian small business to develop its own specialized areas of competence and expertise and marketing, but we are doing it without getting anything in return. Canadians could compete if they had the same rights, but where are they? Why were we not down there bargaining for those reciprocal rights? That is the problem, Mr. Speaker.

• (1210)

That is why we on this side of the House say that, with regard to job creation and capital investment, this Bill is based on some very major fallacies. If we consider the industrial reality that we will be facing in the country, the Minister is in fact pulling out some of the major props. He received great laughs and hurrahs from his colleagues when he said that they are getting away from "significant" benefit and it will now be "net" benefit. That means that if it is a slight smidgen, half an iota, he is going to sell the store.

Mr. Deans: How would you know?

Mr. Axworthy: We will not know, of course, because now, all of a sudden, the only arbitrator, the only judge, the high priest of Canadian investment, will be this Minister. I do not blame him in a sense for trying to accumulate all this power unto himself.

Mr. Deans: You know all about that.

Mr. Axworthy: Certainly ministerial discretion is an honoured tradition on both sides of the House.

Let us look at the practical realities, Mr. Speaker. The Minister said that he does not want to take up the time of the Cabinet. He made the spurious statement that investment review takes 20 per cent of the time of Cabinet. That is absolute nonsense. I can say that because I was a member of Cabinet. Of course, it may have accounted for 20 per cent of the paperwork. The reason for having Cabinet review was to give other Ministers who have industrial or economic concerns the opportunity to raise a point if they felt it necessary. It also gave regional Ministers from across Canada some insurance that they could protect economic development and opportunity in their own regions. That has now been lost, Mr. Speaker. This Minister can simply make a decision totally on his own cognizance without any sober second thought or any reference to his colleagues. That goes against one of the fundamental principles of Canadian parliamentary government. The Cabinet has always been the repository and defender of regional interests. Because of the weakness of our Senate, and I do not have to go through that whole theory—

Mr. Deans: It is full of Liberals.

Mr. Axworthy: Thank God for that small blessing that we have.

Mr. Deans: It is very small.

Mr. Axworthy: The fact of the matter is that the Cabinet of Canada has always been the route through which regions of the country have been able to ensure some protection of their interests. This is an area of major importance to every region of the country. Depending on which new business comes in or is acquired, it could have dramatic negative effects in Nova Scotia, British Columbia or the Prairies. All of a sudden we have eliminated the opportunity for the Ministers representing those regions to provide some sober second thought, some other calculation or assessment.

I think that is a very major weakness in this Bill and I hope the Minister will reconsider it. We can ask former ministers of industry to come to committee and tell him that it did not take that time of Cabinet. The time was available. It was a residual right, but it certainly did not encompass the amount of time which this Minister claims it did. The Minister is bringing in legislation which eliminates the capacity for regional protection and judgment.

The Minister has taken the position that he is going to ensure quick, efficient service through this new agency. Of course, he has eliminated most of the review. He has taken out 90 per cent of the applications. He has also said that there is an absolute 45-day deadline after which anything goes.

Let us go back to the principle which I put forward that I hope the Minister might accept, even though we have not heard him say it. When there is an application by a foreign company or enterprise to acquire a Canadian asset, there must be some capacity on this side of the border to ensure that that acquisition will protect jobs. Members have been raising in the House the problem with Black and Decker. They have not fulfilled the requirements. What would happen if no requirements were put on them? Oftentimes there is a very important requirement that serious bargaining and negotiations be entered into to ensure that the new acquisition will provide a world product mandate for that Canadian company, protect the jobs and ensure that R and D remains here. There are a number of benefits. What happens if the deadline passes and an agreement has not yet been reached? Why should they agree? What foreign enterprise, knowing that there is an absolute cut-off deadline, is going to bargain in good faith? Why should they? They will simply back away and say—

Mr. Stevens: Because they will get a "no".

Mr. Axworthy: We have not seen any "noes" yet. The Minister has simply said that it is a wide-open world, that they are not stopping anything. They are reading the speeches of the Minister. There were 1,500 people at a dinner in New York where the Prime Minister was promising open skies and open ground.

Mr. Stevens: What do you think the reviews are for?

Mr. Axworthy: Well, that is what we are asking. The review is there to get benefits for Canadians. The term "significant benefit" has been eliminated. New businesses have been eliminated. The threshold on indirect acquisition has been raised. The message is clear. The Government does not want to provide a review, or bargaining or negotiation. The Government is saying that since there is a constituency out there which kind of likes the idea of a screening agency, it will keep the former structure. It is like one of those old western movie sets. There is a big tall building in the front and nothing at the back. It is pure subterfuge, Mr. Speaker. That is all the Minister is giving us. He is not giving us anything real or substantial that Canadian can count upon to protect their interests. The Minister is simply providing a veritable goose. Anything goes through in 20 seconds.

That is why we feel there are serious problems relating to this legislation with regard to the philosophy, the premise and the understanding of the economic environment and what we must do to establish, protect and enhance a Canadian industrial strategy. That is why we feel this legislation is very faulty and damaging and raises a large number of questions that will have to be examined before the House will be able to form any judgment upon it.

In sheer economic terms, Mr. Speaker, we hope that the Minister and his colleagues will reflect upon this.

Mr. Stevens: We will need better arguments than we have heard from you.

Mr. Axworthy: That is the attitude, Mr. Speaker. They know everything.

Mr. Deans: That isn't really fair either. I don't agree with him all the time, but the arguments aren't all that bad.

Mr. Axworthy: I thank the Member for Hamilton Mountain (Mr. Deans) for that endorsement.

Let us raise the other side of the coin, Mr. Speaker, and Members of the House will have lots of time to discuss it. I know this will bring a scowl and a look of scorn to the Minister's face because he does not believe in this. There is an issue of sovereignty involved. There is a question of the protection of Canadian institutions. Any Government of Canada that has been elected by the people with the kind of mandate this Government received cannot simply put that on the shelf and refuse to deal with it. There is a fundamental issue of ownership and control, because that does, in part, allow us to have some management over our own future. We cannot simply engage in a series of giveaways in the areas of trade, foreign investment and foreign policy. In three short months in the area of foreign policy, the Government has tied its little wagon to the American bulldozer without a question, a contrary word or even a reservation.

• (1220)

In a most revealing interview this weekend, the Secretary of State for External Affairs said that the Government will simply say "Ready, aye ready" to the American positions on foreign policy. He said that the previous Government became too obsequious at times. Prime Minister Trudeau with his peace initiatives had the nerve to go to talk to other countries, and he even talked to eastern European countries—

Mr. Deputy Speaker: Could I ask the Hon. Member to conclude his speech?

Mr. Axworthy: Mr. Speaker, on a point of order, I believe that there is unlimited time for the first three speeches.

Mr. Deputy Speaker: There is a limit of 40 minutes. The unlimited time is for the Prime Minister and the Leader of the Opposition.

Mr. Axworthy: Then I will conclude. I simply raised that point for consideration. I know that many of my colleagues will be more than happy to expand upon this Bill in the days, weeks and months ahead as we debate second reading. I will simply thank the Minister for giving us for the first time some of the bare bones of this new Conservative age. I want to say that those bones will need a very good rattling; otherwise we are in real danger of selling out this country for a mess of potage and getting nothing in return.

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, this is a historic debate of immense importance to the country and to our economic future. It is a historic debate, first because it represents the first real initiative which this Conservative Government has taken. As business people have said, they like the smell from the kitchen, but now the stew—or perhaps I should say the popcorn—is served. The Government now has publicly to defend the direction which we believe prejudice is pushing the Government to take the country toward.

Second, and perhaps even more important, it is a historic debate because this subject, the issue of foreign investment, is something that we in Canada have dealt with for decades. It is a subject that has been agonizing Canadians for well over 100 years, since the first subsidiary established itself in Ontario in 1872. We must remember that history. It is a history that should show us something; a history of a growing presence of foreign investment over the years until the 1930s. During the difficulties of the 1930s when we needed jobs, there was a major outflow of that foreign investment which made our depression worse than it otherwise would have been.

We must also recall the tremendous sense of dynamism, expansion and growth in our Canadian companies as we emerged from World War II. However, there was a huge inflow of American foreign investment which snuffed out those growing Canadian companies that offered us at that stage a chance to grow in our own economy and build on our own resources.

We must also remember that the Foreign Investment Review Agency was not a cheap political trick quickly brought out by a Liberal Government in trouble. It was the result of a long period of careful study and of immensely popular activity and pressure throughout the country to address a concern which Canadians recognized was important, but for the economic well-being of the country.

There has been documentation in this country, starting with the Gordon Commission in the 1950s and moving to the Watkins report in the 1960s and the Gray report in the 1970s, showing the problems which foreign investment can create in this country. It is out of those careful analyses and efforts to understand what was taking place that the decision was made to try to establish a review mechanism along with a number of other legislative initiatives. We are talking about something which has been part of our history and which our history has taught us to pay careful attention to and be seriously concerned about. Frankly, our history has taught us that foreign investment is something that must be handled with care and a sense of control for the sake of our country's future.

I believe it is very important at the start of this debate to define exactly what it is that we are debating. The Minister would have us believe that we are debating the future of employment in this country. That is simply not the case. We are not debating whether this country should have direct foreign investment. Our Party has pressed strongly, for instance, for more Japanese investment in the automobile industry here, and we believed that government action was necessary to push Japanese investors into establishing plants in this country.

It is not a question of wanting to block out direct foreign investment. Nor is it a question of investment promotion. It is quite possible today, without a new Bill or any legislation, for the Minister and his colleagues to promote foreign investment in this country. In fact, our high commissions and embassies throughout the world presently do precisely what the Minister says he wants Investment Canada to do. They talk to potential investors and promote the possibilities of investment in this

country which will benefit the country. The debate is not about that.

It is not a debate about whether the Cabinet should have to consider popcorn dealers in Edmonton. It is quite possible for procedures to be set up at any time by any government which will ensure that cabinet looks only at the most important and significant investments in terms of the process itself. It is not a debate about cabinet process.

It is not a debate about whether FIRA is perfect. We in this Party have had passionate criticisms of FIRA in the last ten years. We have seen FIRA as a closed and secretive agency which has not been prepared to be upfront with the Canadian people and with communities that have been damaged by companies that have not fulfilled their commitments. We have criticisms of that agency and would be pleased to support changes in the way that agency operates. In fact, we have suggested some changes.

There are three basic issues involved in this debate. First, with so much of our economy already in foreign hands, is there reason to be concerned about direct foreign investment and should we try to offer some alternatives to it? That is the first issue.

• (1230)

Second, does it make economic sense to have a review process to try to deal with some of the problems of foreign investment?

Third, is promotion of direct foreign investment from abroad the way to make Canadian investment and entrepreneurship more dynamic?

I want to deal with each of these real issues in the debate and leave aside the bogus issues that I think have been too much at the centre of what we have been talking about so far.

The first thing we have to recognize is the incredible proportions of foreign control here in our economy. We have data, the most recent available from Statistics Canada, which lay out the position very clearly. If we take all manufacturing, 51 per cent of our manufacturing industry is foreign controlled, as is 98 per cent of the rubber industry, 51 per cent of agricultural machinery, 92 per cent of transportation equipment, 70 per cent of electrical apparatus, 71 per cent of chemicals, and 52 per cent of miscellaneous manufacturing.

We are not talking about bringing in some new small additions to a country basically under its own control. We are talking about a country in which the proportion of foreign investment is already massive and which no other industrialized country in the world can match.

Mr. Deans: Not that we want them to.

Mr. Langdon: There has been a drop since 1971 in the proportion of foreign control. It may well be that the existence of FIRA has helped that. If so, all I can say is halleluja! Thank God we are finally getting a little more sense of control over the direction in which we are going.

Mr. Stevens: Is it better to have people out of work?

Mr. Deans: Don't be silly. You don't listen.

Mr. Langdon: The argument that is commonly made by economists in countries throughout the world is to bring in some foreign investment as a leavening to a local economy, to bring in some technology to help spruce things up a little bit and to push domestic firms so that they are more competitive and more in touch with some of the changes in technology throughout the world.

Those arguments are made in economies that have 10 per cent, 15 per cent, or 20 per cent foreign control. The arguments are not sensible, they just do not make sense in an economy that has 51 per cent of its manufacturing industry already foreign controlled. Surely to God, Mr. Speaker, that 51 per cent foreign control will act as a mechanism to bring in new technology, new ideas and suggestions from outside. Our problem is not new foreign investment and new input from the outside, but too many inputs and too much of an overload on an economy to make it possible for ourselves to shape the future.

That is just not an argument relevant to Canada. In fact, our problem becomes a problem with the multinational companies that are already here. Again, the data are gloomy and spectacular on this point. If we look at the recent period of devastating economic difficulty in Canada, we see that out of the top 50 companies in Canada, those that were U.S. owned lost twice as many jobs in 1982 and 1983 as those that are Canadian owned.

Mr. Deans: Are you listening, Sinc? That is the answer to your question.

Mr. Langdon: All over the globe multinational companies are rationalizing, shaping their own business empires, as they must. They are run by business people and they have to do it on the basis of what makes sense for them as international entities. When that happens there is absolutely no guarantee at all that we in this economy will get a fair shake out of what those large companies are doing.

Mr. Deans: That is true.

Mr. Langdon: There is absolutely no guarantee at all. If we simply sit back and let it happen, we will have what we have had here in Canada in the last four years, namely plant shut-downs, American companies moving out and Canadian workers out of work. In short, we will have exactly the opposite of the picture which the Minister has painted for us. We will have a worsening of the economic crisis that we have rather than any improvement.

We simply cannot leave ourselves to the mercy of multinational enterprises. There has to be some kind of control, some input, for our communities as these companies carry out their game plans throughout the world.

Why, if there are problems and we need some mechanism to deal with them, do we have a review mechanism? I think first we have to recognize that a great many countries have precisely that kind of review mechanism. If we look, for instance, at

the recent book put out by the British North American Committee entitled *Governments and Multinationals: Policies in the Developed Countries*, it is very clear that we are not alone. We are not the only country looking to review companies from outside coming into Canada. What about Japan, France, Australia and Italy? All of those countries have review mechanisms.

Mr. Stevens: All less than us.

Mr. Langdon: Even the United States has important mechanisms by which it sees to it that any company being established in the U.S.A. faces some kind of overview by its Government.

I think as well that the evidence that the Conservatives believe in is simply not there. They suggest that there has been a downturn in direct foreign investment coming in as a result of FIRA. In fact, if you take the last four years for which we have data, Mr. Speaker, starting in 1981, each and every year the net flow of direct foreign investment into this country has increased.

Mr. Stevens: No.

Mr. Langdon: I can give the Minister statistics.

Mr. Stevens: Take a look at the IMF figures.

Mr. Langdon: From a negative balance of $4.4 billion in 1981 we had a negative $900 million in 1982. In 1983 we were up to a positive $200 million and so far in 1984 we are up to a positive $1.3 billion.

Mr. Crofton: What is your source?

Mr. Langdon: The Source? Statistics Canada: total direct foreign investment in place. These are the latest figures available. The reality is that, contrary to the myth, FIRA was not preventing inflows.

Because of the many problems that exist with direct foreign investment, we need a review mechanism to bargain with those companies, not to exclude them. The goal is not to exclude foreign investment. The goal is to take that $1.3 billion of net inflows this year and see to it that each and every company coming into the country provides the greatest possible benefit to us. That is what the review mechanism is for.

• (1240)

Mr. Stevens: Read the Act.

Mr. Langdon: I have read the Act. The existing problems in terms of direct foreign investment need a response. Let us not pretend that those problems do not exist. Every serious study which has taken place in Canada and in other parts of the world has documented that such problems exist and have to be recognized. For example, the research and development undertaken by foreign companies in Canada is much lower than the research and development undertaken by Canadian companies. If we simply take those firms with more than 500 employees, foreign companies contributed only 2 per cent of their sales to research and development while Canadian companies contributed 10.3 per cent of their sales. If we turn to imports, we see that foreign companies imported four times as much as Canadian companies in the manufacturing sector. If we take the entire industrial sector, we see that foreign companies imported five times as much as Canadian companies. Every dollar of extra import means lost jobs in Canada for Canadians who could be producing the inputs to those companies.

It is not only the problem of purchases. It is the problem of outflows. One would think from what the Minister says that foreign investors come here and give us a gift of billions of dollars of investment. He forgets in a short-sighted way that we have to pay back that gift along with the significant profits which those companies can earn here.

If we take the question of outflows, U.S.-controlled firms which comprise 36 per cent of industrial assets accounted for 61 per cent of external remittances. Money which could be invested here but is instead sent home costs this country jobs. Jobs are not the only cost of outpayments by these companies. They also succeed in escaping from the diligence of the popular Minister of National Revenue (Mr. Beatty). There are various cases which demonstrate the way in which multinational companies aim effectively to set up their tax system so that they take their profits in the country where the taxes are least.

A detailed study of the computer industry in Canada found that in 1981 there was a $50 million loss of tax income through this mechanism. As a result, foreign companies transferring their profits out of the country in the form of purchases from their parent companies abroad led to 30 per cent fewer taxes from the industry than we would otherwise have had in Canada. In addition, these companies exported far less than Canadian companies of the same size and in the same industry. In 1978, 90 per cent of the exports of these companies were just exports to parent companies abroad.

We know from historical data that over half the subsidiaries established here do not have the complete freedom to export. Various restrictions are placed upon them. Every dollar of lost export earnings contributes to job loss in this country.

The problems exist. They are immense. They are well documented. Can a review mechanism or a bargaining mechanism help us to deal with these problems? Frankly, it is difficult to have a certain answer to that question. The way the previous Government set up FIRA created an instrument which operated in a secretive, closed way. This meant that we were unable to monitor carefully the benefits of the review process. In that sense the previous administration was the author of its own misfortune in the attack which is being undertaken on FIRA. If a more open, publicly accountable review mechanism had been set up, we would be able to judge its benefits better.

An internal evaluation study has now been completed within FIRA. We shall be asking for that study to be released. Our understanding is that it showed that the great majority of companies with which FIRA bargained in fact met the com-

mitments they made to create more employment in Canada, to do more research and development here, to export more outside the country and to buy more inputs within Canada. This tells us that FIRA has not lost jobs. Instead, it has gained jobs for Canadians by the bargaining it has undertaken with companies that went through the review process.

We all know that not enough companies went through the review process. Too many were exempted. Too many of the large multinational companies here have never had to face a review by FIRA. But, faulty though it was, the mechanism showed that reviewing foreign investment proposals could gain greater benefits for us.

There is a third issue: Will this Bill "redynamize" the Canadian private sector? Is it possible, by bringing in new foreign investment, somehow to shake up Canadian entrepreneurs and get them investing again? I think the exact opposite will take place as a result of this Bill. The Bill exempts any new investment from being reviewed. It permits any American competitor to come into the country and set up operations in direct and immediate competition with a Canadian firm. Absolutely nothing can be done to stop that. The result could be the bankruptcy of such a Canadian firm with no recourse whatsoever to turn to the Government for assistance. The way to growth, the way to expansion and the way to having entrepreneurship once more moving ahead is to encourage small companies throughout Canada by assisting them in every possible way.

It is precisely these small companies which become sitting ducks as a result of the new Bill. Any company with under $5 million in assets can now be taken over by an American company. Nothing can be done to stop it. There will be no review mechanism, no careful attempt on the part of the Government to work out a joint venture. Instead, those emerging Canadian entrepreneurs, those who can give us our future, will be faced with temptation far too often. When their business gets to a level of $2 million, $3 million or $4 million in assets, they will be able to settle back, as so often was the case in the past in this country, and sell out their firm at a nice high price to the United States. They will be able to retire to Florida, sit back, put their feet up and stop their contribution to this country and the entrepreneurship which could expand it.

• (1250)

I cannot understand the logic of the approach that those very companies that we should be working hardest to protect, those with under $5 million in assets, should have open season declared on them by this Bill. We need a new economic strategy to help the private sector much more, to assist it to make a contribution to building an economy in Canada, not only one that we control but one that gives us the jobs we need. This Bill does not help that process; it hurts it.

This Bill is a major step backwards. This Bill ends all review of new investment proposals, all small takeovers of growing, independent Canadian firms. There will be no more review of that. Even significant-sized subsidiaries in this country can be taken over by indirect takeover with no review mechanism there to stop it.

When the Bill was released on Friday, we said the Bill should have been called Warehouse Canada instead of Investment Canada. It is a Bill to sell our country out. It will turn the industrial estates across this country into a series of warehouses. American companies will set up business, bring in their goods from abroad and maybe repackage them, if we are lucky. They will buy out small Canadian firms to do that, shutting down the production of those firms, and sell as importers. It will cost us again and again the jobs and the opportunities this country so desperately needs.

I cannot understand the economic logic of what is being done. The political logic I understand. I understand that the Government is anxious to tell the United States that we are its best friend once again. We will do anything. We will lay out the door mat and open the doors. If they cannot get in through the door, we will open the windows. We will do anything to prove to the United States that we are going back to our old dependent position of saying "absolutely" when they want something done.

That is the politics of it. We in this party will not let the Minister of Regional Industrial Expansion (Mr. Stevens) and his Cabinet create the impression across this country that they are doing this to get jobs in Canada. It is not jobs they are going to get; it is joblessness that they will create. The cases are already there. We have talked in this House about the Black and Decker case, about the shut-down now being planned in Barrie, Ontario. There will be 600 jobs lost in that community.

Government supporters have to understand that under this Bill, Black and Decker would have been completely free of any review when the takeover occurred. In the case of the GE subsidiary in Barrie, Black and Decker indirectly purchased a subsidiary worth less than $50 million. They would have had complete freedom to shut down that subsidiary without any negotiation process, without any help for the workers involved, without any negotiation with the community and without any review mechanism by the Government of Canada. That kind of economic nonsense will damage communities across this country one by one over the next 10 years, if this Bill goes into effect.

We have talked about the need to have a different kind of mechanism. We would like to see a review undertaken by a body that operates like the Anti-Dumping Tribunal, for example. It would hear representations publicly from the companies seeking to establish a takeover, from the community affected and from the workers affected. That kind of review mechanism would hold the companies to a public set of commitments. Second, it would give workers the chance to push companies to make new and different commitments. Third, it would permit communities to know what their future will be.

We would support that kind of commitment, but that is not what this Bill gives us. This Bill puts a fox in charge of the chickens and it does so unilaterally. It makes the Minister of Regional Industrial Expansion, with his oft expressed bias in

favour of foreign investment, the man who will review every future takeover in this country. I do not believe Canadians want that fox in charge of our chickens.

The jobs it will cost are not just, in that case, jobs from new investment, jobs from takeovers of small companies, jobs from indirect takeovers, but jobs from large takeovers. By taking this out of the control of Cabinet and putting it to the gentle mercies of the Minister of Regional Industrial Expansion, even large-scale takeovers will be subject to approval without guarantees to the Canadian people.

There are two visions for the future which will compete in this debate. I predict the debate will go on a long time because we intend to fight this Bill in a tough and effective way. There is a vision of an independent, strong Canada under our own control, giving us the jobs we need for our future. On the other hand, there is a vision of a country dependent, weakened, with an economy that relies on others to give it dynamism, an economy and a policy prostituting itself to try and get direct foreign investment from whoever will provide it.

We will fight for that first vision of a strong, independent economy under our own control. As this fight goes on, it is that vision of a positive, exciting future for all the people of this country which will win support. I predict that this first major initiative of the Conservative Government will be one of the first steps that ultimately costs it the popular support of the people of this country.

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

IMMIGRATION

APPLICANTS FOR CITIZENSHIP POSSESSING BANGLADESH REFUGEE STATUS

Mrs. Lucie Pépin (Outremont): Mr. Speaker, today, there are nearly 500 people from Bangladesh who are now living in the Montreal area and are waiting for a reply from the federal authorities. Many have been waiting for over a year, living with the fearful thought that they might have to go back to their native country and the military regime they wanted to escape.

Today, between 20 and 25 applicants for refugee status have received deportation orders, the reason given being that they were not political but economic refugees. It is quite clear that if these people return to Bangladesh, they will probably suffer retaliation. I therefore urge the Minister of Employment and Immigration (Miss MacDonald) to accede to the request for a moratorium by the Bangladesh Refugee Action Committee and the Centre des services sociaux du Montréal métropolitain.

Since the present system under which applications for refugee status are processed is inefficient and is now being reviewed by Rabbi Gunther Plaut, and since Amnesty International and Development and Peace have both denounced the many human rights violations in Bangladesh, including cases of imprisonment, torture and execution, I think that cancelling these deportation orders should be a priority.

In my opinion, the Minister of Employment and Immigration should do everything in her power to defend the rights of these applicants, and this could be done if the Minister would consider the concerns of the main parties involved. Furthermore, no decision should be made until such time as the system for processing the files of applicants for refugee status has been changed.

[*English*]

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

ROUTINE PROCEEDINGS

[*English*]

AUDITOR GENERAL'S REPORT

TABLING OF ANNUAL REPORT

Mr. Speaker: I must apologize to the House. I have a duty to perform before we can continue with statements.

I have the honour to lay upon the Table the report of the Auditor General of Canada to the House of Commons for the fiscal year ended March 31, 1984. I remind Hon. Members that, under Standing Order 69(1)(q), this report is deemed to have been permanently referred to the Standing Committee on Public Accounts.

We will now continue with Statements pursuant to Standing Order 21.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

THE LATE JACKSON BEARDY

PASSING OF GREAT ARTIST

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, Jackson Beardy has long been a part of our lives. Now he is a part of our heritage. His name is linked with those of Morriseau, Ray, and Objig, artists who gave a solid sense of pride to Indian people.

Jackson was a midwife to the rebirth of Indian culture and tradition. In his work one could see the spirituality which underpins Indian values. In the beginning his paintings sold for a pittance while he struggled to gain the recognition which he so richly deserved. In time, his work was recognized, first in Winnipeg and later at the National Arts Centre.

Canada has lost a great artist, Indian people a trail-blazer, and Manitoba a favourite son. We mourn his passing.

* * *

[*Translation*]

STATISTICS CANADA

ACTIVE POPULATION DATA

Mr. Gilles Bernier (Beauce): Mr. Speaker, I would like to submit to the House some views on the Canadian Labour force data provided by Statistics Canada.

I feel that Canadians are poorly informed and receive information that may seem erroneous to them since the unemployment rate is calculated on the basis of the number of people in the labour force. However, the labour force includes workers receiving remuneration and the so-called officially unemployed, that is, those receiving unemployment insurance benefits. Mr. Speaker, many workers without jobs who are not eligible for unemployment insurance are not included in the labour force. Furthermore, people receiving social benefits such as welfare, who are able to work but have no other means of support than what the State has to offer, are also excluded from the labour force. It is high time we had official or more coherent statistics that reflect the Canadian situation in all areas of the economy.

Mr. Speaker, labour force data often form the basis for setting levels of monetary compensation under Government programs, both regionally and locally. Unfortunately, on the basis of these data, some ridings are penalized and fail to receive funds that are essential for economic recovery, and especially—

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

S.O. 21

[*English*]

THE ECONOMY

PRIME MINISTER'S ADDRESS TO NEW YORK BUSINESS AUDIENCE—EXPRESSION OF CONGRATULATIONS

Mr. Dan McKenzie (Parliamentary Secretary to Minister of Veterans Affairs): Mr. Speaker, last night in New York City the Prime Minister (Mr. Mulroney) announced that once again Canada is open for business.

Some Hon. Members: Hear, hear!

Mr. McKenzie: His words won the standing ovations of American businessmen who were filled with gratification that their business initiatives are now wanted and welcomed by the Canadian people.

Great relief and pleasure were felt by both countries at learning that the Prime Minister is terminating the odious provisions of the National Energy Program. The Prime Minister has not only established a new harmony between Canada and the United States but has provided a major stepping stone toward the revitalization of our economy. Because of his warm invitation to our southern neighbours, the days of solving all problems in Canada by borrowing more money are finally coming to an end.

I am sure all Members of the House will want to join me in congratulating the Prime Minister on his successful visit to New York. A more appropriate time could not be had to provide Americans with an opportunity to do mutually profitable business with our country, and to give Canadians new hope for prosperity and a flourishing economy as we enter a new year.

* * *

CULTURAL AFFAIRS

IMPACT OF BUDGETARY CUT-BACKS

Mr. Sergio Marchi (York West): Mr. Speaker, the cultural and artistic communities in Canada are asking themselves what happened to the Government on the way to Parliament Hill. Prior to the election these communities were wined and dined over a rich menu of promises and accolades. The Conservative Party boasted: "We are committed to real growth in federal contribution to cultural development".

The question remains: what happened after September 4? In short, with the tabling of the economic statement the cultural community was treated to the real dark colours of the Government. Not only was the CBC budget cut by a total of $85 million but cultural agencies and projects lost $15 million in funding.

The arts industry is very labour intensive. Approximately 66 per cent of its budget goes to salaries. Therefore government cuts will mean a significant reduction in jobs in this sector. These cuts will also undermine the value of the role the arts play in creating a cultural identity for all Canadians.

S.O. 21

In recent days we have seen a Government eager to sell out its economic independence. I hope and urge that the Government does not sell out Canada's cultural industry.

* * *

[*Translation*]

GOVERNMENT ADMINISTRATION

FOLLOW-UP ON CONSTITUENTS' FILES

Mr. Fernand Ladouceur (Labelle): Mr. Speaker, my statment is of interest to all Members in this House. On September 4, 1984, the Progressive Conservative Party was brought to power by a majority of Canadians and by this very fact a number of us were entrusted with new responsibilities as Members of Parliament, as representatives and as aggressive supporters of the interests of our ridings.

After having been better than three months in office, I am amazed if not shocked by the little information and the total lack of interest shown by our predecessors with respect to the forwarding of files during the transfer of powers. This problem is even more acute, and I am sure that this shameful situation, to say the least, reflects a lack of ethics and blatant irrespect for the wishes and aspirations of our constituents.

Mr. Speaker, in view of those failures and this feeling of injustice, it is my hope that we, in this House, will be introducing measures ensuring that files are transferred whenever a new Member is elected, with this transfer being mandatory in order that our constituents may enjoy a minimum of equity. This will give a new lustre to our institutions and administrations.

* * *

[*English*]

SOCIAL SECURITY

SHARE OF GROSS DOMESTIC PRODUCT SPENT ON SOCIAL SERVICES

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I would like to call to the attention of the House a recent study done by the Organization for Economic Co-operation and Development which shows that Canada devotes 11.8 per cent of its Gross Domestic Product to social services compared to an average for other rich industrialized nations of 14.1 per cent. The study shows that Canada runs a poor sixth among the big seven OECD countries in sharing the returns from the economy with the poor, the unemployed, pensioners, veterans and the like.

The present Government would have us believe that social programs are the cause of our deficit. This report demonstrates that that is completely false, and that the Government is using the deficit as a cover for its own ideological agenda against universality and social programs, things which it has opposed for a long time. The fact of the matter is that the deficit is caused by the recession in combination with discretionary policies of previous Governments dealing with tax policies, interest rates, and a range of economic measures that have absolutely nothing to do with the viability of social programs in our country. What is being perpetrated by this Government, with respect to the so-called burden social programs are on the economy of the country, is nothing short of a hoax.

* * *

● (1410)

THE ECONOMY

RESTORATION OF INVESTOR CONFIDENCE

Mr. Don Ravis (Saskatoon East): Mr. Speaker, the Economic Council of Canada recently released its twenty-first annual review of Canada's economy. The report indicates that the deficit has helped erode business and investor confidence and has slowed the growth of jobs in the private sector. It could become even more serious in the future unless the Government takes steps to control it. The unchecked spending of the previous Liberal administration has forced our Government to make serious financial decisions to bring about order in federal government spending so that many more jobs can be created, along with future prosperity for our country.

It is, therefore, ironic that Hon. Members in the Opposition have shown such concern over the Government's initiative to restore international investor confidence in Canada through the establishment of Investment Canada under Bill C-15, which was tabled in the House last Friday. It is new initiatives like this which will begin to repay the approximately $190 billion of debt which the Liberal Government has accumulated over the past decade, mortgaging the future of our youth.

Restoring confidence in our economy will result in greater job opportunities for both young and old. However, this will not be as instantaneous as members of the Opposition demand. Canadians must judge the level of sincerity of the Liberals and the New Democratic Party who now want instant solutions and who criticize every initiative of a new Government, one which is trying to resolve the economic crisis in our country. The gloom and doom statements of the Opposition are in direct contrast to the growing optimism which Canadians feel for the future.

* * *

NUCLEAR ARMAMENTS

NUCLEAR FREEZE PROPOSAL

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, since I did not have an opportunity to speak in the nuclear freeze debate yesterday, I would like to explain my "yes" vote on that resolution. I have been strongly in favour of the Mexican-Swedish freeze proposal for some time. There are now over 50,000 nuclear weapons in the world,

which have a destructive power one million times that of the Hiroshima bomb. This resolution proposed a bilateral, verifiable nuclear freeze as a first step toward nuclear reduction and disarmament. It recently passed 112 to 11 in the First Committee at the United Nations, with Canada opposing.

Some opponents of the freeze argue that a freeze at this time would be wrong because the Soviet Union is ahead of the U.S.A. Even if that is true, one does not require an absolute balance when one already has sufficient bombs to destroy all of mankind. The balance of power with respect to nuclear weapons cannot be judged in the same way as with tanks and rifles.

I voted for the Liberal amendment because it recognized the important new situation of the superpowers agreeing to meet on these issues early in the new year. I then voted for the principal motion on the freeze, despite some partisan clauses added by the New Democratic Party, because I thought that the freeze proposal was too important and should transcend narrow partisan interests.

Although the resolution was defeated, I hope we will have a chance to debate it again next year. This is a question of human survival, Mr. Speaker.

* * *

SCIENCE AND TECHNOLOGY

NEW MICROELECTRONICS ERA

Mr. Bill Tupper (Nepean-Carleton): Mr. Speaker, we live in a time when vast scientific, technological forces like microelectronics are in action and promise to change our lives. These forces hold out a promise for longer life, labour saving mechanisms, new economic wealth, and thousands of new jobs.

We are entering into a new era with microelectronics with enormous increases in processing and memory capability. It is presenting the industrialized world with fast breaking processes of opportunity and change. It has recently been suggested by the president of one of Canada's high technology companies that this industry alone, at the international level, is a $200 billion a year industry.

In 1982-1983 a committee of academic and industrial experts, formed with the support of the National Sciences and Engineering Research Council, recommended that two centres of world class excellence in microelectronics be established in Canada. The centres are to provide state of the art facilities for carrying out microelectronic research and to provide industry with access to leading edge technology. It is crucial that Canada develop prominence in microelectronics and semi-conductors if it is to compete internationally in this fast developing field.

I look forward to our present Government, which is providing such refreshing leadership, to support the development of these centres of excellence. Furthermore, Ottawa-Carleton is a logical place for one of these centres because the region is two years ahead of any other area in Canada, with the necessary infrastructure in place and the unique potential to relate to local industries.

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

ORAL QUESTION PERIOD

[*English*]

NATIONAL ENERGY PROGRAM

CANADA-NOVA SCOTIA AGREEMENT—BACK-IN PROVISIONS

Mr. Russell MacLellan (Cape Breton-The Sydneys): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. Yesterday we in Canada suffered the indignity of hearing our energy policy announced in the United States before it was announced in this House and to the people of Canada. In view of the euphoric statement made by the Premier of Nova Scotia, when the Canada-Nova Scotia offshore oil and gas agreement was signed, on the benefits the back-in provisions would have for the people of Nova Scotia, can the Minister tell the House if consent to the proposed changes in the back-in provisions has been received from the Government of Nova Scotia?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I believe the Hon. Member in posing his question has ignored the fact that the energy policy was a key part of the economic statement which was presented in this House by the Hon. Minister of Finance. So the statement that it was released in the United States is simply not correct.

In view of the Hon. Member's specific reference to the back-in provisions, I can tell him that I have been in touch with Premier Buchanan, as has the Prime Minister, and with the Energy Minister of Nova Scotia, and we have committed to them that we will give them a better deal than they got from the previous administration. And they know that we will honour our word.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order.

Mr. MacLellan: May I say, Mr. Speaker, that the Government does not have it in its philosophy to give a better deal to the Province of Nova Scotia.

Some Hon. Members: Oh, oh!

POLICY CHANGES—REQUEST FOR COMPENSATION

Mr. Russell MacLellan (Cape Breton-The Sydneys): If the Minister is saying that the Government of Canada has not received the consent of the Province of Nova Scotia to the

changes in the back-in provisions, why not? What deal is the Government going to give to the Province of Nova Scotia? What compensation is it going to give to the people of Nova Scotia for this change?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the line of questioning rather surprises me in view of the fact that the back-in provisions were unilaterally established by the Liberal administration without a word to Nova Scotia, or Alberta, or to any other province.

Some Hon. Members: Hear, hear!

CANADIAN OWNERSHIP OBJECTIVE

Mr. Russell MacLellan (Cape Breton-The Sydneys): May I remind the Minister that if this change is made without the consent of the Province of Nova Scotia, then what we have here is a unilateral abrogation of the Canada-Nova Scotia offshore oil and gas agreement. I would like to say to the Minister that the Prime Minister has said in his statement that the National Energy Program failed in its objective of Canadianization, which is not correct, because—

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

Mr. MacLellan: I would like to ask the Minister how can it be said that the objective of 50 per cent Canadian ownership has not been achieved, when we have not reached 1990? We are ahead of schedule. If the Government is going to open the doors, the floodgates of Canada, to non-Canadians, how will we ever achieve this Canadianization?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, no.

HIBERNIA OILFIELD DEVELOPMENT

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, my question is also directed to the Minister of Energy, Mines and Resources. The Minister will know that a key element of Newfoundland's proposal for the development of Hibernia was catch-up for that province, and a key way of doing this was the back-in provision. Can the Minister tell us if, during her recent visit to Newfoundland, she discussed the elimination of the back-in provision with the Government of Newfoundland? And can she tell us if it agreed to that?

• (1420)

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, the Hon. Member chooses to ignore the fact that the back-in, as brought in by the Liberal Government, was straight confiscation. That is a kind of policy which has never been considered a Canadian policy. In view of the Atlantic accord, presently being negotiated in detail with the Government of Newfoundland, we are in fact giving Newfoundland a great deal of the management of the offshore and the same kind of revenue regime that other provinces got. They do not need the back-in. I mean, if you give it all to them, they do not need the back-in.

NEGOTIATIONS WITH NEWFOUNDLAND

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, the back-in was certainly not unilateral. As a matter of fact Premier Peckford asked not only for 25 per cent back-in, but for 40 per cent back-in. How can the Minister square doing away with this key element of Newfoundland policy with the fact she is negotiating a deal in the best interests of Newfoundland? How can she have any credibility now in the province in negotiating that deal?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, may I point out that the Liberal Government never made any deal with Newfoundland at all, on the back-in or anything else. They had no deal at all with Newfoundland. I can only point out that Premier Peckford signed the agreement in principle, which was also signed by the then Leader of the Opposition, and his Government is glad to sit at the negotiating table with us these very weeks to negotiate a deal which will be the most important thing that ever happened to Newfoundland since it joined Confederation.

Some Hon. Members: Hear, hear!

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FOREIGN INVESTMENT REVIEW AGENCY

ANNOUNCED ABOLITION—GOVERNMENT POLICY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would like to welcome the Prime Minister back. He took his—

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

Mr. Gauthier: Sing "Danny Boy".

Mr. Axworthy: How about the "Star Spangled Banner"?

Mr. Speaker: Order, please.

Mr. Broadbent: The Prime Minister took his puff'n' stuff routine to the New York investment community. In fact—

Mr. Axworthy: He bought the Brooklyn Bridge.

Mr. Broadbent: —he welcomed the American investors to come up here and drink Canada dry. More than that, he offered to hold the glass for them.

I would like to ask the Prime Minister this. One of the purposes of FIRA has been to ensure successfully that the companies it monitored produced more jobs in Canada and

increased their purchases in Canada. In short, it was to make sure that foreign firms with a presence in this country brought to Canada tangible benefits, not just benefits for their investors. Considering that, why is the Government of Canada abolishing this important agency which has been serving Canadian interests?

Right Hon. Brian Mulroney (Prime Minister): Because, Mr. Speaker, as the Right Hon. John Diefenbaker once said, the Progressive Conservative Party stands for positive economic nationalism, which means jobs and growth. That is what we are trying to do.

Some Hon. Members: Hear, hear!

Mr. Mulroney: One of the questions that I was asked in New York by the Chase Manhattan Bank was: "Where is Ed?"

Some Hon. Members: Oh, oh!

Mr. Mulroney: I said I will be seeing him.

Mr. Hnatyshyn: He is riding around in his chauffeured car.

Mr. Mulroney: Because of a situation that my hon. friend is familiar with, which we inherited, that being in excess of 1.5 million Canadians out of work, we felt it was incumbent upon us to attempt to attract, both nationally and internationally, the kinds of capital required to create jobs for Canadians and build new economic strength in the country. We felt this was a positive as opposed to a pernicious way of doing it, and we plan to do it with a view to creating jobs for Canadians.

Mr. Broadbent: I remind the Prime Minister that one of John Diefenbaker's first acts was to shut down the Arrow and ship those sophisticated aircraft production jobs back to the United States. So he is following in good order.

AGENCY'S MONITORING OF FOREIGN OWNED COMPANIES

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would like to ask the Prime Minister to put aside the charming rhetoric for a minute and deal with the question. Is he aware that FIRA has done an internal study which points out that a majority of the foreign owned firms it has monitored have increased their jobs here, have done more research and development, and increased their purchase of other Canadian products? In other words, because they have been monitored by FIRA and met certain Canadian standards, they serve not only the interests of their investors but the interests of Canada. Why, in heaven's name, when we had an agency like that, and at a time when we need Canadian jobs, has the Prime Minister of Canada gone down to sell everything out to the United States?

Right Hon. Brian Mulroney (Prime Minister): I know full well, Mr. Speaker, as opposed to the Leader of the NDP, who our friends are. I have no hesitation in saying that the United States of America, Great Britain, France, and other traditional allies, are friends, and will be treated by us as friends and not as enemies.

Some Hon. Members: Hear, hear!

Mr. Mulroney: That is the difference between us and the NDP.

Regarding the substance of the speech, I am not in disagreement with my right hon. friend, the Leader of the Opposition, who said many times, and with good reason, when he was seeking the leadership of his Party, that the combination of the NEP and FIRA send out negative and hostile signals around the world, denying Canada the investment capital it needs to create jobs.

Mr. Deans: That is nonsense. The two of you are wrong.

Mr. Mulroney: I almost voted for him myself.

Some Hon. Members: Oh, oh!

Mr. Mulroney: I know we will have the co-operation of my hon. friend, the Leader of the NDP, because Canadians want jobs. They want job creation, and we need investment to create the hundreds of thousands of jobs that Canadians need.

Mr. Broadbent: Mr. Speaker, the Prime Minister said he and the Leader of the Opposition were in agreement on this point. That does not surprise me. They agreed on most things in the election campaign. That is not news to Canadians.

Mr. Turner (Vancouver Quadra): Ask him to take the car back, Brian.

REASONS FOR ELIMINATING AGENCY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I would like to ask the Prime Minister to shatter his own interesting interest in the House and deal with the question that was asked. The question is simply this. FIRA is designed to welcome foreign investment if it benefits Canadians as well as the foreign investor. Almost every other industrial country in the world, whether it is the United States, Japan, France, or West Germany, has its equivalent of FIRA. Therefore, why in heaven's name at this point, precisely when we need 1.5 million jobs, is the Government of Canada setting aside this positive instrument designed to protect Canadian interests?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, what the countries my hon. friend referred to have is indeed an agency in regard to the influx of foreign capital. But it resembles infinitely more the positive dimensions of Investment Canada rather than the retrograde and regressive provisions of FIRA. I know we will have the full support of the Opposition in what we are trying to do.

Some Hon. Members: Oh, oh!

Mr. Mulroney: The Hon. Member for Saint-Henri-Westmount was applauding lustily last night in New York.

Mr. Turner (Vancouver Quadra): He was being polite.

Some Hon. Members: When?

Mr. Mulroney: During dinner.

We are going to extend the hand of friendship to the NDP and ask for their help in attracting the capital we need. That might mean the NDP will have to take a more open look at who our friends are, and where we can get investment capital to create jobs in Oshawa and elsewhere.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

Mr. Broadbent: That is why we have an auto pact.

Mr. Speaker: Order, please. The Hon. Member for York Centre.

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CROWN CORPORATIONS

REVIEW OF PURCHASE PROPOSALS

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion. The answers given so far by the Minister have shown lack of sensitivity to the risk that foreign investment can have some negative effects. He has observed that he may have foreign buyers for the Canadair and de Havilland aircraft companies. Will the Minister confirm that the new investment agency which the Government is proposing to establish, even as weakened as it is, would have no jurisdiction at all to review the purchase of these two government owned companies?

• (1430)

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, the Hon. Member must know that the sale of a Crown corporation, certainly under the Financial Administration Act, requires the approval of Cabinet and, in most instances, the approval of the House. Surely to suggest that Investment Canada should have a review, in addition to the cabinet review and that which would take place in the House, is totally unnecessary.

Mr. Kaplan: Mr. Speaker, the corporations are not technically Crown corporations. They are private companies which are owned by the federal Government, and therefore in the same position, but not technically covered by that requirement for review.

REQUEST THAT PARLIAMENTARY COMMITTEE REVIEW OFFERS TO PURCHASE

Hon. Bob Kaplan (York Centre): In view of the statement of the Minister, and given the fact that he appears insensitive to the risks to the jobs and the prospects for these two companies, will he agree that, before any deals are made to sell these two companies, a parliamentary committee will have an opportunity to review fully the offers and ensure that Canadian interests are indeed protected?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I am surprised that the Member would put the question in the context that he has. I will give him an assurance that the Cabinet, by Order in Council, will certainly approve of any such sale. If it is deemed necessary in the circumstances, certainly if the Financial Administration Act entails a review in the House, it would of course include a committee review as well.

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INVESTMENT CANADA

SITUATION OF SMALL COMPANIES

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, the Prime Minister is discussing the new Bill, C-15, and its benefits. How will it help Canadian jobs to make small Canadian companies, valued under $5 million, sitting ducks for U.S. take-over?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the problem is because of the negative and hostile signals emanating from Canada. You could not get anybody to put a plugged nickel in this country because the rules of the game were being changed. What is required—

Mr. Deans: That's not true.

Some Hon. Members: Oh, oh!

Mr. Mulroney: I know it hurts.

Mr. Broadbent: They are putting $1.5 billion in Oshawa, Brian.

Mr. Mulroney: I know it hurts.

Mr. Deans: That is hogwash.

Mr. Speaker: Order, please. Order, please. We are getting into that situation again. Perhaps Members could agree to listen to the questions and to the answers equally.

Mr. Blaikie: Why don't we get some answers? Then we'll listen to them.

Mr. Mulroney: In response to my hon. friend, we are attempting to create a climate of confidence and to send out a signal to international investors around the world that this is a good and honourable place to do business, and that the laws of the country will apply.

Mr. Deans: That has always been the case.

Mr. Mulroney: That is the proper climate for the attraction of capital. We believe, and we hope we are right and that the Hon. Member shares this, that with 1.5 million Canadians

seeking employment, a large infusion of job creating equity capital is required. We must get it from around the world. That requires signals and programs to be advanced that will attract the degree of confidence that inspires those decisions to be made. That is exactly what we are doing because we believe that the hundreds of thousands of jobs that Canadians are crying out for can best be created in that manner.

Mr. Deans: You need new business for that.

Mr. Langdon: Mr. Speaker, I must say that it seems that the Prime Minister has not read the Bill that has been tabled in the House.

PROVISION OF JOBS

Mr. Steven W. Langdon (Essex-Windsor): Will the Prime Minister tell us how we can possibly be creating more jobs by allowing small Canadian firms valued under $5 million to be taken over? That is the point—taken over and possibly shut down by those companies when the take-over takes place. How does that help Canadian jobs?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): My hon. friend introduces an unbecoming degree of melodrama into a straightforward proposition.

Mr. Deans: Talking about melodrama—

Mr. Mulroney: The fact of the matter is that before one talks of take-overs one must talk about the urgent requirement in this nation—

Mr. Deans: How about Schefferville and closing it down?

Mr. Mulroney: Schefferville? I won every poll in Schefferville in the last election. How about Schefferville?

Some Hon. Members: Hear, hear!

Some Hon. Members: More! More!

Mr. Deans: How about the decisions made in New York?

Mr. Speaker: Order, please.

Mr. Deans: Tell us how that benefits us.

Mr. Speaker: Order, please. Order, please. Would the Prime Minister like to finish his answer?

Mr. Mulroney: Moreover, we put together the most generous severance package in the history of Canadian industry, and you should follow it.

Mr. Deans: They are still unemployed, every last one of them.

Mr. Mulroney: It is a model for all Canadians, and you should be proud of it.

Now, with regard to your buddy, I think my hon. friend, with his experience, will recognize that what was lacking in the previous Government of Canada was a degree of confidence. We are trying to send out a positive signal to investment capitals which will cause those decisions to be made so that jobs will be created. I give my hon. friend the assurance that once the capital is in Canada it will conduct itself honourably and pursuant to national legislation.

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HOUSE OF COMMONS

PRESENCE IN GALLERY OF YUKON GOVERNMENT LEADER, MR. CHRIS PEARSON

Mr. Speaker: May I interrupt the proceedings to indicate the presence in our gallery today of Mr. Chris Pearson, the Leader of the Government of Yukon in the Yukon Legislative Assembly.

Some Hon. Members: Hear, hear!

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[*Translation*]

CULTURAL AFFAIRS

GOVERNMENT POSITION

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, yesterday the Minister of Communications told the Fédération des journalistes professionnels du Québec, and I quote:

> The extent of the deficit and the debt load facing us today will impose a significant constraint on the Government's ability to meet our economic requirements.

However, during the last election campaign, a message from the Right Hon. Prime Minister of Canada to the Canadian Conference of the Arts made it clear that there would be not only consultations but also an increase in the amount of funding earmarked for the arts in general.

I would like to ask the Minister how he manages to reconcile the statement he made yesterday with his many promises, and I shall refrain from reading them all to you today, since I would otherwise be out of order. Considering that at the time the national debt was public knowledge, since the Right Hon. Leader of the Opposition had clearly indicated to Canadians in Edmonton what the extent was of the national debt, how after making these promises yesterday, could the Minister say the words I just quoted?

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, as specified in the Throne Speech, there will first be consultations with the cultural agencies, especially in the radio and television sector. Thanks to the Minister of Finance's economic statement, the Canadian economy will improve and funding will follow.

Mr. Prud'homme: Mr. Speaker, would the Minister be so kind as to reconcile for the House his campaign statements with yesterday's statement and the announcement to be made by the President of the CBC at 10 past 3 this afternoon which will concern the elimination of probably 1,150 jobs in Ottawa, Toronto, Montreal, Vancouver especially, Winnipeg—

[*English*]

Mr. Speaker: Order, order. The Hon. Member for Calgary East.

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FINANCE

TAXATION OF ENERGY SECTOR COMPANIES

Mr. Alex Kindy (Calgary East): Mr. Speaker, my question is for the Prime Minister.

Mr. Nystrom: Sock it to him.

Mr. Kindy: In his speech yesterday to the Economic Club in New York he mentioned that he wants to have a review of energy taxation policy. Could he tell the House whether this would bring economic sense so that companies would be taxed on profits and not on revenues?

Right Hon. Brian Mulroney (Prime Minister): If there is one thing I cannot stand, it is a hostile question.

An Hon. Member: How about a plant?

Mr. Mulroney: I would like to say to my hon. friend that, for too long, in the energy sector companies were crushed by taxation prior to them having any money in their balance sheet. We want to ensure that a degree of prosperity returns to the small and medium companies operating in the energy sector. As the Right Hon. Leader of the Opposition has often said, you tax them after they have made some money, and not before.

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● (1440)

AUDITOR GENERAL'S REPORT

INFORMATION WITHHELD—PRIVY COUNCIL CLERK'S INSTRUCTIONS

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question which is directed to the Prime Minister, concerns the Auditor General's report. In view of the fact that vital information respecting the expenditure of over $10 billion of taxpayers' money is being withheld from the Auditor General by Departments such as National Defence and Transport, on the instruction of the Clerk of the Privy Council, will the Prime Minister undertake that this kind of interference with the work of the Auditor General on behalf of Parliament will cease, and that the specific instructions that are blocking the Auditor General from doing his job will be withdrawn?

Right Hon. Brian Mulroney (Prime Minister): We want to co-operate fully—indeed we have—with the Auditor General of Canada, who is an outstanding public servant. I will be meeting with him later this afternoon, but I can tell my hon. friend that I have instructed the custodian of the cabinet papers of previous Governments to review the withheld documents to confirm whether or not they constitute confidences of the previous Government.

As my hon. friend knows, there is an area involving confidential communications between Ministers which is properly within the purview of Cabinet. But it is our intention to give to the Auditor General of Canada all information, other than that, that he quite properly seeks. He has the full co-operation of the Government of Canada in this regard and I have so instructed the Clerk of the Privy Council.

F-18 FIGHTER AIRCRAFT ACQUISITION EXPENDITURES

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, is the Prime Minister aware that the Auditor General has revealed that there is an additional expenditure of $3.5 billion on the F-18 fighter program over and above the $5 billion that the program was already expected to cost?

Is he aware that the cabinet secrecy rule has been used to deny the Auditor General access to information about whether or not that money is well spent? Will those restrictions be removed now so that the Auditor General can do his job?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my understanding is that the only matters that have not been provided to the Auditor General in regard to this case involve some submissions to Cabinet, very few, that fall within the purview of the custom to which I have just referred my hon. friend.

I am also informed that the Auditor General has seen some 60 cases full of documents related to this transaction. However, I will be meeting with him later this afternoon to ascertain if he requires any further documents that I can make available to him.

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EDUCATION

FUNDING OF UNIVERSITIES AND COLLEGES—JOHNSON INQUIRY REPORT

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, my question is directed to the Secretary of State. He will recall that his Liberal predecessor commissioned Mr. Al Johnson to conduct an extremely important inquiry into the vital matter of funding for universities and colleges throughout the country so that federal and provincial Governments could devise a failsafe formula that was fair to all. Is the official copy, or even the draft copy of the Johnson Report on post-secondary education, now ready? Did he share those recommendations with his provincial counterparts when he met with them yesterday on this important subject?

Hon. Walter McLean (Secretary of State): Mr. Speaker, I thank the Hon. Member for his question. I expect to have that report from Mr. Johnson by the end of the year. The report is on the survey he has conducted after being in touch with the post-secondary community and many of the provincial Governments, in an effort to provide a background for the ongoing discussions between the Secretary of State and the Ministers of Education. Yesterday's discussions were a first consultative step in which I was listening to the provincial and territorial Ministers of Education.

Mr. de Corneille: In other words, the draft copy and the content of that important report were not shared.

PROVINCES' USE OF FEDERAL FUNDS

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, although he did not share the Johnson Report with the provincial Ministers yesterday, did he get a commitment from the provinces to the effect that they will not divert federal funds from their intended purpose of supporting post-secondary education, into other areas? Did he get a commitment from the provinces that they would use those federal funds for the purpose of post-secondary education?

Hon. Walter McLean (Secretary of State): Mr. Speaker, the context of the conversation between Ministers responsible concerned looking to the future and determining the priorities of the provincial Governments and the federal Government.

As the Hon. Member knows, in the next year and a half there will have to be a renewal of the agreement with the federal Government with respect to the timetable. This is in the context of the Government's commitment to consult with the provinces about their priorities, as well as to let the provinces understand the federal priorities with regard to post-secondary institutions.

* * *

SMALL BUSINESS

PROTECTION AGAINST UNFAIR COMPETITION

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, my question is directed to the Minister of State (Small Businesses). The Minister will be aware that, with the changeover from FIRA to Investment Canada, the Government has eliminated the review of acquisitions of small businesses by foreign investors, and also eliminated the controls and nature of new businesses created by foreign investors. Will the Minister tell the House, and Canada's small business community, what plans he has to protect already financially strapped small businesses from excessive and potentially unfair competition by well financed foreign interests, especially the large U.S. based franchises?

[*Translation*]

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, Canada's small business community is now experiencing recovery. Soon we will begin a period of consultations to reconsider the funding of small businesses and, after those consultations, we will take appropriate steps to ensure that small businesses continue to grow and provide jobs for Canadians.

[*English*]

REINVESTMENT OF PROFITS

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, does the Minister not agree that the substantial increase in the percentage of Canadian ownership of small business since 1971 guarantees greater reinvestment of the profits in Canada as opposed to foreign economies? Will he indicate what plans he has to ensure that the profits made in Canada by foreign companies will be reinvested here where they belong?

[*Translation*]

Hon. André Bissonnette (Minister of State (Small Businesses)): Mr. Speaker, foreign investments in Canada will not reduce the number of jobs in this country. As I said, they will be a boon to Canadian businesses, and Investment Canada will see to it that the money is reinvested in Canada and creates jobs.

* * *

[*English*]

FISHERIES

HERRING ROE INDUSTRY

Mr. Gerald Comeau (South West Nova): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. The herring roe industry in Atlantic Canada has now become a multimillion dollar export sales industry. Would the Minister instruct his officials to study the problem of waste disposal that was ignored by the previous administration, and report on solutions that may be implemented in the 1985 season? Would he instruct his officials to consider developing markets for the by-products so that the industry can gear up to freeze or salt the herring by-products?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, I want to thank the Hon. Member for South West Nova for raising a matter which needs to be raised and was not dealt with by the former administration. The Hon. Member is absolutely right, that during the herring roe catch last year vast quantities of herring were spoiled. They were not reduced to meal because the machinery was unavailable. Consequently there was a high protein loss.

I have instructed my officials to look into the matter. I can tell the Member that this entire matter will be discussed in January with the industry advisory committee. I thank him for raising it.

Oral Questions

TRANSPORT

AUTOMOBILE EMISSIONS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, will the Minister of Transport inform the House if he will announce a decision with respect to the reduction of car emissions, now that the committee appointed by him completed its deliberations and consultations a few days ago?

• (1450)

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, as a result of the public hearings held in Ottawa a few days ago, a consolidated report is being put together by officials of Transport Canada, E, M and R, Environment, and DRIE, which will then be submitted to the respective Ministers for consideration.

DATE OF DECISION ANNOUNCEMENT

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, when will the Minister make a decision and announce it to the industry, the public, and particularly to those groups that are so concerned about reducing acid rain emissions in Canada?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, as soon as the consolidated report is received by the respective Ministers it will, naturally, be considered, and I expect an announcement will be forthcoming soon after that report is considered.

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ENVIRONMENTAL AFFAIRS

CANADIAN WILDLIFE SERVICE—STATEMENT ATTRIBUTED TO DEPUTY MINISTER

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my question is for the Minister of the Environment. She indicated to me last week that some of the cuts in her Department might be reviewed. Could she confirm that, on the contrary, in conversation with senior Canadian Wildlife Service Officials, her Deputy Minister announced that further cuts were planned, including the cancellation of a 4 per cent inflation increase in Environment Canada's budget, and an additional $13 million in program cuts? Could the Minister confirm what her Deputy Minister said?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): If my colleague will allow me, Mr. Speaker, I will ask my Deputy Minister exactly what he said, or what he is supposed to have said, before I make any comment on a conversation of which I am not aware.

[*English*]

MINISTER'S RESPONSIBILITY

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I have had an opportunity to listen to a tape of that conversation, and I can tell the Minister that that is what her Deputy Minister has said.

Some Hon. Members: Oh, oh!

An Hon. Member: A tape?

Mr. Blaikie: My question is—

Some Hon. Members: Oh, oh!

Mr. Speaker: I would like to hear the question. Is that possible?

Mr. Blaikie: Mr. Speaker, when is the Minister of the Environment going to become the Minister who feels responsibility for the environment? Will she either point out the ecological blindness of the Government she is a part of, or have the decency to resign?

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I am pleased to announce to my colleague that I have no intention of resigning, period.

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[*English*]

AUDITOR GENERAL'S REPORT

LETTING OF GOVERNMENT CONTRACTS—REQUEST FOR CHANGE IN SYSTEM

Mr. Gerry St. Germain (Mission-Port Moody): Mr. Speaker, my question is for the Minister of Public Works. Based on the fact, and on information received by the Auditor General, he has brought to light that only 6 per cent, and I repeat 6 per cent, of all major government contracts were let on a truly competitive basis by way of public tender, and that the remaining 94 per cent were basically awarded on a sole-source basis by the previous Government.

Some Hon. Members: Oh, oh!

Mr. St. Germain: Is the Minister prepared to look at substantial changes in the method of bidding for government projects which, in the words of the Auditor General, is possibly the most blatant misuse of tax dollars in the country today?

[*Translation*]

Hon. Roch La Salle (Minister of Public Works): Mr. Speaker, I wish to thank the Hon. Member for his altogether relevant question, this being the day the Auditor General makes his report public. I am sure you will agree with me just how imperative it had become to change the government,

particularly in light of the poor performance of that department. In my opinion, the same thing applies everywhere else.

Under those circumstances, I can assure the Hon. Member that there will be changes, corrections and positive recommendations to safeguard the interests of Canadians and show more fairness to those who want to do business with the new government.

* * *

[*English*]

AUDITOR GENERAL

RECOMMENDATION THAT AUDITS BE REPORTED ON COMPLETION DATES

Miss Aideen Nicholson (Trinity): My question, Mr. Speaker, is addressed to the President of the Treasury Board. Of recent years Parliament has passed a number of laws to facilitate the work of the Auditor General—the Auditor General Act of 1977, and more amendments to the Financial Administration Act which set up the Comptroller General's office. Will the Minister say if he is now prepared to bring in legislation to give effect to the Public Accounts Committee's recommendation that the Auditor General be empowered to report audits to Parliament on a completion date basis, instead of only annually, so that problems could be addressed and corrected more quickly?

Hon. Robert de Cotret (President of the Treasury Board): Mr. Speaker, that is a question I have been discussing with the Auditor General. Yes, it is correct that we have had several meetings. This question is certainly something that we are looking at very closely. Hopefully I will be in a position to respond favourably to the request of the Auditor General in a very short period of time.

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NORTHERN AFFAIRS

YUKON NORTH SLOPE DEVELOPMENT—ESTABLISHMENT OF SCREENING COMMITTEE

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I have a question for the Minister of Indian Affairs and Northern Development. I would like to ask the Minister about development on the North Slope of Yukon, which is one of the most environmentally sensitive areas anywhere in Canada. Could the Minister tell the House when the permanent screening committee, which is to review all development proposals, will be established, and who will be serving on that committee, so that all proposals that are submitted can be fully and adequately reviewed?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I thank the Hon. Member for his question. As he will know, there has been a meeting recently in that part of the country dealing with the proposal. The interim committee idea was not adopted and therefore we are moving to the permanent screening committee. The membership of that committee is not yet filled and, when it is, of course I will advise the House and the Hon. Member.

CARIBOU HERD DATA

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, my supplementary is for the Minister of Indian Affairs and Northern Development. In view of the announced cut-back of the federal research work on the North Slope's Porcupine Caribou herd, could the Minister tell us whether there will now be sufficient data available on this herd to guide the decisions of this screening committee? In addition, can the Minister assure the House that the Yukon territorial Government will carry out fully, and I mean fully, all of the research work that is presently being done by the Canadian Wildlife Service?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): I am advised that sufficient funds are available, Mr. Speaker. If the screening committee requires more funds then, of course, I shall be happy to receive any submission in that regard.

Second, with respect to the responsibilities of the Yukon Government, it is a Government that I trust, and I know it will carry out its responsibilities.

* * *

INDUSTRY

ECONOMIC FREE ZONES PROPOSAL

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is for the Prime Minister. I, too, would like to welcome him back from 42nd Street.

Yesterday I asked his Science and Technology Minister how far the Government intended to go to attract foreign capital. The Minister replied that the Government had not ruled out the B.C. concept of economic free zones in spite of the fact that those zones would sometimes go as far as destroying minimum wage legislation. Does the Prime Minister agree with his Minister, namely, that the Government has not ruled out supporting economic free zones?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I do not think the Minister used the term "the B.C. concept" at all. It is not germane to B.C. It is found in some areas where they are desirous of attracting capital and creating new jobs. It is one that we proposed to look at, along with thousands of others.

UNION RIGHTS

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, given the fact that British Columbia's Industry Minister, Don Phillips, has said that he wants the support of the federal Government because in these zones "unions will not have any

jurisdiction", is this where the Government's policy is going? Is this how far the Prime Minister will go to attract foreign investment, that is, with economic free zones where union rights will be excluded?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, why would my hon. friend read something so nasty into an open proposition?

Mr. Benjamin: We know you guys.

Mr. Mulroney: We stand ready more than any Government before us to co-operate with trade unionism in this country, which we regard as a viable and indispensable force—

Some Hon. Members: Hear, hear!

Mr. Mulroney: —which is probably why more trade unionists voted for Progressive Conservatives rather than for the NDP.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

An Hon. Member: Even Dennis McDermott voted Progressive Conservative.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. Order.

* * *

ABORTION

GOVERNMENT POSITION

Mr. John Nunziata (York South-Weston): Mr. Speaker, my question is for the Right Hon. Prime Minister. Does his Government intend to review the abortion provisions of the Criminal Code?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I would refer the question to my hon. friend, the Minister of Justice, but there are no such intentions being brought before the Government at this moment.

Mr. Nunziata: I have a supplementary question, Mr. Speaker.

Mr. Speaker: No, the time for questions, I am afraid, has expired.

• (1500)

PRIVILEGE

REMARKS OF MR. ROBINSON ALLEGED CONTEMPT OF PARLIAMENT—RULING OF MR. SPEAKER

Mr. Speaker: I am now prepared to rule on the question of privilege which was put to me the other day by the Hon. Member for York South-Weston (Mr. Nunziata). Order, please. I do not know whether Hon. Members can hear the ruling, given the noise.

On Friday, December 7, the Hon. Member for York South-Weston raised as a question of privilege—

Some Hon. Members: Order.

Mr. Speaker: I remind Hon. Members that there are certain traditions about the House of Commons.

On Friday, December 7, the Hon. Member for York South-Weston raised as a question of privilege a complaint arising from a statement made in committee by the Hon. Member for Burnaby (Mr. Robinson). The Hon. Member for York South-Weston alleged that, in making the statement, the Hon. Member for Burnaby abused his parliamentary privilege. I indicated in my preliminary comments following the Hon. Member's submission that the privilege of a Member of Parliament when speaking in the House or in a committee is absolute, and that it would be very difficult to find that any statement made under the cloak of parliamentary privilege constituted a violation of that privilege.

Since then the Hon. Member for York South-Weston has made a further submission to me by letter. He argues that there are restrictions on a Member's freedom of speech. In cases where a statement might be interpreted as an offence against the authority or dignity of the House, he argues that Parliament itself can question the exercise of the right of freedom of speech even though it may not be questioned in any court or place outside of Parliament. In his submission in the House he also averred on the basis of a citation from Maingot's *Parliamentary Privilege in Canada* that while our privileges are defined, "contempt of the House has no limits".

The limits of privilege and contempt have never been precisely defined. However, the distinction between the two is explained in Volume 28 of the Third Edition of *Halsbury's Laws of England* at page 464 in the following terms:

> The power of both Houses to punish for contempt is a general power similar to that possessed by the superior courts of law and is not restricted to the punishment of breaches of their acknowledged privileges. Any act or omission which obstructs or impedes any member or officer of the House in the discharge of his duty, or which has a tendency to produce such a result may be treated as a contempt even though there is no precedent of the offence. Certain offences which were formerly described as contempts are now commonly designated as breaches of privilege, although that term more properly applies only to an infringement of the collective or individual rights or immunities of one of the Houses of Parliament.

It can hardly be asserted that the statement made by the Hon. Member for Burnaby in committee had the effect of obstructing or impeding any Member or officer of the House in the discharge of his duty. In the case of accusations against

Members of Parliament, these can be made only by laying a specific charge by way of a substantive motion of which proper notice is given. This is the only course open to a Member who wishes to accuse another Member of a wrongdoing or condemn another Member for an impropriety or misdemeanour. This can be verified by reference to page 378 or Erskine May's Twentieth Edition. I suggest the Hon. Member read that.

I would also refer to a ruling of Mr. Speaker Michener on June 19, 1959 in which he affirmed that the conduct of a Member of Parliament, even though reprehensible, cannot form the basis of a question of privilege although it can form the basis of a charge by way of a substantive motion. The ruling is a long one, but I should like to quote the following sentence:

> In my view, simple justice requires that no Hon. Member should have to submit to investigation of his conduct by the House or a committee until he has been charged with an offence.

There are, of course, exceptions to this principle in cases where the conduct of a Member has led to the obstruction of other Members or of the House in the fulfilment of their duties. There is one further citation to which I would refer. On page 82 of Erskine May's Twentieth Edition, it is indicated:

> Subject to the rules of order in debate, a Member may state whatever he thinks fit in debate, however offensive it may be to the feelings, or injurious to the character, of individuals; and he is protected by his privilege from any action for libel, as well as from any other question or molestation.

I think this makes the situation very clear. It is not for me to discuss whether Members should or should not have this protection. It would be for Parliament to change the law if it felt this degree of immunity were too great. In terms of our practice, I have no alternative but to rule that the matter raised by the Hon. Member for York South-Weston does not fulfil the conditions necessary to enable me to accord it priority as a question of privilege.

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, the following questions will be answered today: Nos. 14 and 25.

[*Text*]

DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT LAWYERS

Question No. 14—**Mr. Howie:**

How many lawyers are employed by the Department of Indian Affairs and Northern Development?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): There are 21 lawyers assigned to the Department from the Department of Justice.

DEPARTMENT OF AGRICULTURE LAWYERS

Question No. 25—**Mr. Howie:**

How many lawyers are employed by the Department of Agriculture?

Hon. John Wise (Minister of Agriculture): There are seven lawyers assigned to the Department from the Department of Justice.

[*English*]

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

Mr. Speaker: The questions as enumerated by the Hon. Parliamentary Secretary have been answered. Shall the remaining question be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Stevens that Bill C-15, an Act respecting investment in Canada, be read the second time and referred to the Standing Committee on Regional Development.

Mr. Dave Dingwall (Cape Breton-East Richmond): Mr. Speaker, I join in this debate because I think the Bill tabled by the Minister of Regional Industrial Expansion (Mr. Stevens) has far-reaching consequences for many regions of Canada, particularly the less fortunate ones.

There are a number of concerns, but at the outset I want to thank the Minister for bringing forward Bill C-15. This is the first opportunity the Government has taken to indicate to the House and to the Canadian people the actual type of climate it wants to see created in the country for economic opportunities. I am a little confused, however, knowing the personality of the Minister involved. Perhaps other Members can well understand what has taken place.

It seemed to me that the tabling or introduction of this legislation should have taken place well after or simultaneous to the tabling of the Budget which is to come down in February, 1985. Unfortunately, this piece of legislation has been set out by the Government and the Minister without knowing the full parameters of the economic policy of the Minister of Finance (Mr. Wilson) or the direction in which the Conservative Party wants to take the Canadian economy.

I want to clarify for Hon. Members opposite as well as those to my left that we in this Party are cognizant of the fact that foreign investment is needed in Canada. My Party has never been opposed to foreign investment in the Canadian economy. For Members opposite to suggest or imply that, through innuendo, questions or commentaries, is totally misleading. I want to make perfectly clear that we are supportive of foreign investment.

That is not to suggest, however, that foreign investment in Canada should take place without restrictions or controls. This is where we differ greatly from the Conservative Party of Canada. That Party believes, as was announced by the Minister of Regional Industrial Expansion, that basically there ought not to be any restrictions or controls on foreign investment takeovers in Canada. We disagree. There ought to be. Foreign investment is important to the Canadian economy notwithstanding restrictions. It is important to small businessmen. It is important to various regions of the country because it can, provided there are certain restrictions and levers at the control of the Government in power, assist and enhance economic opportunities for Canadians.

• (1510)

We have heard a great deal of the rhetoric of the Minister responsible for this legislation, who says that it will be the cure for unemployment. Respectfully, it is the same rhetoric that the Canadian people heard in August, 1984—that the Conservative Government upon election would create tens of thousands of new jobs. That is what we heard. The exact opposite has occurred because of the financial direction revealed in the economic statement of the Minister of Finance, which reduces moneys in the Canadian economy by $4.2 billion. He has displaced 50,000 people for the month of November. So much for job creation.

Now we have a new scenario. First it was inflation, then productivity, and then: Elect the Tories and we will have tens of thousands of new jobs. That did not work, so we have another vaudeville act, foreign investment. The Prime Minister (Mr. Mulroney) went to the United States and said: "Come one, come all; come to Canada. There will be no restrictions whatsoever". He says in this House that this will increase employment opportunities. I hope the Minister responsible will come before committee and place before Members of Parliament the impact studies showing how much foreign investment will come into the country as a result of these changes and how many jobs will be created.

I would like to know how many jobs will be created in the Province of Quebec as a result of the changes to this legislation. How many jobs will be created in the next fiscal year in Atlantic Canada and how many in western Canada? We hope to obtain that information. It is misleading for Members opposite to talk about job creation on one hand and on the other to refuse to place before Parliament as of recent date the statistics which would confirm their prediction that employment opportunities will be increased. I find that to be intellectually dishonest on their part.

Members opposite, particularly the Minister, have argued that the restrictions in the Foreign Investment Review Agency under the previous administration were too harsh, that somehow economies and countries around the world ought not to have restrictions. Perhaps he is blind because he refuses to acknowledge that the United States has restrictions on foreign investment. It may be a little bit "sexier," if I can coin a phrase, in terms of their anti-trust laws, but they have restrictions on foreign investment in their country. Why should Canada be different?

It is the second scene of the vaudeville act over there. Jobs, jobs, jobs will be created with the Foreign Investment Review Act changed to Investment Canada. That is the new byline of this group. Somehow there will be thousands of new jobs. I do not believe that for one moment and neither do the Canadian people. If we look at what has taken place in the past, the arguments of the Minister of Regional Industrial Expansion do not hold up.

For the last 10 years that FIRA was in operation, in excess of 6,000 applications were reviewed at, I might add, a success rate of over 91 per cent. That is a very substantial success rate for any country, whether it be Canada, the United States or any of the European countries. When the Minister and the Member opposite allude to the fact that we have curtailed foreign investment, I find that to be intellectually and factually dishonest because the opposite is true.

Let us look at the figures for last year. Foreign investment in Canada was substantial, despite what the Prime Minister said today in Question Period. There are a great number of people who want to invest in Canada. The significant difference between our Party and that Party is in the phrase "significant benefit to Canada", which were the operative words in the Foreign Investment Review Act. Under Investment Canada, the operative words are merely "a net benefit".

Significant benefit to whom? To the regions of this country? That was not mentioned by this Minister. We meant significant to the unemployed, to the youth and to the entrepreneurs of this country. This Government with its vaudeville act is not concerned for the regions, young people or the entrepreneur—not one iota. It wants foreign investment to come in and cherry pick, to pick off the best viable operations. Whether it be a Crown corporation or private sector, it says pick them off and send the technology back to the foreign country.

This Party does not want that. We want to encourage our young people to be involved in business. We want our young people to have jobs in the future. We want a climate of solid economic development, not one that is short term but long term, not only for the eighties but for the nineties as well.

The Minister came before Parliament and said that FIRA was too negative. He said that the name was negative, so the Government changed it to Investment Canada. My NDP colleagues call it Warehouse Canada. I call it Sellout Canada because it is a sellout. This Government will feel the crunch when it faces the Canadian people. I wish they would call an election now. They would be gone.

In a cursory review of Bill C-15, Mr. Speaker, you see that the legislation places the ultimate authority for decision-making as a result of foreign investment with the Minister of Regional Industrial Expansion. I want Members to understand fully that we in Canada have enjoyed a Cabinet system where decisions were made by Cabinet to reflect the concerns and aspirations of the regions of this country. No longer will that be the case. The authority rests with the Minister responsible. Under Clause 5 he has the authority for Investment Canada. Industries which could previously be leveraged by the Cabinet or the Ministry to relocate in less fortunate areas of the country will no longer have to do so. The Minister will sit back, as evidenced by many transactions that this individual has been confronted with, and allow the course of business to go along on its own. Therefore, the poorer regions of the country are once again being short-changed by the Conservative Government.

● (1520)

We saw this happen with regard to the creation of jobs. That was one priority. Now the priority is cutting the deficit. Government Members have reduced moneys to the IRDA Program for regional industrial expansion by $200 million. What are they doing now? They are relinquishing authority which was previously held by the entire Cabinet to a single Minister, a Minister whose track record in the private sector was a less than profitable or brilliant one, I would suggest.

This piece of legislation has only one phrase dealing with Canadian investors. What has the Tory Government done with regard to assisting Canadian investors through this piece of legislation? It has done absolutely nothing. There has been no compassion for the Canadian small business entrepreneur and no compassion for the small investor. It is a sellout of Canadian business opportunities to foreign countries.

What about protection for workers in the country? The Minister responsible stood in his place and said: "It is the flow of capital into the country that is germane to getting employment in Canada moving again". I respectfully suggest that that is both intellectually and factually dishonest. It is not the flow of capital into this country but what is done with the capital when it gets here that is germane to creating employment. Do we want workers in Ontario, British Columbia, Nova Scotia and P.E.I. to have more capital come across the border only to find that new machinery which will displace workers has been bought? Is that what the Conservative Government stands for? Is that what the substantive parts of this Bill are about? That is what the Bill says. There is absolutely no protection for the Canadian worker. Where are the safeguards? There are none whatsoever. There is an inflow of capital but there is no protection.

Of course, free season has been declared on Crown corporations. Those silent Members on the back-benches, sheep that they are, say absolutely nothing. Some Crown corporations were put in place because of certain economic conditions in the regions. Others were put in place for other reasons. Nevertheless, they were put in place. What is this Government prepared to do? It is prepared to sell them out as well and to sell out Canadian workers.

By introducing this Bill, the Government has not provided for debate in the House a list of draft regulations pursuant to the Bill. It has refused to do so. That is an old soft shoe and part of the vaudeville act taking place over there and over on the book-ends on either side of me. Government Members have proposed to go to committee and invite individuals to put forward their suggestions. Then at the end of the day we will be presented with a document which, through the large majority opposite, will be confirmed by the committee and obviously by the House of Commons. The Government ought to place those regulations before Parliament now so the Canadian people will have an understanding of what direction the Government wants to take with regard to the cultural aspects of this Bill.

We are going to review this Bill clause by clause in committee. Hopefully we will have witnesses from all provinces across the country come forward and testify. We want to review the Bill because the Prime Minister indicated that the appointment of any individual to a senior public position ought to be reviewed by a committee. I would hope that we would have an opportunity to review the new managing director for Investment Canada. Of course, his credentials ought to be laid before the Standing Committee on Regional Industrial Development so we will all have an opportunity to view at first hand, his other expertise and his other beliefs regarding his responsibilities in implementing the provisions of this Act. We will want to have an opportunity to peruse that information as well.

As stated by the Minister responsible, the Bill is somehow to be the cure for unemployment in the country. There is not a Member in the Chamber who does not want to see unemployment reduced significantly. However, the approach that this Government has taken with regard to foreign investment is the wrong approach. It is wrong because it does not protect workers and wrong because it does not provide incentive for Canadian investors. As you well know, Mr. Speaker, we in Canada have one of the highest savings rates in the free world. However, the Minister has refused—I should not say refused, Mr. Speaker; he simply does not have any inkling whatsoever as to how to put legislation forward which would attack the problem of having Canadians invest in their own future.

In concluding my remarks, I would like to say that unemployment is the major problem in the country. The Tories believe the major problem to be the deficit. What Tory Members are putting forward here today will in no substantial way reduce unemployment in the country. Alternatively, if they believe it will, then surely they will see that the Minister responsible for regional industrial expansion will table in this House forthwith information which will show beyond a shadow of a doubt that the Bill will reduce unemployment in the regions of the country. They will have him show the statistics and studies and produce the people who have conducted those studies.

In closing, I would say that we are going to oppose this Bill. We are going to suggest amendments to it and we are going to have a thorough examination of it, not only at second reading stage, which will take many, many months, but in committee as well.

Mr. Deputy Speaker: Any questions or comments? If not, we shall resume debate.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I am a little perplexed by the fact that none of the Government's supporters are interested in speaking on this debate. I would have hoped that, given the vital importance of the topic we now have before us, it would have generated a little more interest than apparently has been generated to this point in time. I say this recognizing that there are months ahead of us and that there will be ample opportunity by the end of March or early April for anyone who wishes to participate to do so. I do urge upon government back-benchers to remember, however, that the opportunity to give 20-minute speeches will, of course, run out and they will be restricted to making 10-minute comments come the end of February and into early March.

Having said that, I want to say that I doubt very much if, in the life of this Parliament, there will be another debate that will so clearly distinguish the policy direction of the Government from that which would be taken by the New Democratic Party.

• (1530)

I believe it is fair to say that in this debate alone there is a choice to be made. You can either believe with a sort of blind faith that an investor invests out of the goodness of his or her heart, taking into account all of the ramifications and consequences of that investment on other than themselves; or you can believe that an investor with a vested interest—which, of course, ties the two words together—invests in his own best interests and will pay only—cursory attention to the effect of his particular enterprise on those who might come into contact with it or be affected by it. I want to make it clear that I am not saying that investors do not care what happens to other people. I am sure they do on an individual basis. I am sure they do not like to see the kind of thing which has just occurred in India where thousands of people were killed or maimed or will suffer for the rest of their lives as a result of inadequate provisions for the protection not only of the workers inside the plant but of the community. I do not believe for one moment that the principals in that particular company consciously sat down and said, "We don't care what happens to those people". But what they did not do, and what they were not required to do, is to make that one of their primary considerations. They were not required to sit down and consciously factor into their costs the cost of providing the kind of environmental and human protection which would have guaranteed that such an occurrence could not take place.

I do not want to attribute to those people all of the worst possible motives. I attribute to them the motives which drive them, that is, the desire to accumulate wealth. I personally do not share that desire, but I do understand that that goal drives a large number of people in our society and, in fact, it will be held by this Government and by others, not necessarily part of the governing party, as being a worth-while motive.

When one recognizes that that is the primary driving force behind the investor and those who make the decisions on behalf of investors, then one must put in place measures which will guarantee a level of behaviour by those persons which will be satisfactory to the community as a whole. It is interesting to note that investors put those kinds of measures in place to protect themselves from each other, to protect themselves in the stock-market from dealings which would perhaps otherwise result in actions which might be detrimental to the total investment community. What we are suggesting, following along on that example, is the necessity for Members of Parliament and for the Government of Canada to recognize what it is that motivates investors and to then make sure that we have in place the kinds of guarantees which will ensure that the public interest is also served by the investment which takes place.

I would like to say to the Government, Mr. Speaker, that if we are to lose investment dollars to another part of the world simply because that country is prepared to run risks with health, safety or the environment and it is not prepared to take into account the public good, so be it. If a company decides to move from Hamilton to Mexico—as did Allen Industries Canada Ltd.—because of the fact that it can get away with paying pitiful wages, it can get away without protecting the environment, it can get away without industrial accident protection, it does not have to pay unemployment insurance premiums and does not have to provide the benefits that the people of Canada have not only become accustomed to, but deserve, so be it. If an investor is prepared to invest his money elsewhere because he does not have to make those kinds of commitments to Canadians, he can bloody well invest his money elsewhere! That is fine with me. I am not interested in turning Canada into some economic backwater. I am not interested in seeing Canada drop back from the at least reasonably acceptable levels of protection for humans and for the environment which are established. I am not interested in providing an opportunity for someone to walk in with a handful of down-payment dollars, borrow the balance from Canadian banking and financial institutions, turn all of that into a tenfold profit, then put it all in his pocket and walk away. I am not interested in that. That does not help Canada and certainly does not provide anything of value. There is no lasting value in an operation which will put $100,000 or $100 million into Canada if its only purpose is to close the plant down, take the profits it was able to make and ultimately move back to where it came from or to some other part of the world, in order to begin the exercise all over again. I feel the Government has an obligation to consider that prospect. It has an obligation to try to understand that that is the way the system works.

My colleague, the Hon. Member for Essex-Windsor (Mr. Langdon), asked the Prime Minister (Mr. Mulroney) today how it benefits the Canadian jobless to make available to those who would invest the opportunity to take over an existing company, integrate its operations into the present operation and simply hang on to the distribution system, then close down the manufacturing operation in Canada. How does that benefit the Canadian jobless? The answer is clear, it does not. And there are countless examples where that has occurred. Even with FIRA, that has occurred. If the Government were truly interested in trying to provide for Canadian needs, it would not eliminate FIRA but would look for ways to improve it. That is the direction in which we ought to be going.

How many new jobs are created when a company decides, as did United Technologies, to take over a viable operation in Canada, Otis Elevator, as part of its world-wide conglomerate operation, and then systematically to reduce its involvement in Canada at the manufacturing level? In the recent past, Otis Elevator was providing elevators, escalators, and all kinds of hoisting equipment all around the world. This equipment is now being provided out of New Jersey or out of Germany instead of out of Hamilton or Toronto. Where is the benefit from allowing that kind of take-over?

The Prime Minister says we are trying to create jobs. There were no jobs created there. That is an example of the kinds of major conglomerate operations which this Government is now trying on bended knee to convince to bring their money to Canada. For what? They buy the company, run it down and then take advantage of the already developed customer network by selling to that customer network from their existing operations elsewhere. They then have the nerve to write off their losses against their tax payable in Canada. The Canadian taxpayer not only does not end up with jobs, expertise or research and development, but ends up paying for the loss of these things.

That, Mr. Speaker, is what is wrong with the approach of this Government. It does not seem to take a critical view of the real world. I would like to see investment in Canada so that people have jobs. I want to see research and development taking place here. I want opportunities for our young people who are coming out of the universities and colleges to find jobs in high technology fields. I want to find in Canada the will to develop an indigenous and unique Canadian process which will make Canada first in the world. However, we will not get that in a country like this unless we require from those who are going to establish their operations here that they set out a program and make a commitment to the country as a whole. They have to talk about having Canadians running the operations and developing a research and development component indigenous to this country. They have to give a world mandate for certain product lines that they will develop here. You do not get those kinds of things unless you ask for them. You cannot guarantee they will be in place unless you have it in a contract. Even then it is difficult to try to enforce it. But it is at least possible to measure it, enforceable or otherwise. You can say to them: "You told us you would do this thing". They in turn may well be prepared to sit down and consider whether or not a commitment is something they have to live up to. But as the Minister talks about it, this is not the kind of thing we are going to see.

• (1540)

We hear Canada is open for business again. I predict those famous words will come back to haunt the Prime Minister. As I listened to what he was saying and looked at his objectives and desires over and against past performance, I could not help thinking that Canada is going to get the business again. That is how it seemed to me. There is no way, under this new legislation, to ensure that the kind of development we get is going to be in our long-term best interests. As my colleague said earlier, it is not as if we do not have any foreign investment. Can you imagine the debate in the U.S. Congress and Senate if 52 per cent to 53 per cent of all U.S. manufacturing and industrial component were owned by Canadians? Could you picture it? Could you imagine the debate if 52 per cent to 53 per cent of all U.S. industry and commerce were owned by the Japanese, the Europeans or someone in Hong Kong? It would never tolerate it. It would never accept it. It would be moving—I beg your pardon?

Mr. Friesen: It used to be owned by the British Government.

Mr. Deans: And it changed it.

Mr. Langdon: A revolution.

Mr. Deans: But the United States would never tolerate it. You know that as well as I do, Mr. Speaker; I can tell from the look in your eye that you agree with my every word. If this debate were taking place in the U.S. Congress, the seats would be filled. Every Congressman would be rising to defend American interests. Every single Congressman would be speaking on behalf of the necessity to develop an economy in the region he represents, an economy primarily owned, controlled, operated and directed by Americans.

Mr. Jepson: Stratford is calling.

Mr. Deans: My colleague says that Stratford is calling. Do you know what is wrong? The trouble is that my colleague seems unable to separate the presentation from the substance.

Mr. Jepson: Theatrics from the—

Mr. Deans: The substance, I want to say to him, is of infinite value, whether he knows it or not. In time to come he will look back and regret the fact that when the opportunity was given to him to rise and speak he did not take it. It is absolutely essential in this House at this time that the Members of Parliament get up off their backsides and speak for Canada. They have to understand that what we are talking about is not some passing phase. This is not just a matter of saying , "Well, two or three weeks from now things will be okay and we will all get back to normal". What the Government is doing is making a fundamental decision about who is

going to own, operate and control the future of Canada and Canadians. We are deciding here today that the 53 per cent of our economy at present owned by those who do not reside or have any interest in Canada other than to make money will become 63 per cent or 73 per cent. At what point do they own enough? At what point do we say: Damn it, it is time for us to stand up and speak for ourselves. It is time for us to redirect the necessary funds. It is time for us to provide the incentives for Canadians.

Why did the Government not bring forth legislation that would have encouraged Canadians to invest? Why open up the borders to whoever wants to come in without any requirement of any kind? If this Government believes it is necessary to try, as was said earlier today, to open up and shake loose the pools of savings of Canadians, why has the Government decided to open up the floodgates of foreign investment and thereby make it virtually impossible for Canadians to compete? Why?

I find this a very aggravating situation, Mr. Speaker. It is aggravating because it is so clear to me, as I look what the Government has done or is in the process of doing, that the end result can be nothing other than that 10 years from now it will not be 53 per cent, it will be 63 per cent or 73 per cent of Canada's economy owned by other than Canadians. Many small entrepreneurs in Canada who are fighting it out, trying to survive against the much larger conglomerate operation in another part of the world, will succumb almost out of necessity to the sale of their manufacturing facility to their major competitors who may well be ten times their size. That competitor will, as they have always done, then move to consolidate. That consolidation will be done in such a way as to have most of the manufacturing done in those areas of low wage and little benefit. The Canadian operation will end up being simply a warehouse for the distribution of products made elsewhere. That is the process. If you doubt it, Mr. Speaker, then look at the process. What the Government is talking about is free trade. Add free trade to this Bill and you open up the doors for the gradual if not immediate elimination of many of the smaller Canadian manufacturing enterprises.

You know as well as I do that what we need to meet the domestic requirements of Canada can be produced with a week, or perhaps less, of production capacity in many of the operations south of the border. You know that as we open up free trade, the opportunity for Canadian subsidiaries of U.S. operations to enter the U.S. market will be severely restricted by the parents' directives. But in Canada no such requirement will pertain. You will then end up with more and more and more of U.S. and other countries' goods entering Canada without any protection for Canadian industry.

With the introduction of the economic free zones that we now hear the Government talking about, Mr. Speaker, we will see the elimination of minimum wages, workers' compensation payments and unemployment insurance. You will see people having to work in ghetto-like surroundings without any protection. The end result will be that Canadians' standard of living will suffer immeasurably.

What we see from this Government, if you look at the entire program, is a destabilization of the social fabric of Canada. This Government is moving toward eliminating the very things that many in this House have fought for and attempted to develop, in fact have begun to develop over many, many years. I want to let you know, Sir, as I sit down that this Bill is yet another step toward making sure that Canada, although it will have sovereignty in name, will certainly not have sovereignty in fact.

Mr. Friesen: Mr. Speaker, I just want to comment on what the Hon. Member has said. He reminds me of the newspaper editor who, in his column, prayed: Lord, save me from those guys who criticize and minimize those other guys whose enterprise has made them rise above those guys who criticize and minimize. That is all we hear from the New Democratic Party.

• (1550)

I want to correct his historical anecdote regarding the United States. Would it allow legislation that would let others invest in the United States? I want to remind him that the United Kingdom pretty well owned and controlled the economy of the United States until World War I. At that time Great Britain needed the money it had invested in the United States to pay for World War I. Therefore, it sold off its investments in the United States to pay for that war. It was not American legislation that drove out the United Kingdom pound; it was the need to pay for that war. It was not American walls that drove out U.K. investment; it was the U.K.'s choice to sell its investment.

Mr. Deans: Mr. Speaker, the Member must understand that only 2 per cent of the entire American economy is foreign owned. If we had 2 per cent, or even 10 per cent foreign owned, I would not mind opening the doors. However, at 53 per cent I have serious reservations about the value of opening the doors even further. Equally important, as the Hon. Member knows, are the circumstances that surrounded the ownership by Britons in the United States. It was not necessarily always, or even primarily, in the area of direct investment. In many cases it was the result of loans made for the development that took place.

I would like to go back to one other point. I would like to suggest to the Member, through you, Mr. Speaker, that I do not want a war and the necessity to fund a war to bring us to our senses. I do not think we should have to wait until there is a need for a great war effort before the U.S. withdraws its funds from Canada. I would much prefer that we did this in an orderly, sane and sensible way with some economic planning involved. As the Member full well knows, it was in fact the war effort that resulted in the withdrawal, if you will, of much of the financial involvement by Britain in the United States. Quite clearly, if that were required as opposed to sensible direct and economic planning approaches, I would choose the latter.

Mrs. Mary Collins (Capilano): Mr. Speaker, I rise to speak in favour of the Bill that has been presented on investment in Canada. I found it very interesting to listen to my colleague from Hamilton Mountain. This is a good opportunity to debate a basic concept which truly does differentiate between the points of view of those of us in the Government and those on the other side of the House. I think the Hon. Member will agree that during the campaign which took place this summer we were very clear about this differentiation. We were very clear about our view of economic growth, job creation, and the need for foreign investment in the country. I am pleased that we are able to bring forward, so early in the mandate of our Government, some concrete, specific actions to put in place those campaign promises. I might remind the Hon. Member that we have the support of the Canadian public on those policies. We have formed the Government. We have a commitment to the Canadian public to put in place the policies that were presented in the Investment Canada Bill.

I would like to spend a few minutes today discussing why this Bill was needed. I recall the time 10 years ago when the Liberals introduced the Foreign Investment Review Agency. I do not think that anyone understood at that time the very negative impact that it would have on investment in Canada. As the years went on and we became experienced with the delays and frustrations, it became very evident to our friends across the border and in other countries that Canada was not welcoming foreign investment. In fact, in many cases Canada was doing its best to discourage it. That did result in loss of jobs and a lowering of economic growth in the country. About four or five years ago when this problem was at its height, a common phrase was that investors had no fear but FIRA itself. I am pleased that today we can remove that sense of fear and say to potential investors that we do welcome their investment and confidence in this country and in this Government.

I would like to give you some examples from my own experience of what has happened in the past few years. I think we are all familiar with the story of Cyprus Anvil. In fact, the leader of the Yukon Territory was with us today. As a result of FIRA's lack of approval for foreign investors to keep that mine open and operating and to maintain jobs for Yukon, that mine has been in great difficulty. We do not know what its future will be and there could very well be loss of jobs there.

I came back on the plane this morning from the West Coast. Every time I fly across this land I am amazed at its vastness. I realize the tremendous potential that we have, but I also realize that we do not have the investment dollars in the country to turn some of those opportunities into realities. I came back on the plane with a gentleman from California. He related a story to me which took place in about 1977. His company had concrete plans to invest in a high-tech industry in Quebec. It put its plant into operation. The people here had the expertise and the knowledge they required. They were going to employ professional people to develop skills and new technology. They worked with FIRA over a period of about two years. They were totally frustrated. They were never able to get their equity position in place in this country and could not go ahead with that investment. As a result of that, those highly skilled people were not able to get jobs in that industry and that economic potential was not realized in this country.

Of course this gentleman's reaction to investment in Canada has been totally negative. Happily, I was able to relate to him what the Government is doing. I was able to explain to him the program of Investment Canada. His reaction was that his company would be prepared to take a second look. I had been hearing about the kinds of things that our colleagues have been bringing up. I asked this man why he wanted to invest in Canada, what it was that attracted him. He said that it was the fact that we have expertise and skills in this area, but also that he believed and had seen in practice that Canadians really understood the work ethic. I felt really good about that. You do not hear that very often. I believe that is true and I certainly welcomed hearing that from one of our friends from the United States. I would like to be able to say to him and others that their investment capital is welcome in this country to help us create those jobs and economic growth.

A couple of weeks ago the Conference Board of Canada produced its report. I think we all found that very interesting. In that report the Conference Board reviewed the experience of FIRA and interviewed a number of companies. I would like to relate some of the comments it received from some of the people it talked to. One of the companies said that on a scale of one to ten it would rate Canada at zero. This was in terms of welcoming foreign investment. Another official with a British holding company said that his firm considered totalitarian states such as Chile, China and troubled Northern Ireland as more attractive places to invest. The author of the study found that rather shocking and so do we. That is not the kind of atmosphere and the kind of mat that we want to set out for potential investors.

● (1600)

The Conference Board discovered that about half the companies it interviewed had been deterred because of FIRA. A number of specific issues were addressed in that study. One issue concerned the delays people had experienced with FIRA, the lack of clarity in the criteria as well as the cost of undertaking those reviews.

I have heard that concern echoed many times by my colleagues. In fact, friends of mine who are lawyers who were involved in assisting companies to obtain their applications through FIRA have been quite open in saying that they realize that they are the only ones who benefited from the whole experience. I do not believe that FIRA has benefited anyone else.

In addition to actual investments that have been deterred or have not come to Canada, FIRA has also been used as an excuse in some cases. I have seen examples where potential investors have said that because of FIRA they do not wish to proceed with investments here. It is hard to document that type of case and we really do not know how often that has happened, but it has existed. With that excuse no longer

available we will be able to tell private companies and small and large businesses that are potential investors that we know what kind of investment we want and that they will not have to go through a review process and face unnecessary delays. There will be no excuse for them not to invest.

I believe that this legislation is a very sensible approach to the whole question of foreign investment. The fact that new businesses will be exempt from review seems to be a very commonsense approach. Why should anyone who has some money and wants to start a new business in this country be prevented from doing so? Of course, there is provision for protective measures in areas of particular concern to our cultural heritage. Of course, I support that and I know that it is important to protect.

Potential purchasers of businesses with less than $5 million in assets will be able to proceed with those investments without review. The Minister gave some interesting examples of that this morning. This means that approximately 80 per cent of businesses will be exempt from review, according to the Bill. Indirect acquisitions involving more than $50 million will be subject to review. Although it is difficult to determine such a figure, we know that indirect acquisitions of more than that sum involve major acquisitions the impact of which might be questioned. We will have the opportunity to review those acquisitions. Most other acquisitions that are relatively routine will be welcomed and processed quickly.

This legislation also corrects a number of other problems in the review process. I believe the most important problem concerns the timing. Many of us have been involved in dealing with the bureaucracy from which we cannot get an answer. Eventually people give up or not even try. This legislation makes such dealings very clear. The Minister must be efficient because he has 30 days in which to respond.

Mr. Manly: Forty-five.

Mrs. Collins: Plus the 45 days, if they are advised. If they are not advised, the acquisition is exempt. I believe that is fair because the onus should be on the Government to indicate that there may be a problem and a review is necessary. This will ensure that these issues are dealt with in a timely manner. Since the onus is on the Minister to make the decision, it eliminates the need to go through Cabinet.

We can assure those who are interested in investing in Canada and whose application exceeds the limits of exemption that their review will be conducted fairly and in a timely manner.

I am also pleased to see the change in how the assessment will be done. I have always had some difficulty in understanding what "significant benefit" meant. I could not relate it to anything from my personal experience, and I believe that a change to the concept of "net benefit" will enable us to deal with these applications in a more businesslike manner. Our method of assessing that benefit will be more clearly understood by all those involved.

We have also added criteria to ensure that these investments are compatible with cultural policy. We will look at the effect of international competitiveness to make sure that these criteria are not only fair but ensure that these investments which are subject to review are compatible with our national goals.

We need the investment. I must disagree with the Hon. Member for Hamilton Mountain (Mr. Deans) in that respect. We must remember that our country is still young. We have had relatively little time to accumulate a lot of wealth. While Canadians are among the best savers in the world, we do not have the mass accumulation of money that is required to develop our resource industries or alternative industries that are required in this country.

Several years ago, at the national policy convention of the Conservative Party, I had the opportunity to discuss this issue. One of my colleagues on the panel conducted an analysis on how much money this country needed in the next few years. His assessment at that time was that we would need approximately $1.5 trillion during the 1980s and $4.5 trillion during the 1990s. There is no way that our own economy can generate that kind of savings or equity. We must go outside to attract that equity in order for Canada to grow.

What we do have is great human energy because we are a young country. Canadians have ideas, and I believe that is what the more mature societies in the rest of the world are looking for. I believe that Europe, the United States and the Pacific Rim countries are interested in what we have to offer. I think we have a tremendous potential of developing partnerships to expand our expertise and our human energy along with the dollars from other societies.

Hon. Members opposite are concerned about the risks involved. I find this concern rather interesting because it seems to reflect a very negative attitude toward the human spirit. It is as if everything in life had to be controlled because we have no sense of faith in ourselves. I fundamentally disagree with that concept. I believe that we are a nation of risk-takers and our Government wants to encourage the risk-takers in this country. We want to encourage those who have capital to use it in partnership with other capital to take risks and invest in opportunities in this country in order to create the jobs that we so badly need.

I had the opportunity to return to my riding of Capilano on the weekend to talk to some business people there about their initial reaction to the investment Canada Bill. The reactions were all positive. I believe they see it as a sign of hope and the fulfilment of a commitment by the Government.

I also had the opportunity to get some reaction from people in Calgary where I used to live. The reaction of the energy industry, upon whom we are counting to make major new investment for the creation of jobs, has been truly positive. The Independent Petroleum Association and the CPA have both lauded the efforts of the investment Canada Bill. They predict that it will result in new drilling activity. It is another step in the right direction toward the kind of positive climate they need to make those investments.

Representatives of those industries were in Ottawa last week. I know that a number of Members had an opportunity to talk to them. Many of those representatives said that while they were interested in what we were saying, they wanted some concrete evidence that we would take action.

• (1610)

We hope to see changes in the FIRA legislation and in the National Energy Program. Now they can say that we have started that process. We have put in place some concrete evidence of our commitment. Investment Canada will encourage investment. I can assure my colleagues that the western reaction to this legislation is extremely positive.

Our Prime Minister (Mr. Mulroney) was in New York yesterday. The kind of response he had there was also positive. As we go to Japan next week, we will have the opportunity of meeting with Japan's business community. The Japanese too will see this as a positive new approach and we will once again be able to enter into discussions on joint ventures and new investments from Japan as well.

The West particularly has suffered I think from some of the problems of FIRA over the last 10 years and it is with a great sense of relief that we shed that burden of encroachment which was so unnecessary. It dampened the human spirit of this country. I am glad we have divested ourselves of that burden, that onerous and negative aspect toward investment, and instead are replacing it with something very positive that will create a new era of co-operation for us on the international scene. We will see Canada once again take its place in the international market-place and be open for business once more.

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

Mrs. Finestone: Mr. Speaker, my question is addressed to the Hon. Member for Capilano (Mrs. Collins). I am enjoying this exchange with her. I heard a statement made by the Hon. Member and I would like clarification from her on it. It is one of the areas that I think is—

[*Translation*]

—fuzzy, as we would say.

[*English*]

I will not speak in French. I will continue in English. Does this Government intend to do away with some of the significant benefit clauses of the previous legislation which the Hon. Member feels are very vital in order for us to promote this atmosphere of goodwill? With words alone will we change the whole atmosphere?

If you look at the Bill itself, Mr. Speaker, there are very few real changes. I guess the real change is the mirror images. With those significant clauses that the Hon. Member describes as the untouchables, cultural policy compatible with national goals, could the Hon. Member explain what is a cultural policy compatible with national goals, please?

Mrs. Collins: Yes, Mr. Speaker. I am always so pleased to have questions from my hon. colleague and I, too, am enjoying this dialogue. I think as one of the new assessment factors we are adding compatibility with cultural policy. I believe that will require some further discussion and definition. My understanding is that it would cover particularly the areas of publishing and broadcasting. These are two areas over which we feel very sensitive about ensuring Canadian control. Those are the two about which I feel most strongly.

Mr. Manly: Mr. Speaker, I was interested in the comments of the Member who said that Canada is a new country and has not had time yet to develop its own capital. Coming from British Columbia I am sure the Hon. Member for Capilano (Mrs. Collins) will be familiar with the situation that we have in our lumber industry. It is of great concern to me and to other British Columbians that that resource has been depleted. Capital moved in and depleted the resource. It then moved out. It did not build up any of the infrastructure or any secondary industry. As a result, we are more vulnerable than ever to world markets.

My question is not an original question, it is the same question to which my colleague tried to get an answer from the Prime Minister (Mr. Mulroney). How does the Member feel about the provisions in this Bill that allow foreign capital to come in and take over small Canadian businesses without any kind of review? The Bill in effect creates open season for small business. The Hon. Member talked about the need for more risk. Does she not feel that perhaps this is creating an unacceptably high level of risk for small Canadian businesses?

Mrs. Collins: No I do not, Mr. Speaker, share the Hon. Member's view on that. No one has to sell his company. No one tells me that I have to sell out. It is up to me as a business person. I do not see this as a great threat to our small business community. Certainly if those small businesses that need capital to grow have difficulty getting it in Canada and they have a colleague or a friend or someone in another country who can join with them, I see that as an advantage. I do not at all share the fears which the Hon. Member has expressed. I have been a small business person and have worked in both small and large business. I do not at all share the Hon. Member's negative feeling about this approach.

Mr. Langdon: Mr. Speaker, if I may, I should like to start out by saying that it is not our side expressing a lack of faith in ourselves. It is not our side which seems to be convinced that everything from hairdressers to popcorn sellers should be set up by foreign investment. I am proud to be able to say that it should be the case in Canada that we provide our own hairdressers and popcorn sellers. It should not be something for which a Minister has to stand up and apologize.

I have a couple of questions for the Hon. Member. First, I will just follow up on the question my colleague asked. I can understand as a business person why the Member might be interested in seeing open season for American investors. It is very important that each of us when we enter this Chamber shift from being business people, university professors, or

whatever, to becoming Members of Parliament, thinking about the people of our communities. How can it help the people of a community working for that small business person to have a company bought out and reduced in size or shut down by an American company, as will become possible under this legislation?

Second, the Hon. Member talked about routine cases, which the change in the threshold level for indirect takeovers will now permit to go through without review. How can it be routine for a plant in a community, such as Black and Decker in Barrie with its 600 workers, to be taken over without review as would have been the case under this new Bill? We have had that confirmed by the FIRA people. How can it be routine to have such an act take place, a plant shutdown and 600 people thrown out of work?

Mrs. Collins: Mr. Speaker, anything is possible. I do not think that in our role as Members of Parliament we are trying to legislate to control our society totally. It is the other way.

First, I am thinking of the community. I am thinking about the people who need jobs and who are not going to get those jobs unless we get new and additional capital investment in Canada. That is who I care about. That is who I want to see prosper. I believe we need help and assistance in attracting the $1.2 trillion or whatever we need for new investment. I think our new approach is psychological to some extent and will help to create that positive climate.

• (1620)

I also object to the Hon. Member's first comment when he said something about an open season for American investors. To me that has a negative connotation to our American friends. What is wrong with American investors? They are some of our dearest friends. Why should we not welcome their investments? I do not share his view that anyone would invest major capital in this country in order to close something down and basically lose that investment. I just do not think that is the reason people invest. We will see in the future, but I am confident that this is not the pattern we will see.

Mr. Nystrom: I am sure the Hon. Member for Assiniboia (Mr. Gustafson) would tell the Hon. Member privately that we have had that theme in our Province of Saskatchewan for over two and a half years. He can tell the Hon. Member that the number of people on welfare has risen by 22 per cent and that the unemployment rate in our province has doubled. Is she aware of this reaction in Saskatchewan? Is she trying to emulate that kind of record? I know it embarrasses to a great degree Hon. Members such as the Hon. Member for Assiniboia.

Mrs. Collins: Mr. Speaker, I am not particularly familiar with the situation in Saskatchewan. However, I can assure the Hon. Member that our approach is to create jobs, to encourage investment and to develop economic growth which is so necessary. Our friends from across the oceans and across the border will assist us in doing so.

The Acting Speaker (Mr. Paproski): The period for questions and comments has terminated.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): Order, please. It is my duty, pursuant to Standing Order 45, to inform the House that questions to be raised tonight at the time of adjournment are as follows: The Hon. Member for Trinity (Miss Nicholson)—Government Expenditures—Work of review committee. (b) Composition of advisory committee; the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie)—Environmental Affairs—Canadian Wildlife Service—Cancellation of Herring Gull Egg Program. (b) Minister's view; the Hon. Member for Hastings-Frontenac-Lennox and Addington (Mr. Vankoughnet)—Penitentiaries—Escape of three inmates from Bath Institution.

GOVERNMENT ORDERS

[*English*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Stevens that Bill C-15, an Act respecting investment in Canada, be read the second time and referred to the Standing Committee on Regional Development.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am pleased to have an opportunity to participate in this debate on behalf of my Party. We are not discussing today whether or not Americans are our friends. We already know this. It was very interesting to listen to the remarks of the Hon. Member for Capilano (Mrs. Collins) who seemed to suggest that because Americans are our friends, we must have no laws and we must let them come in and do what they like.

I have friends, but they do not take over my house. When they come to my place, they are guests. They usually behave in such a way that I am still the master of my own house. As Canadians, we are masters of our own country. We should ensure that our laws are such that we continue to be masters of our own destiny. Whether or not Americans are our friends is not the discussion today. We know they are our friends. However, if one is standing beside an elephant and the elephant rolls over on top of one, whether or not it was a friendly elephant, the result is the same—one is flattened like a pan-

cake. The discussion as to whether or not the Americans are our friends need not enter into this debate at all.

We have heard the Government say, as I said previously that the United States is our ally and therefore we should be in a position of submission or do whatever it wants. It is interesting to note that not long ago—and I believe it was yesterday—we discussed the arms issue. The Government talked about the fact that our position should be a position of strength when dealing with other countries. It appears that on the peace issue we have to negotiate from a position of strength. On the other hand, when it talks about trade issues, we have to negotiate from a position of submission. I fail to realize how the Government could have those two very contradictory views from one day to the next. I think the positions taken should have been the complete reversed of the ones taken by the Government.

This morning we listened very attentively to the Minister's statement. He described the previous Government's position as outworn ideology. Moments later he described in the House the Gray report of 1973 which advocated, as he described it, that control of foreign investment be only directed at large corporations. It is very interesting that on the one hand the Government described our views as being outmoded and then it returned to views of earlier years and called them the modern and appropriate way to act now.

There is outworn ideology at times, but it does not come from the Liberal Party. It comes from the Government which has outworn views, views which are 20 years to 40 years old. The Conservatives have not been in power for many years. Now that they are back in power, they take the position that whatever worked in 1950 will work in the 1980s. That is not so. This is a different world. It is a different generation. We have to live with different realities. Of course the Americans are still our friends. We know that, but that is not what is at stake. What is at stake is being the masters of our own destiny.

Also this morning the Minister took great pains to describe how FIRA affected such industries as hamburger stands. I thought that was rather amusing, for the largest restaurant chain in the world is a chain of hamburger stands. As a matter of fact, it is one of the largest corporations in the world. To indicate that that particular industry, the restaurant industry, is not important and that foreign investment regulations were not in order does not take into account the reality with which that industry lives. The threat of multinational corporations and very large chains is indeed present for that industry as it is for many others.

I, for one, should like to know where the Bill stands in terms of the policy and philosophy of the Government regarding competition. The Government talked about the need for more competition. How can we have more competition when multinationals come here, buy our small and medium-sized industries, make them part of their conglomerate structure and eliminate whatever competition exists? Or should we have multinationals creating a temporary competitive position against small Canadian companies until they are forced out of business? Is that competition? In the long term it will result in more and more corporate concentration, not more competition.

The Hon. Member for Capilano just told us that FIRA had a bad name and that sometimes FIRA was even used as an excuse. In other words, a company which did not really want to invest here would say, "I will not invest in Canada because of FIRA". If it did not want to invest here in the first place, what is the point of including that particular element in the discussion? It was not going to come here anyway, by the admission of the Hon. Member for Capilano. If it did not want to invest in this country in the first place, it does not matter whether it used that particular excuse, the excuse that our hockey players are too big, the excuse that there was too much snow in this country or that heating bills were too high. What is the point in using alternative excuses if the Hon. Member has already identified that the company did not want to come here? To say that FIRA was used as an excuse by people who did not want to come here in the first place does not add to the credibility of this legislative initiative.

• (1630)

Investment Canada was an election promise. We have heard a lot about election promises lately. Some of us have reminded the Government of all the promises that were made and all the promises that have not been delivered. I have here the Tory collection of 338 promises. I have brought some of these to the attention of the House before. I will do so again today so as not to disappoint anyone.

I want to talk about the foreign investment promises. Some of these promises are contradictory. The measure before us today does not fulfil the promises that were made. Let me read some of them. The first promise reads:

> Attract more foreign direct investment in order to lessen the country's sensitivity to every upward movement in U.S. interest rates.

That is a rather interesting promise. It does not require another promise to be contradictory. It is contradictory in itself. How will having more U.S. business here lessen our dependence on U.S. interest rates? I am having difficulty understanding how this promise stands on its own, let alone against anything else. The second promise reads:

> Pass a law banning new foreign investment in at least four sectors; banking and finance, the media, energy and telecommunications.

Is that not interesting in view of the Bill before us today? The third promise reads:

> Hold public hearings to decide whether to extend this ban to other sectors of the economy.

We are waiting for the public hearings before we pass this Bill. Let us have the public hearings that were promised. That is the third promise in the investment policy of the Conservative Party. We cannot pass this Bill before the public hearings are held. We want the benefit of much input from Canadians in every walk of life, from one coast to the other, before adopting this legislative measure. After all, we on this side want the Government to deliver on its election promises. It promised to hold public hearings before deciding to extend this ban to other sectors of the economy. The fourth promise reads:

Make the entire operation overseen by an agency that might be called Investment Canada or Caninvest.

Apparently that was an alternative title. During the election campaign the Conservatives said there would be an Investment Canada agency. However, the role for it as described at that time was vastly different from what we see today. Today we see that Investment Canada will be this Government's advertising agency for attracting foreign capital. That is not the role that was described during the election campaign. All that is the same is the title. It is the same in name only. Its role is very different.

In most cases there will be no review for new investments. That is what the Minister stated this morning. If the Government has not completed its work by the end of the waiting period, the period of wait will be deemed to be approval for the process. In other words, the Government must get its act together and complete any review very quickly or approval will be deemed to have been given.

That is in direct contradiction to the Bill. Clause 5 states "The Minister shall". The duty is on the Minister. The Minister is to carry out various things. I will read some of them:

—ensure that the notification and review of estimates are carried out in accordance with this Act;—

—assist in the development of industrial and economic policies that affect investment in Canada;

Throughout Clause 5, the onus is on the Minister. It is the duty of the Minister to do various things. If initiates are not taken during the waiting period, approval is deemed to have been given. That is a flagrant contradiction. We cannot have those two policies simultaneously. The Minister cannot, on one hand, have the duty and, on the other hand, have a loophole which says if it is not done within a certain number of days, it is deemed to be an approval. That clause needs to be reviewed.

We are not here to discuss whether we want foreign investment. We want foreign investment, but we must ensure that investment from outside the country is in the best interest of all Canadians. In addition, it must be in the best long-term interests of this country. It cannot be a shortsighted initiative. We need long-term planning and long-term initiatives that will be to the benefit of this country for many years.

If adopted, this policy could do for us what it did for Central America and place us in the position where we are totally dominated by others and no longer the masters of our own destiny. We do not want that. This Government should have second thoughts, look at the Bill again and have a mindset whereby it will make major modifications to the Bill. Maybe the name does need to be changed. Maybe we need to review part of the Act. We on this side are open to constructive suggestions. However, we do not want to sell the store. The Prime Minister (Mr. Mulroney) said that this country was open for business. However, we are not open at firesale prices.

[*Translation*]

Mrs. Mailly: Mr. Speaker, I would like to ask the Hon. Member whether he thinks the sale of Petrofina to Petro-Canada has created jobs in Canada, since a number of his colleagues have suggested that the presence of a foreign company in this country tends to create more unemployment than employment.

Therefore, I would like to know first of all, whether the purchase of Petrofina by Petro-Canada has created jobs in Canada, and second, whether the Hon. Member knows how many Japanese and German companies involved in packaging, hi-tech and computers decided against setting up business in Canada because they did not want to waste time going through the screening process, and finally decided to go to the United States or Europe.

Does the Hon. Member agree that situations of this kind are indeed disturbing as far as job creation is concerned?

Mr. Boudria: Mr. Speaker, I am sure that my colleague, the Hon. Member for Gatineau (Mrs. Mailly), is aware that in the past, 92 per cent of all applications made to FIRA were approved. It is therefore wrong to say that the screening process has discouraged foreign investment. And that is not what we are trying to do today.

Mr. Speaker, the important thing is to ensure that foreign investment is in the best interests of our country. That is what we want. And I am sure that the people of the riding of Gatineau would agree.

• (1640)

Mr. Speaker, as far as Petrofina is concerned, we realized that the oil industry in this country did not belong to us at all. We were, in fact, entirely at the mercy of foreign investors. We were not our own masters in the oil sector. So we made a decision, and it was a good one, that the industry should belong to Canadians. We could not start from scratch, so we had to buy existing corporations, and we had to pay the price. This had to be done. The Government made a decision, fully aware that it was necessary and that it was in the best interests of our country.

Mr. Speaker, the House will recall that in 1979, a Prime Minister mentioned selling Petro-Canada. And you know how voters reacted when they tried to sell Petro-Canada. They did not take very kindly to that decision. It is important for us to own our oil industry and the whole energy sector or at least a large part of it, to ensure that foreign investors do not do what they did during the oil crisis when oil tankers were turned away from Canadian shores and routed to other countries. This has happened, Mr. Speaker, and—

The Acting Speaker (Mr. Paproski): Order, please. Any more questions?

Mrs. Mailly: A point of order, Mr. Speaker.

I asked two questions to my colleague. Did Petro-Canada's purchase of Petrofina create jobs? I also asked him whether the existence of—

The Acting Speaker (Mr. Paproski): I am sorry.

[*English*]

The Hon. Member for Yorkton-Melville (Mr. Nystrom) has a question?

Mr. Nystrom: Yes, Mr. Speaker, I have a question for the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria). I was pleased with the remarks that he made about the need for FIRA and the fact that he is an economic nationalist and wants to be—

[*Translation*]

—masters in our own house, in our own country.

[*English*]

I agreed very much with him and am glad he is taking that position. Hopefully he will have some influence on the Government across the way. I want to ask him whether or not he was disappointed with what was happening to FIRA under the previous Liberal Government.

Mr. Hnatyshyn: They butchered it, you're right.

Mr. Nystrom: The Hon. Member for Saskatoon West (Mr. Hnatyshyn) whom we in Saskatchewan call "Red Ray", by the way, and who is one of the few red Tories left, has said that the Liberals have butchered FIRA. That really sums up what was done under the previous Minister of Industry, the Hon. Ed Lumley, a very good friend of mine.

The Hon. Member referred to the Gray report as being good and substantive. Over the years, a number of Liberal Ministers seemed to interpret the regulations in a very tough and positive way and in more of an economic nationalist way. However, in the last three or four years, we have seen FIRA'S teeth pulled and the old hound dog was left with just a few old teeth. I am wondering whether or not this has disappointed the new Hon. Member of the House because he seems to be taking a much tougher stand than the one taken by the previous Liberal Government. Was he critical of the approach that it was taking? Does he agree with me that one reason the Conservative Government can now get rid of FIRA so easily is that the Liberals had already started down that path in any event?

Mr. Boudria: Mr. Speaker, the Liberals had no intention of dismantling this agency. The Liberals, of course, created FIRA. Some people say that the Hon. Member's Leader did not say that our Leader was very supportive of that agency. We know, of course, that we had to modify it. We know that in the last few years during difficult economic times, we sometimes had to adjust our policies. It is a delicate balancing act. However, to go from there to the position of the Government opening the door and letting anything in, whether or not it is beneficial to our country, is a far different story. That is not the kind of policy for which the Liberal Party stands.

We want the protection of our Canadian industries. We want to own a substantial portion of them ourselves. Foreign investments are welcome, but they must be in the best interests of our country.

Mr. Dorin: Mr. Speaker, I would like to make a comment on the Hon. Member's speech. I would like to try to answer one of the questions he raised during his speech, and that was, how foreign investment affects interest rates in the country in a positive way. I would like to try to explain that to him and to point out to the Hon. Member for Yorkton-Melville (Mr. Nystrom), who unfortunately is leaving the Chamber, that I think it is very clear that the reason the Liberals were unable and chose not to enforce the laws—

The Acting Speaker (Mr. Paproski): Order, please. I would appreciate the Hon. Member directing his question to the Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria).

Mr. Dorin: The comment that I have is simply in explanation to the Hon. Member's question regarding interest rates. As the Hon. Member knows, interest rates in this country are affected by United States interest rates. If there becomes too large a differential in rates, equity on capital flows from this country to the United States. In fact, having equity capital inflows balances off, to some degree, and puts upward pressure on the Canadian dollar. This allows the Bank of Canada some room to manoeuvre in terms of interest rates and in terms of maintaining a lower interest rate structure.

I would point out that since 1980, in excess of $30 billion of equity capital has left the country, causing problems for the Canadian dollar and forcing the Bank of Canada to respond by having abnormally high interest rates. I would point that out as the answer to the Hon. Member's question.

Mr. Boudria: Mr. Speaker, that was a very interesting lecture on economics given by the Hon. Member. However, I am sure you would agree with me, Mr. Speaker, that having more United States companies in Canada when there are high U.S. interest rates cannot lower interest rates in Canada. That assumption is absolutely preposterous. Those companies get their money from the U.S. capital market at those same high interest rates. The theory that we can lower interest rates in the country in proportion to what they are in the United States by getting more money from the United States comes from a school of economics that only that Hon. Member can understand.

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

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, when I rise to debate a Bill like this one, I feel that the work I put in this past summer to achieve the opportunity to speak here was fully justified. In the development of the Canadian nation, consideration of a Bill dealing with how foreign investment might come to Canada and what its consequences might be is of the most enormous importance in determining what kind of country we have now and how the nation will develop in the future.

This afternoon, particularly in view of the limited time before us, I would like to consider first of all something of the development past that has brought us to this position. It is an

appropriate season to be considering the kind of Bill that is before us. If anything reflects the kind of Christmas spirit and hope that Santa Claus will be good to us again, it is surely the thinking that is reflected by the Investment Canada Bill. Here we have this conviction that if Canadians are good and the Government throws open its doors, then all sorts of good things can come to us.

When one listens to the Prime Minister (Mr. Mulroney) responding to questions about this subject, one has an overwhelming sense of the extent to which our goodness in the way of throwing open the doors is absolutely essential for good things like gifts on Christmas Eve to come to the Canadian people. Surely there should be a more careful analysis of the whole matter to determine if that is likely to be the result.

Colleagues of mine have earlier indicated the questions we must ask ourselves. There are very serious questions to ask ourselves in deciding whether it is in fact sensible to think that, like Christmas, foreign investment is going to bring us all kinds of gifts and make our economy a stronger one. The kind of fuzzy thinking which has gone into this proposal is reflected in the statement of the Minister on Friday last. We were told that Canada's interests will be advanced by encouraging Canadian and non-Canadian investment, not by discouraging it. That, I dare say, is true as a whole statement, but to put "Canadian investment" and "non-Canadian investment" together in that way reflects the fuzzy thinking indulged in by the Conservative Government over these last weeks.

● (1650)

As I said a few days ago with respect to the borrowing authority Bill, what the Government has served up in talking about the deficit is a great deal of descriptive material, but I could find no real reason for us to believe that it understands why the deficit has reached the point it has and whether it really has a program to deal with it. In a similar way, in the few weeks before Christmas, we debate a Bill which is designed to have Santa Claus visit Canada one more year.

I said at the outset that the question which faces us here is one of the development of the Canadian nation. I believe it is worth looking back over the last couple of decades—and even farther back than that—to recognize how concern among Canadians has developed with respect to foreign investment and its impact on Canada. Many people believe—and I expect that is true of my Conservative friends—that that was a Liberal preoccupation back in the days when a royal commission headed by Walter Gordon investigated Canada's economic prospects. Of course, it was the Liberals later on in the 1960s and 1970s who took this up. It is perhaps in a partisan way that the Government has chosen to react to it. I spent some time looking at the concerns of the Conservative Opposition around 1956, the Conservative Opposition which had the opportunity soon afterwards to form the government. When I considered, in particular, the national development program which the Conservative Opposition put before the St. Laurent government at the time, I was astonished to discover the extent to which the Conservatives were at the time concerned about national development, about the impact of foreign investment on that development, and about the need to plan in order to ensure that development took place. I find myself wondering where the Member for Qu'Appelle-Moose Mountain (Mr. Hamilton) is these days in the midst of all of these things. I am sure he remembers all too well the effort he put into developing programs and plans for national development back in those days, which were oriented to what Canadians could do, not what foreigners could bring to this country.

I must say that as early as 1956 to 1957, I was surprised at first, then pleased in a sense, to see that a predecessor in my riding years ago, a man of singular power in the Canadian economy, the Right Hon. C. D. Howe, was also concerned about good corporate citizenship. That is a theme which, of course, became the key word of the 1960s, as at the end of the Diefenbaker Government the Liberals attempted to come to grips with the question of what foreign investment in Canada represented, how it operated and what sort of controls—although at that point they were hardly thinking of controls—or influence or persuasion should be brought to bear.

I believe what the Government now needs to realize is that through the 1960s and into the following decade, as Canadians were faced with the realities as they applied to Canada, they saw the evidence of overwhelming foreign ownership in manufacturing and resource industries. As Canadians worried about what the consequences would be in terms of lack of control of their own economy, a consensus built up in this country that something should be done about it. I say, to the shame of my colleagues to my right, who are much depleted now from the numbers they had in those days, that the Liberal Governments acted very slowly in recognizing that national concern. A number of studies occurred, a parliamentary committee was set up, and there were other studies outside as well. Eventually a cabinet committee considered the matter. However, it was not until the minority Government of 1972 to 1974 that action was finally taken to establish the Foreigh Investment Review Agency. It was recognized that harmful consequences could follow from foreign investment and it became obvious that some sort of screening mechanism was absolutely essential. Some of that concern is, of course, recognized in the Investment Canada Bill which is before us. There will be screening for larger takeovers. But there is the possibility of takeovers of smaller companies and the open door policy for new investments. These activities will not be under any control. We will clearly lose the potential screening and negotiating possibility which the Foreign Investment Review Agency offered us.

In the midst of slower business activity in this country, and in the midst of a recession, which we all hope will not slide into something worse in the next few months, the Government may feel that this is the appropriate action. But I believe that the Canadian people have a real concern about how the economy of this country might be developed. They have a real concern about the loss of control which will come. This Government may find itself bucking the tide of public opinion rather than riding it.

Because of the consequences of foreign investment in this country, as well as in other countries, the basis for decision-making should be a sound, penetrating and deep understanding of what the consequences are. I have spent a certain amount of time reading literature on the subject, Mr. Speaker, and it seems to me that there has been a failure on the part of those people who are avidly determined to have foreign investment here, and on the part of those who oppose it, to make a definitive and conclusive case for their particular perception of it.

There is less blame to be laid at the door of the opponents of foreign investment because the kind of information which is required is often locked away. One of the unfortunate aspects of the operations of the Foreign Investment Review Agency is the secrecy under which it operates and the confidentiality which cloaks the agreements it arrives at with foreign investors. It makes it impossible to do the sort of careful study which is required. Governments which are convinced that foreign investment is necessary could surely obtain access to information which is required. What seems to me utterly lamentable is the fact that the information has not been obtained and the case has not been made. There are abundant reasons for questioning the value of foreign investment.

There are a variety of points which I would be happy to explore when we take up this subject again. We have now a superficial, utterly simplistic argument that what we need to have is Santa coming in again, bringing us these gifts, then we will have prosperity in this country and all will be well.

[*Translation*]

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

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*Translation*]

The Acting Speaker (Mr. Paproski): Shall all orders and items preceding item No. 126 stand?

Some Hon. Members: Stand.

The Acting Speaker (Mr. Paproski): Stand.

• (1700)

INCOME TAX ACT

ADVISABILITY OF AMENDING THE ACT

Mr. Ricardo Lopez (Châteauguay) moved that, in the opinion of this House, the government should consider the advisability of amending the Income Tax Act in order to eliminate reassessments and legal actions for the payment of income tax in arrears in cases where errors or omissions happened in taxpayers' income tax returns for the pre-1984 fiscal years.

He said: Mr. Speaker, considering the economic renewal we are experiencing and want to encourage, I suggest that the Government amend the Income Tax Act, and more specifically, Section 152, in order to eliminate reassessments and legal actions for the payment of income tax in arrears in cases where errors or omissions happened in taxpayers' income tax returns for the pre-1984 fiscal years.

I am actually suggesting a kind of general amnesty. I want to propose the following amendment as sub-paragraph 4 to Section 152:

(a) Notwithstanding paragraph 152(4)(a), as of January 1, 1984, if any taxpayer or person filing a return of income for taxation years prior to January 1, 1984, has made any misrepresentation in filing the return, the Minister shall not proceed with any reassessment, additional assessment or assessment of tax, interest or penalties under this Part.

(b) Any proceedings relating to the reassessment, additional assessment or assessment of tax interest or penalties under this Part, on the basis that the taxpayer or person filing a return of income has made any misrepresentation, and started and still pending before January 1, 1984, shall be dropped and no other proceedings undertaken for the taxation years ending before January 1, 1984.

The general principle of this amendment is to prevent the Minister from issuing reassessments in cases of misrepresentation for the years prior to January 1, 1984. The amendment does not, of course, apply to taxpayers against whom court proceedings for tax recovery have already been initiated.

This is a constructive measure for economic renewal that will allow taxpayers to start with a clean slate. Mr. Speaker, I also feel that in future, we should consider a similar amendment to Section 239 of the same Act which concerns the possibility of bringing criminal charges against taxpayers who made false returns. A provision should be included to make it possible for any person anxious to set the record straight with Revenue Canada to file returns for the years prior to January 1, 1984 without fear of criminal or judicial proceedings.

Similarly, there has to be a limit on administrative penalties on returns for pre-1984 fiscal years.

Our opinion therefore is that all those measures will make our fellow Canadians regain confidence, forget about previous years and start anew without fearing that they might lose everything they had before 1984. In addition, these amendments are very much in keeping with the new government's ideology and the Canadian Charter of Rights and Freedoms.

In fact, the accused has the right to be tried within a reasonable time limit. It is very important that the taxpayer be deemed innocent, even in a case of infraction of the civil law.

Our proposed amendment to Section 239 closely reflects the spirit and feelings of the new government. Besides, the Progressive Conservative study group on the activities of Revenue Canada reached the same conclusion in April 1984: offenders have the right to be heard before being declared guilty. Let us not forget that most Canadians are honest citizens quite prepared to pay their taxes. They must have faith in our tax collectors rather than be afraid of them. The Minister has no time limit to review files in cases where fraud is suspected, otherwise it is four years after the first assessment notice. That certainly makes Canadians very insecure.

The same study group also pointed out that Revenue Canada was insensitive, discriminatory and disgraceful towards offenders, making them lose respect for the tax collection system which ought to have been fair and equitable. Let us be mindful of the fact that Canada's tax collection system rests on self-assessment and good will on the part of taxpayers who willingly file honest returns every year and pay any tax owing. Self-assessment has to be one of the most effective and least oppressing tax collection methods. The system will operate only as long as taxpayers support it. Their support will not be forthcoming unless they are convinced the system is fair and a climate of confidence prevails between both parties. Failing that, we breed mistrust, fear and deceit.

These amendments are designed to elicit voluntary divulgation of undeclared income by taxpayers who did not file a return, or filed one with mistakes or missing data. In one fell swoop, the State will fill its coffers by collecting—rather cheaply—taxes owing and recouping funds stashed away in foreign countries by delinquent taxpayers who are afraid to bring those funds back to Canada and draw the attention of Revenue Canada. This money could be laundered, brought back home and then invested to contribute to our economic recovery.

If the taxpayer has lost confidence in the fairness of our voluntary tax system, he will be tempted to join the so-called underground economy, which escapes taxation. By its very nature, the underground economy cannot be measured accurately, but its value is estimated to range between $40 and $80 billion. And although this is not sustained by any concrete evidence, we suspect that more and more money is being invested in this parallel economy. The greater part of this money is being exported to countries such as Switzerland and the Bahamas which are naturaly delighted to receive it. However, this money should stay in and benefit Canada, because huge amounts are involved. The delinquent taxpayer is not anxious to bring home his money for fear of incurring the wrath of Revenue Canada. As long as he feels this sword of Damocles hanging over his head, he will never try to bring his money back and invest it in this country. Thanks to these amendments, we will be able to redirect toward the mainstream of our economy a good part of these funds. In an area of economic reconstruction, it is clearly advisable to patriate as much money as possible to serve the interest of the Canadian people as a whole.

I suggest, Mr. Speaker, that these amendements are a great step to help Canada make a new start.

• (1710)

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the proposal made in the motion before the House is aimed at clearing up a very serious situation that has developed over the years. To our consternation, we found out recently that under the previous Government, there had been a rapid rise in income tax arrears. The so-called underground economy expanded as Canadians became involved in an increasing and alarming number of economic activities that were liable to escape the scrutiny of the tax collector. We believe that the total amount of unpaid taxes, that is, amounts owing to Revenue Canada which are not being contested, is now as high as $3.5 billion. This is a more than substantial amount since it represents over one-tenth of the federal deficit we inherited. In addition, there are also the taxes being avoided by the so-called underground economy. Unfortunately, we still have no accurate means of estimating the amount of income generated by the underground economy and undeclared economic activities that escape the scrutiny of Revenue Canada. There are, however, many indications that it is a very substantial amount that would be more than welcome in helping to reduce the federal deficit.

The proposal made by the Hon. Member for Châteauguay (Mr. Lopez) is in fact asking for an amnesty in cases where the taxpayer made an error or omission in filing his income tax return. I must say, with respect, that this proposal does raise a number of problems and some specific questions in my mind. First of all we must determine whether this is the best way to provide a fair solution to a rather complex problem. We should also ask ourselves what the consequences would be of such an amnesty. Giving an amnesty would be the same as saying that the problem no longer exists. It is certainly true that it would no longer exist for the taxpayers concerned. However, the problem would still exist for the Government which would have to give up hundreds of millions of dollars in revenue that could and should eventually be collected.

We must consider the situation in terms of the major objectives and priorities of the Government. In my opinion, there are three major objectives: bringing about an economic renewal in Canada, putting some order in public finance after many years of increasing deficits, and providing assistance to needy Canadians.

The proposal contained in the surprising motion now before us would go against these objectives. The proposed cancella-

tion of unpaid income taxes would increase the deficit and the Federal debt and in fact curtail the ability of the Government to contribute to economic renewal and growth. If this solution were applied, the Federal Treasury would be less capable of providing assistance to Canadians who really need it. This would be the direct and harmful impact such a proposal would have on the financial freedom of movement needed by our new Government to meet its objectives. In addition, this proposal would have major indirect effects of which the most important would be to alter our existing taxation system. This system at the present time is based on self-assessment by Canadian taxpayers. We trust Canadians to fairly report their own income and to submit the proper amount of tax. This system is based to a large extent on mutual trust and respect.

Indeed, the Minister of National Revenue (Mr. Beatty) described this mechanism quite well in the unequivocal speech he gave before this Chambre last November 16 during the throne speech debate when he said the following:

> For the self-assessment system to survive, all taxpayers must believe that they are being treated fairly and equally. At the same time, the Government must believe that all taxpayers will fairly report their income and submit the proper amount of tax on time.

If we were to agree to the proposal as it is worded in this motion, what would be the reaction of the majority of taxpayers who pay the proper amount of tax? Would they not be irritated by the increased burden placed on them because of the amnesty granted to others owing such a considerable amount of taxes? Would they not conclude that this type of amnesty favors those who have filed false tax returns in the past, whether accidentally or voluntarily? Would they not be tempted themselves in the future to file false statements in the hope that a convenient amnesty would eventually be granted in their own case?

I believe that the conclusion is clear. Such a procedure would greatly weaken our tax system. It would reward dishonesty while we are trying to encourage Canadian citizens to act honesty in their relations with the state. Instead of correcting the problem of unpaid taxes, this proposal would make it worse and it would degenerate uncontrollably. There is a definitely better solution, and this is the one followed by the Minister of National Revenue, who is implementing the conclusions and recommendations of the Progressive Conservative Task Force on Revenue Canada.

Let us consider the $3.5 million in back taxes which are not being questioned by taxpayers. This amount does not only represent the mistakes and omissions made in the past by taxpayers when filing their income tax returns. These are cases which the motion now before us attempts to deal with. This amount also includes taxes owed by taxpayers who have reported their full income but who are unable to pay their tax in full because they find themselves in a temporary financial bind.

• (1720)

The Minister of National Revenue has indicated that there was a distinction to be drawn between taxpayers who try to evade tax and those who because of financial difficulties cannot pay, at least momentarily.

The Minister of National Revenue is committed to a humane, compassionate and tactful treatment by Revenue Canada of people in need. Past experience unfortunately has shown that a stringent attitude by Revenue Canada could generate distrust, noncompliance, frustration and even bitterness. It is possible and it is important to be both firm and fair. Revenue Canada has finally taken a number of definite steps to increase the efficiency of the tax collecting process. The Department will hire additional staff, and this will enable collectors to spend more time with deserving taxpayers who momentarily find it difficult to pay their taxes. Mutually acceptable arrangements will provide for the staggering of payments. The Department's set target is to collect $400 million over and above the unpaid moneys that normally would be collected by Revenue Canada under the former procedure.

The Minister has also pondered over the problems of Canadians who fail to report income earned from so-called underground practices and activities. In his explicit address to the Canadian Association of Tax Studies, he urged taxpayers who had failed to report all their income to come forward and pay their taxes, without fear of legal action, under the new departmental regulations dealing with voluntary returns. This is but one of a number of reforms designed to give Revenue Canada a more humane, more efficient and less stringent profile.

In the area of collection, in-service training programs for tax collectors will be implemented so that the collecting of unpaid taxes will become a better and more accurate process. Where taxes are due, Revenue Canada will send out a series of notices of collection that will set out more clearly the Department's relevant policy and the rights of the taxpayers. Then, before finally taking legal action, the tax collectors will be required to try to the best of their ability to contact, by telephone or otherwise, the defaulting taxpayers and give him every possible chance to pay his debt, without having to resort to the cumbersome intricacies of legal proceedings.

Hon. Members of this dignified House will know surely that the amendments to the Income Tax Act now before the House include a number of measures advocating a legislation reform.

One of the basic causes of taxpayer resentment in the past has been the feeling that, whenever assessments are opposed, the taxpayer is considered guilty until proven otherwise. Such a position, contrary to our basic judicial system, was held because in the past taxpayers were required to pay the full amount of the objectionable assessments even before the dispute had been resolved or even examined.

The new legislation provides that the taxpayer will not have to pay the disputed tax until the matter has indeed been heard. In order to prevent the new system from being abused, the courts will be empowered to impose penalties for irresponsible appeals.

Other amendments to the Income Tax Act are actually aiming for the same goal, namely handling taxpayers with fairness, sensivity and respect. The Canadian Tax Court therefore has the power to refund appeal costs to taxpayers, so that they will not abstain from appealing a decision before a neutral, fair and impartial court for mere financial reasons. Also, the maximum period for the Department to establish new assessments has been reduced from four to three years in all cases except willful evasion, blatant negligence or obvious fraud.

Those are some of the proposals for positive changes to the Act. A number of other amendments of a technical nature that already have been or are in the process of being introduced also are aimed, as I have already said, at treating taxpayers in a fairer, more humane way.

There was a time when the Minister of National Revenue had a quota system. This method of assessing the work done by tax auditors must be dropped because they often saw it as an incentive do be unduly harsh with taxpayers. In other words, the new system will stress quality rather than quantity. Another practice which has been stopped is the premature enlightenment of the medias every time a taxpayer is accused—even before the trial—and the reprehensible habit of releasing the names of people mentioned in regular reports on inquiries conducted by the department.

A few days ago, the Minister of National Revenue announced a series of improvements to the tax administration system. For instance, when a Revenue Canada auditor checks a tax return, he will get in touch more often with the taxpayer before changing the amount of tax owing, and the taxpayer will have more time to prepare his response, 30 days instead of 21 days, as is the case now. Anyway, the 30-day delay is a common practice in business circles. Written explanations concerning new computerized assessments will provide more details and data in clearer and less ambiguous terms. That will certainly help taxpayers know exactly where they stand.

Communication services between taxpayers and Revenue Canada are being modernized, a definite plus at the critical tax-return time when the Canadian taxpayer is most in need of information, clarifications and even advice. The network of tax assistance seasonal centres will be enlarged and 24 new such centres will be opened. Business hours for free telephone services offered by district offices will be extended during the busy period when most tax returns are usually filed. Special communication services will soon be available for people who suffer from blindness or hearing difficulties.

Is this not an impressive although incomplete list of the changes which Revenue Canada intends to make where its relations with the Canadian public are concerned? These progressive initiatives are the follow up of the major conclusions reached earlier this year by the Progressive Conservative Task Force, which found that the unbending attitude too often present in the past simply frustrated taxpayers and caused them to resist and to avoid paying taxes. This fresh new attitude illustrates the firm conviction of this Government that Canadians can be trusted.

I believe that, after due consideration to the proposal made by the Hon. Member for Châteauguay (Mr. Lopez), we should feel this same confidence in Canadian taxpayers and not presume that Canadians generally will refuse to pay their tax. In the past, these taxpayers may have had valid reasons not to trust the former Government and to conclude that they had nothing to do with its financial problems. In this case, the simplistic solution of declaring an amnesty for fed-up taxpayers is definitely unacceptable. The real answer lies in providing taxpayers with every opportunity to settle their accounts and, in cases of financial difficulties, to wait for their situation to improve.

The second element of this solution which heralds a new era is to improve Government operations. In this way taxpayers will have fewer valid reasons in the future to have problems and to resent a Government which used to be arrogant. I truly believe that the progressive and positive reforms we intend to bring about in the operations of Revenue Canada are a perfect example of the type of renewal in public administration which responsible Canadians are looking forward. Thank you, Mr. Speaker.

• (1730)

[*English*]

The Acting Speaker (Mr. Charest): The Hon. Member for Regina East (Mr. de Jong).

Some Hon. Members: Hear, hear!

Mr. Simon de Jong (Regina East): I thank the Hon. Members for the applause. Mr. Speaker, I wish to join in the debate on the Private Member's Bill introduced by the Hon. Member for Châteauguay (Mr. Lopez). I am afraid the Hon. Member for Chateauguay failed to convince me and I would venture to say he failed to convince most Members of this House of the justification for his Private Member's Bill. As the Parliamentary Secretary to the Minister of National Revenue and Canada Post (Mr. Vincent) has pointed out, this Private Member's Bill would give in essence an amnesty to all taxpayers who might have deliberately or not deliberately falsified their tax returns in the previous year. Certainly we do not believe that this is how the problem that faces the Canadian Government and the taxpayers should be solved.

I am afraid the Parliamentary Secretary and the Minister himself are somewhat naive when they believe that an honest appeal by this Government would automatically mean that hundreds of thousands of people, corporations, businesses large

and small, which in the past might have cheated a little on their tax would all at once come forward and do the right thing. In this new era which the Government claims it has established, would truth and justice like a bolt of lightning hit all taxpayers and from now on we will have nothing but honesty prevailing in this field? I feel the Minister and the Parliamentary Secretary are somewhat naive. I hope this is just propaganda and really not government policy. If this is government policy, we will be in some difficulty in the years ahead.

Paying taxes in an exercise that most people the world over do not relish. People feel that these are moneys they have earned either through business activity or labour. They want to keep as much of that money for their own use. Of course, in a society like ours that is dependent very much upon government activity to maintain our roads to provide health services and to do all the things a modern state must do in order for a modern civilization to exist, one of the forms of revenue for these purposes must be the tax system.

The tax system must be fair and must appear to be fair. It must appear and in reality be something whereby people are treated on an equal basis. In our system and in the system of most of the industrialized civilized world there is a progressive income tax system. The greater your income, the greater your ability to help foot the public bill, and according to our system, the greater amount you are called upon to contribute to the national purpose. Again, it should be realized that most people who earn an income do so with the assistance of government in one form or another. If we did not have our health system, our education system, our rail and road system, and what not, most Canadians could not earn an income. The ability to earn that income is dependent upon the fact that we have a modern state providing these essential services.

For the Hon. Member to suggest in his Private Member's Bill that the Department of National Revenue should be restricted to auditing returns only for this year, and that the taxpayer be given an amnesty so that the Department would no longer be able to audit returns for 1984 and prior, I do not think it will help the Government or make the tax system fairer.

When you look at Revenue Canada taxation estimates, for 1984-85, Mr. Speaker, you see two important activities that the Department carries on. One is post assessing. This operation consists of the examination of certain things for deduction or exemption which are accepted without question at the initial assessing in order to expedite the flow of returns. In other words, when the income tax returns come in, the National Revenue Department gives them a very brief look. Most of the forms are accepted at face value. Taxes are collected. Cheques are issued for money owed to a taxpayer, and so forth. Subsequently, I understand about 3 per cent of the returns are audited. As well, the Department audits to make sure income reported on the tax form is the income supported by such slips as T-4s from employers and the T-5s from the banks.

We find in the Estimates for 1984-85 that this activity in the year 1982-83 brought in some $828,948,000, which is a fair chunk of change so to speak. In essence, what this Private Member's Bill is suggesting is that the Government forgo these revenues. Remember that this figure of $828 million which the Government collected because of its audit functions really covered only 3 per cent of corporations that filed income tax returns. This means that a fair amount of money is not collected. It means that a fair number of companies, either deliberately or not deliberately, fill out their corporate tax sheets in an improper way. All of the information is not there. It means that a 3 per cent audit netted the Government, just on the corporation side, some $645 million last year. What the Private Member's Bill suggests is that the Government kisses $645 million good-bye. If we had tremendous surpluses in government revenues perhaps there would be some justification for this. I wish the Hon. Member would express his indignation at the $200 million which the Government wants to save by cutting back on unemployment insurance.

The Hon. Member, I am sure, will be supportive of the Government's cut-backs to the UIC program. I am sure there are people ripping the system off. May I suggest that those people are people with very low incomes? Yet the Government is willing to hire several hundred policemen to police UIC recipients. I am sure they will be given quotas and they will be forced to justify their income by making sure that a certain percentage of the people they interview every day will be found ineligible for UIC payments.

• (1740)

The Government should be as concerned about collecting the $3.5 billion which is owed to it. These moneys are not in dispute. Heaven knows the amount of money owed to the Government which is in dispute. However, there is this $3.5 billion which everyone agrees is owed to the Government. It is out there. It is 10 per cent of the deficit.

Day in and day out we stand in the House to try to imprint upon the Government that it does not have a deficit because of overspending. The deficit is there because the Government has not been collecting the taxes it should be collecting. The deficit could be reduced off the top by 10 per cent if the Government would only collect the undisputed amount of money due to it.

The area of undisputed tax which galls me the most is the $328 million or so which employers have deducted from their employees. These deductions were in the form of income tax, UIC and CCP. These moneys have not been remitted to the Government. They are held in trust. It is not even their money. It used to be some $428 million, but the Minister has already kissed $100 million off. He said that he would not bother collecting that, that it was dead, that it was gone. There is still some $328 million owing to the public Treasury by people who hold this money in trust.

I understand that such workers are eligible for UIC payments if the corporation goes bankrupt and still owes the Government money from UIC deductions. I also understand that very often these workers experience tremendous difficulty in obtaining the coverage owing to them. It is a long, drawn-out fight to gain the coverage for which they have paid. For

the Hon. Member to suggest in his Bill that there ought to be an amnesty I find a little too much. In fact, it contradicts his own Party's task force on Revenue Canada. In its report the following was indicated:

> The Task Force sympathizes with these taxpayers yet recognizes that the Minister must have adequate time in which to audit tax returns. However, it also believes that four years is excessive and suggests a three year time frame, when fraud is not involved.

We will have to see the type of legislation the Minister will be introducing to limit the period of time within which audits occur. I hope the Government is sincere in reducing its deficit and in ensuring that we have a fair taxation system. All Canadians should be treated equally and fairly. I am hoping that we do not have one tax law for the rich and another for the poor. I am hoping that we do not have one tax law for big corporations which are able to hire tax accountants and tax lawyers to keep the Government spinning in circles and another tax law for the small ones. These large corporations can hold on to hundreds of millions of dollars in unpaid taxes. They can use these moneys internally and save a fair amount because the penalty charged by the Government is prime minus one. It is in the interests of these corporations to retain these hundreds of millions of dollars within the corporate sector because the amount of interest they are paying is much less than they would have to pay at the bank. I hope the Government is as anxious to go after the big guys as it is to go after the small guys. I hope everyone is indeed treated equally and fairly. We have some distance to go in this regard.

Let us look at what a salaried worker pays in income tax, the number of his deductions and the number of income tax games he can play compared with corporations. We see that fairness does not exist. There is no way a salaried worker can hide income. He does not have similar exemptions. For example, he cannot defer taxes. However, there are some $32 billion in deferred taxes owed to the Government of Canada. That is enough to wipe out the deficit. Although salaried workers are unable to defer taxes, corporations seem to enjoy that benefit. I understand CPR owes some $1.5 billion in deferred taxes.

Mr. Malone: Hear, hear!

Mr. de Jong: I hear the Hon. Member for Crowfoot (Mr. Malone) saying "Hear, hear". He is another fan of the CPR. I am sure there are many more across the way. This is why I do not have much faith in the Government opposite that we will have a fair taxation regime and that everyone will be treated equally. The CPR should be treated in the same way as the people working for it and drawing salaries. I doubt the banks will end up paying the same amount of tax that all their clerks pay. Indeed I doubt that we will have a fair taxation system with the people who are able to afford it paying their fair share. We do not have a fair taxation system. We really do not have a progressive system. In fact, it is the inverse. The people least able to pay, average working men and women, pay the most. The people best able to pay are the ones who pay the least. The economic philosophy and policies of the Government encourage that even further. I really do not expect a fair taxation policy from the Government. We will see. We will attempt to push the Government into accepting a basic fairness in our taxation regime.

I find the Private Member's Bill of the Hon. Member for Châteauguay to be unacceptable. I expect that it is unacceptable to the Hon. Member for Crowfoot. I am sure it will be unacceptable to most Members on the government side. It makes an unfair system more unfair and therefore repugnant to Canadians.

• (1750)

[*Translation*]

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, without wishing to take up too much of the House's time, I simply want to say that if there is a vote, we shall be voting against the present proposal. I do feel rather sorry for the Hon. Member for Châteauguay (Mr. Lopez), since he is not getting much support from his own colleagues for a proposal into which he probably put a lot of work.

I also think it is rather ironic that basically, the Hon. Member for Chaâteauguay is only putting into practice what his hon. colleagues said they would do when they criss-crossed the country on their partisan committee to seek the views of Canadian taxpayers on our tax system. The message they gave at the time and to which his own colleagues might well object today, was that there was so much abuse on the part of the Department of National Revenue, and so it seemed quite normal to the Hon. Member and in line with the Progressive Conservative policy over the last two years, to present this proposal and try to eliminate in one fell swoop all those flagrant examples of injustice.

Mr. Speaker, the Hon. Member for Châteauguay will learn, as will Canadian taxpayers, that there is a considerable gap between the rhetoric of his Party's politicians and what they actually do here in the House. I feel very sorry for him, and I hope he will get some sympathy from his colleagues and will get them to understand that when a message is given to Canadians, it must be considered when the time comes to pass legislation.

And now, Mr. Speaker, I think I may say, in more general terms, that it is clear the Government of a country cannot afford to let an amendment consisting of three or four lines deprive it of all the money owed by some taxpayers just because there might have been some omission or error in their income tax returns. It would be too easy for people to avoid paying what they owe, to avoid paying their fair share to finance public expenditures, and all for reasons that are basically futile. It would also be unfair to taxpayers who are not in arrears, who file complete returns and who meet their obligations as responsible citizens by paying their taxes.

I heard the Hon. Member for LaSalle (Mr. Lanthier) make some suggestions. Mr. Speaker, if there is a way to humanize the Income Tax Act, whether we are referring to the federal, provincial or municipal provisions in this respect, obviously no

one can object to that. However, the fact remains that the only way to collect money is to get people to pay.

I feel that the message we are getting from our friends opposite, or at least the message they may be getting through to Canadian taxpayers, is that now the Progressive Conservative Party is in power, there are going to be lots of ways to avoid paying taxes. There are going to be plenty of opportunities for the reason who owes $100,000 or $200,000 in taxes, when the interest rate paid by the bank is higher than the fine a judge might impose, as the Member for LaSalle said. There will be a lot of people, a lot of taxpayers who will be tempted to use the tax office as a bank instead of getting their own financing and paying the taxes they do owe the Government, in any case.

I think that what the Hon. Member for LaSalle is saying—and a few days ago, I heard the Minister of National Revenue speaking in the same vein, and the House will recall most of the speeches made during the election campaign—is that it is doing Canadians a disservice to give the impression that there are many ways of avoiding taxes and putting off paying them, and finally, that this would penalize the honest taxpayer who pays his taxes on time. I think this is not the impression a responsible Government ought to give, unless sooner or later it is prepared to accept proposals like the one made by the Member for Châteauguay. If that is the case, I would urge the Hon. Member for Châteauguay to go around the House and persuade his colleagues to vote for him, because his proposal is in line with the impression this Government wanted to give earlier.

Mr. Speaker, I will not use up any more of the House's time. If it even comes to a vote on this motion, we shall certainly vote against it.

Mr. Michel Champagne (Champlain): Mr. Speaker, I understand quite well the concern which my colleague the Hon. Member for Laval-des-Rapides (Mr. Garneau) has expressed; he knows how difficult it is to collect money, in view of his occupation before his election to the House. I must say, however, that the motion moved by our colleague is one which we should consider and discuss seriously.

An Hon. Member: Until six o'clock.

Mr. Champagne (Champlain): Perhaps until six o'clock, I agree, Mr. Speaker; what we must take into account, however, is its impact on the Canadian public as a whole.

Clearly, there are some people who, over the years, have been lucky enough—if I can use that expression—not to pay any income tax, but that does not necessarily mean that we should set a rule and apply it unilaterally to all Canadians, as the previous administration used to do.

I shall not delay the House any longer, Mr. Speaker. I simply wanted to indicate that the motion moved by my colleague the Hon. Member for Châteauguay is fine *per se*, but I wonder whether it was sensible to introduce it today.

[*English*]

Mr. Joe Reid (St. Catharines): Mr. Speaker, the Hon. Member for Châteauguay (Mr. Lopez) knows full well that his motion touches on a branch of the law which concerned the Progressive Conservative Party well in advance of the September 4 election to a very great degree, to the degree that at our own expense this Party formed a task force that travelled across the land to identify the attitude and problems and the specific concerns that affected the taxpayers of this land.

Many of those concerns were reflected in the votes that were cast on September 4, returning a Party which had a concern for the taxpayer in heart and in mind. That task force came up with a report entitled "A Taxayers Bill of Rights". During that election campaign, our Party made a commitment that this Government would be responsive to the needs and concerns of the individual taxpayer. Nowhere is this more important than in the dealings between Government and citizen as it is in the administration of our tax laws. The aims of the Government were spelled out in great detail in the Speech from the Throne opening this new session. It stated:

> The taxation system will be made simpler and fairer and more accountable to the people's representatives in Parliament. The rights of taxpayers must be protected. In particular, legislation will be presented to ensure that no taxpayer has to pay taxes in dispute before an impartial hearing has been concluded.

As an additional protection, taxpayers launching future objections will be eligible to file claims for the refund of disputed amounts already paid and these will be returned if the case is not dealt with expeditiously by the Department within a reasonable period of time. There will be protection against abuse of these new privileges in that the courts will be empowered to assess penalties where it is clear that taxpayers have launched frivolous or groundless appeals purely to delay the payment of taxes legally owed.

One of the most significant of the changes made is to exempt persons with taxes payable of $1,000 or less from the requirement to pay in quarterly instalments. In the past, quarterly payments have been required for those with taxes of $400 or more. The main beneficiaries will be 350,000 senior citizens who will be freed of the obligation to make their tax payments in instalments. This new threshold of $1,000 will also apply to corporations. It will be of great assistance to some 50,000 corporations, mainly small businesses and family farm corporations.

The Acting Speaker (Mr. Charest): Order. The hour provided for private Member's business has now expired.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

GOVERNMENT EXPENDITURES—WORK OF REVIEW COMMITTEE. (B) COMPOSITION OF ADVISORY COMMITTEE

Miss Aideen Nicholson (Trinity): Mr. Speaker, on the day after the new Cabinet was sworn in, the Prime Minister (Mr. Mulroney) announced that the Deputy Prime Minister (Mr. Nielsen), along with the President of the Treasury Board (Mr. de Cotret), the Minister of Justice (Mr. Crosbie) and the Minister of Finance (Mr. Wilson) had been assigned the task of reviewing all departmental programs and submitting action plans for Cabinet approval within six months. This was generally considered to be a way of prescribing more cuts. That has not been denied.

Subsequently, an advisory committee of seven businessmen was named. This committee did not include any women, Francophones, environmentalists, representatives from health and social services or from consumers' associations. Two names of union officials were included but then subsequent reports cast doubts upon whether or not they would in fact be participating or what the nature of their participation would be.

At a press conference on November 18, the President of the Treasury Board said that neither the Treasury Board Secretariat nor the office of the Comptroller General had been targeted for review. "We don't take programs," were the words attributed to the President of the Treasury Board.

In terms of numbers, there are between 50,000 and 60,000 person-years involved in programs of the central agencies as compared with perhaps 170,000 or more involved in delivering services to taxpayers. If cuts are necessary, surely they should be done with great care, delicacy and sensitivity and done equally in all Departments.

This is the kind of thing that raises the question of whether cuts are being taken on the basis of ideology or on the basis of efficiency. We hear a lot of talk about how the Government means to cut fat out of the bureaucracy but we are really talking about people and their jobs and about people delivering services to other people.

A few days ago, I asked the Deputy Prime Minister if he would confirm that the central agencies were being excluded from the cuts. He answered that the premise of my question was wrong and that he was not involved in a cutting exercise but in an exercise of looking at duplications, overlaps and so on and that all Departments would be treated equally. I then asked the Deputy Prime Minister if he would restructure his advisory committee to reflect this kind of mandate. I cannot see that an advisory committee composed of only seven businessmen who have purely administrative backgrounds is competent alone without other assistance to advise on eliminating programs to do with the environment, health, social services and so on.

The Deputy Prime Minister gave me a very broad and general answer which described what appeared to be consultations with the Quebec Federation of Labour but he did not say exactly if or how he intends to alter his advisory committee. I am pleased to see the Deputy Prime Minister in the House this evening and I look forward to receiving more precise information.

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, I am glad the Hon. Member gave me this opportunity to clarify what the Task Force on Program Review was all about. I think it is important that she and other Members of the House are as well informed as possible regarding an exercise which is not targeted at cost cutting at all, but is targeted at improving efficiency and delivery to the client groups outside of the internal structure of Government and to looking inside as well.

The terms of reference of the task force were announced on September 18 when the Prime Minister (Mr. Mulroney) announced the creation of the task force and its composition under my chairmanship. We have been asked to review government programs with the intent to produce a profile of government programs which is simpler, more understandable and more accessible to the Canadian public, to their clientele, and where decision-making is decentralized as far as possible with those in direct contact with client groups.

• (1805)

The task force itself has been asked and mandated to begin reporting within six months, the termination date being March 17. The work program, in order to address its task with a sense of order and intelligence, has set its objective to compile an inventory of all of those programs in Government, which has been accomplished. The second stage was to deal with those broad program categories.

With respect to the advisory committee, I can tell the Hon. Member that the task force Ministers made a very deliberate decision to involve the private sector in a very positive and meaningful way. To do this we have called upon national organizations—which was part of my announcement on November 16—with respect to the creation of a Private Sector Advisory Committee. This Committee is now, at this moment—which is some time from when the Hon. Member asked her question—made up of representatives of the Canadian Federation of Labour, represented by Mr. Austin Thorne; the Canadian Labour Congress, represented by Mr. Robert Baldwin; the Canadian Institute of Chartered Accountants, represented by Mr. Phillip Aspinall, who has been elected Chairman by the choice of the private sector advisory committee; the Business Council on National Issues, represented by Mr. Jerry Heffernan; and the Canadian Association of Management Consultants, represented by Mr. Ted Netten. All of these individuals were designated by those organizations them-

selves. There is the Canadian Manufacturers' Association, represented by Mr. Peter Riggin; the Canadian Chamber of Commerce, represented by Mr. Harold Milavsky; the Canadian Federation of Independent Business, represented by Mr. Ronald Farano; the Canadian Organization of Small Business, represented by Mr. Geoffrey Hale; Conseil du Patronat du Québec, represented by Jean D'Ailly, whose name, I am sure, will be familiar to the Hon. Member; le Groupement Québécois d'entreprises, represented by Mr. Richard Bourbeau. Mr. Laberge of the Quebec Federation of Labour, who was supposed to get back to me today, has not done so, but I am sure that I will hear from him before the week is out. It is an ongoing process. In addition, Mr. Darcy McKeough, the former Treasurer of Ontario, has been appointed as Private Sector Liaison adviser in order to provide liaison between myself, in my capacity as Chairman of the Task Force, and the Private Sector Advisory Committee.

I believe that all Hon. Members of the House will want to join with me in tendering our gratitude and congratulations to these designated individuals for serving on a Private Sector Advisory Committee involving this very important work at a dollar a year. With no cost to the taxpayer whatsoever, we are involving the private sector in a very meaningful and productive way in this task of program review.

On the public side, our activities involve our appointment of Dr. Peter Meyboom as the Public Service Adviser to co-ordinate whatever studies are necessary during the assessment phase of our work. To date, as I announced on November 19, the program inventory is now complete. It contains 989 programs delivering a total of $92 billion in direct and indirect benefits to individuals, businesses, organizations or a combination of all three. A total of 126 Departments and agencies are responsible for the delivery of these programs, involving 173,000 person years.

I invite the Hon. Member, and all Hon. Members of the House, to co-operate with us in this work to streamline and make more effective and efficient the delivery of these programs to the public, and to examine those internal programs as well, which is going to result in more efficiency and effectiveness by Government.

• (1810)

ENVIRONMENTAL AFFAIRS—CANADIAN WILDLIFE SERVICE—CANCELLATION OF HERRING GULL EGG PROGRAM. (B) MINISTER'S VIEW

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I rise to pursue a question I asked of the Minister of the Environment (Mrs. Blais-Grenier) with respect to cutbacks in her Department. In doing so, I would like to express my concern on three fronts, if you will.

We have before us in the form of various cuts initiated by this Government a package which is cause for despair among those of us concerned about the environment, in that we seem to be moving towards rather than back from the day when we will have an economy and society based on the proper stewardship and management of our resources and our common planetary heritage. The three areas I refer to are cutbacks in the research program of the Canadian Wildlife Service, the cut of the NRC environmental secretariat, and the cutbacks in research and development in the area of alternate energy.

First of all, Mr. Speaker, with respect to that which has received the most attention, the cutbacks in the research program of the Canadian Wildlife Service, I would just like to put on the record some of the things which have been cut. We have the Wildlife toxicology projects which go under the following names. The identification and monitoring of the occurrence and effects of toxic substances on gulls and other fish-eating birds on the Great Lakes. That is a very important program and part of Canada's contribution to the Great Lakes Water Quality Agreement. There is the monitoring of effects of forestry insecticides on birds in New Brunswick, the monitoring of effects of agricultural rodenticides and insecticides on birds in Alberta, identifying effects of toxic substances on bird populations in the Great Lakes, and the monitoring of contaminants in birds on the Fraser River Delta in British Columbia. Then there are projects to rehabilitate endangered species which have been cancelled; the reintroduction of Peregrine Falcons in eastern Canada, in Nova Scotia, the rehabilitation of the Piping Plover in the Maritimes, and the reintroduction of the Pine Marten to Newfoundland. In this same area veterinary pathology services, and bioelectronic services have been cancelled. Programs in conservation of international wildlife, like the Porcupine Caribou program, which I have mentioned in this House before, have been cancelled. There are interprovincial and territorial agreements which have been affected, such as the CWS membership on the Beverly-Kaminuriak Caribou Management Board. There is the whole matter of support to other federal services which has been cut in forestry, national parks and other federal lands. And then there is wildlife interpretation where there have been severe cuts. Then, Mr. Speaker, we have the cuts, as I mentioned, in the NRC environmental secretariat, a body which has produced between 80 and 90 reports on subjects such as acid rain, herbicides, insecticides, fluorides, PCBs, mercury, lead and noise pollution in the past 15 years. It is an impartial source of scientific information on which governments have been able to base their decisions. It is a disaster that this kind of research is being cut out by the Government.

The third dimension of my concern, Mr. Speaker, and I have raised this in the House with the Minister of Energy, Mines and Resources (Miss Carney), is in relation to the cuts in alternative energy research and development, and how they compare to the absolutely uncritical approach of the Government to the furtherance of the nuclear energy option in Canada.

As a result of recent Government cuts, we have a 100 per cent cut in conservation and alternative energy research and development. That contrasts with trends elsewhere in the world. There is a trend to Government support for R and D in this area in the U.S., West Germany and Japan. That trend is not recognized by the Conservatives. In the United States alone they will spend $174.5 million in direct support while

millions more is raised through R and D limited partnerships. Instead of that, from this Government we get cuts in the work of the NRC in active solar research. The NRC provided an essential base for product improvement and price reduction, reducing the price of a standard solar domestic hot water package from $4,000 in 1982 to $2,700 in 1984. The NRC was on schedule to bring the cost to $1,500 by 1988, at which time solar would be competitive across Canada with conventional sources of energy.

• (1815)

Before the cut-backs in conservation and alternative energy research and development, over 60 per cent of the Government's funding in energy R and D went into the nuclear area. That percentage will now be much higher, Mr. Speaker. I suppose the Tory reason for this is that they cannot figure out a way to put a meter on the sun. If you cannot make money off it, it cannot be worthwhile. We know that if the Tories do figure out a way to put a meter on the sun and sell the franchise to a multinational, then we might get solar research.

The Minister has said that a higher principle was involved. That higher principle was the cutting of the deficit. Mr. Speaker, there is no higher principle than the preservation of human life and our common planetary heritage in which that life must carry on. The Government is fond of talking about the deficit, and mortgaging our future. By engaging in the kinds of cut-backs in environmental services that it is now engaged in, it is mortgaging our environmental future. That is the kind of mortgaging of our future that cannot be paid back in the same way that a financial deficit can be. Until the Government realizes that, it will continue to lead us down the road to ecological disaster.

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I am grateful to my colleague for this highly emotional intervention which gives me the opportunity to provide more information on cutbacks in my department and tell Canadians that my colleague of the Opposition is indulging in pure and simple demagoguery.

As I said before in the House, my department, in cooperation with the Department of National Health and Welfare and the Department of Oceans and Fisheries, is pursuing research on toxic products and monitoring their effects, particularly in the Great Lakes area. Environment Canada now has 78 highly qualified employees in that region.

Mr. Speaker, the cutbacks amount to 305 person-years in a department with over 10,000 employees. As I said time and again, I have always been prepared to reconsider, if necessary, those cutbacks which have to do with our federal responsibilities or international agreements, or which might possibly affect the health of Canadians. I did say I would have consultations. I spoke with many scientists, people active in the programs involved and some of our representatives within international research or monitoring agencies. The Herring Gull Egg Program has come under close scrutiny, due consideration being given to other resources in the department. I came to the conclusion that we can maintain the egg monitoring program by meshing it with the activities of Burlington's Wastewater Technology Centre.

I told the Canadian co-chairman of the Great Lakes Joint Monitoring Commission about this decision, and he gave me the assurance that it did not in any way detract from our international commitments.

I might also remind my colleague that toxicological research is going on in 24 departments, as prescribed in 58 acts or regulations, and that our efforts aimed at improving Canadian expertise in that field are being maintained and increased.

I want to reassure Canadians, Mr. Speaker. We are aware of our responsibilities. We assume them. We do not shirk them.

[*English*]

PENITENTIARIES—ESCAPE OF THREE INMATES FROM BATH INSTITUTION

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): Mr. Speaker, I am grateful for this opportunity to speak further on a matter of great concern that I raised on December 5, 1984 in the House. At that time I directed a question to the Solicitor General (Mr. MacKay) regarding a recent escape from the Bath Institution and hostage-taking incident at Bath, Ontario. This incident greatly disturbs me.

Three inmates broke out of the Bath Institution and forcibly entered a private residence. A retired couple from Bath were aroused from their sleep, tied up with a clothes line and held at gunpoint. They watched helplessly as the inmates searched their home for money, broke into a gun cabinet and stole three weapons. The inmates then fled in the family car.

• (1820)

People should not have to take the time or bear the expense to bring these convicts before the courts once again. I hope that the Solicitor General will impress upon his officials that it is the primary duty of Correctional Services Canada to ensure custody and control of inmates in order to minimize the risk of harm being inflicted by inmates on the public, the staff, other inmates or themselves. At the same time, of course, we should recognize international standards of human treatment.

If inmates continue to escape, our correctional system will no longer be serving the people by protecting society from these criminals; those people who have demonstrated by their actions that they cannot and will not live by the commonsense and common decency of our society. Victims of crime are quite often forced to pay in real terms for having been at a certain place at the wrong time. I am also advised that the OPP are often called to retrieve inmates from various public places. Apparently, it is a common event for prisoners to walk to the village in order to have a few alcoholic drinks.

There are three specific points that I would like to urge on all Members of the House, specifically on the Minister, for their evaluation. First, the process involved in the classification of prisoners must be closely examined. Perhaps the principle should be altered to more accurately reflect the goal of protecting our society; not just for the protection of the individual who is incarcerated. Somehow, this has been twisted around. We are putting criminals into institutions from which the inmates can escape and go for a drink or a joy ride. This must stop. The process of classifying prisoners is in serious need of revision. We must ensure that the punishment fits the crime, not the criminals' own needs.

Another point I wish to make concerns the deterrent concept of our criminal system. There are two concepts in this area; rehabilitation and retribution. Rehabilitation implies that the purpose behind imprisoning people who have contravened the law is to rehabilitate them so that they can return to our society as someone new, ready and willing to participate in our society. This may be a noble concept but I have serious doubts as to its effectiveness. In most cases the rehabilitation concept removes the responsibility of the crime from the criminal. This is not right. Our society is based on our citizens being responsible for their actions. I am not denying that some people need help and should receive it, but I believe we have gone overboard in some cases. In our attempt to help a few we have removed the principle of being responsible for one's own actions.

The concept of retribution is the other point. Retribution means atonement or satisfaction given for injury. In order to make our correctional and judicial system work we cannot forget the value of retribution. If we do, we will fail in our attempt to provide a fair, just and appropriate correctional system. I urge the Minister to seriously examine the purpose and intent of our correctional system. If we take away the responsibility for one's action, how can that person ever return to a society in which we are responsible for our actions? Serving time for crimes against society is not enough. That is why I believe our correctional system must have punishment to fit the crime. It is hard to determine a just punishment for persons who induce terror by holding people at gunpoint. Sending two potted plants and some money may be very fine, but it is not retribution, especially when it is not from the people who are directly involved.

My third point concerns the security of our correctional institutions. When I hear of a prison escape and the terrible events that sometimes follow, such as in the recent Bath Institution case, I become very alarmed. How can we allow people who are being held accountable for some crime already committed to commit yet another crime? In order to ensure that retribution is paid for crimes already committed, we have a responsibility to the victim of the crime, society and even the criminal that the security and enforcement of the punishment is complete and not lacking anything. The people charged with securing and ensuring that the sentence be carried out must be given the resources and money to do so. That means everything from perimeter control to the authority necessary to maintain an institution at the local level. I urge the Minister to ensure that these resources are provided to the correctional systems' employees. The employees need our support.

● (1825)

Finally, may I add that the recent incident concerning the Bath Institution is not the only situation about which I am concerned. It is an example of the terrible things that are being allowed to happen. These must stop. I ask the Solicitor General to give this House and all Canadians his assurance that such matters as prisoner classification, appropriate punishment, and improvement of security in our correctional institutions will be dealt with quickly and carefully. These are matters of extreme importance.

Hon. Elmer M. MacKay (Solicitor General of Canada): Mr. Speaker, it is a pleasure for me to respond this evening and put on the record the appreciation I have for my colleague for bringing this serious matter to the attention of the House. I want to thank him for the meeting we had in the recent past when he brought some of these concerns to my attention in another forum.

The Hon. Member raised this question the day after it occurred in a conscientious and timely manner. As he has pointed out, there have been some developments in the interim. The three men involved were arrested the next day, December 5, and are now in custody. In a rare show of concern, and I think in an appropriate one, although as he pointed out, it did not involve the escapees themselves, the other inmates at Bath Institution took up a collection, collected a significant amount of money for needy people in the area and sent an apology and some flowers to the elderly couple their former comrades had victimized in that escape.

As the Hon. Member knows, Bath Institution is a minimum security institution. While it has no perimeter fence or outside patrol, security precautions are taken. There are counts of inmates every 45 minutes. There are other checks and there are alarmed doors.

In order to be placed in such a minimum security facility an inmate must show by his behaviour that he is a suitable candidate. Prediction of suitability or prediction of human behaviour is an inexact science at best. I believe our people in the department have done a reasonably good job, but that is not to say there is not room for improvement. We look at factors such as the length of sentence, the type of crime, the history of violence in the community and the risk of escape.

These three inmates were all serving their first federal terms. They all started their terms in medium security institutions and their behaviour up to that point was satisfactory. While they were at Bath no problems were observed. In fact, two of these men had successfully completed unescorted temporary absences. One of the three, however, had earlier this year been unlawfully at large from another minimum security institution. I am concerned about this and I will pass my concerns on to the Commissioner. This inmate did not by his behaviour demonstrate an undue risk. One of the three was

due to be released on parole on December 17. It is very difficult to understand why he committed this act when release was close at hand.

Finally, the security inquiry report is not yet complete. I look forward to receiving the report and the light it will shed on this particular case. I will, of course, share it with the Hon. Member, and I want to assure him that I take very seriously the other matters he has raised. I appreciate the need to improve many of the factors which are still placing an undue burden on our system as far as the protection of Canadians is concerned.

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

At 6.30 p.m. the House adjourned.

HOUSE OF COMMONS

Wednesday, December 12, 1984

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*English*]

REGIONAL DEVELOPMENT

IMPACT OF BUDGETARY CUT-BACKS

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, the economic statement by the Minister of Finance (Mr. Wilson) brought cuts to the industrial support program under Regional and Industrial Development even far more reaching than many at first realized. Such an action has amounted to withdrawing large amounts of direct investment by the Government in industrial development, job creation, and the economic development of less affluent Canadian regions affecting, in particular, small community Canada.

Regional development grants represent direct assistance for the location of new industries in various regions where industrial development lags behind the primary industrial zones of southern Ontario and Montreal. The grants represent an opportunity for communities in all parts of Canada to participate in the development of Canada's economic potential. Such grants help to reduce regional disparity and make all Canadians feel part of the real nation.

Admittedly, regions receiving industrial development grants do not represent areas of economic power and influence, nor do they represent political numbers in Parliament. That is an important reason why industrial development efforts must be maintained in all regions of Canada.

The cold-hearted cuts to regional industrial development funding exposes the heartlessness of the Conservative Government and its new policy. The Government promised tens of thousands of jobs the day after it was elected. The law of the jungle is at work. The Government's new political philosophy is to let the strong survive.

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

AUTOMOTIVE INDUSTRY

POSSIBLE CONSEQUENCES OF ESTABLISHING CANADIAN UNION

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, all Canadians concerned with economic recovery and full employment must be impressed by the implications of the separation of the Canadian section of the United Auto Workers from its American parent union. The possibility of this union's reorganization adversely affecting the Canadian auto industry has become clear. Already spokesmen for major auto makers are indicating it could encourage a reshaping of their corporate structures. This could mean possible changes in the role of Canadian plants in their production plans.

The auto industry's extraordinary recovery since August, 1982 has been a major reason for the measure of recovery Canada has enjoyed, especially in Ontario. In the constituency of Scarborough West, for example, the auto plant of General Motors employs 2,500 people. Any factor that can mean a production cut, or a plant closure, must be seen as a major threat to our economy. Government, management, and labour need the fullest co-operation to make sure internal re-organization plans in the industry do not threaten the livelihoods of many thousands.

* * *

FOREIGN INVESTMENT REVIEW AGENCY

CLOSURE OF BLACK AND DECKER PLANT AT BARRIE, ONT.

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, yesterday the Prime Minister failed to answer my question on how he could possibly be creating jobs by abolishing the FIRA review of direct take-overs of firms valued under $5 million. It is even more absurd to justify abolishing FIRA review of indirect take-overs of firms valued under $50 million as a way to provide more jobs.

Black and Decker's recent announced closure of its Barrie, Ontario, plant is a good example. It will result in a net loss of over 400 jobs in Canada. Workers fighting to retain their jobs have had only FIRA to turn to for recourse.

The Prime Minister seems more committed to making friends with Ronald Reagan than he is to safeguarding Canadian jobs. Ads like this 10-page spread in the *New York Times* yesterday—

Some Hon. Members: Order.

Some Hon. Members: Shame!

S.O. 21

Mr. Langdon: —will not give us a possibility of jobs in Canada. We should be safeguarding Canadian jobs.

* * *

[*Translation*]

INVESTMENT CANADA

ADVANTAGES ASSOCIATED WITH REPLACEMENT OF FIRA

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, the Members of this House and all Canadians must be very happy about the speech made by the Right Hon. Prime Minister before the New York Economic Club. The Prime Minister's words were received with enthusiasm by the financial and industrial elite of the United States. I was particularly pleased with the reference to Quebec which provides excellent opportunities for foreign investment and is getting in step with the broad movement towards national reconciliation undertaken by our Government.

Mr. Speaker, it was an historic moment on the evening of December 10, putting an end to twenty years of confrontation, twenty years of coldly sterile relations under the previous Liberal administration.

Mr. Speaker, when two free and democratic countries live together, it stands to reason they do business together. Thus, the abolition of FIRA and replacing it with Investment Canada will have a very positive impact on Canada and create the jobs we so badly need.

* * *

[*English*]

CANADIAN BROADCASTING CORPORATION

IMPACT OF BUDGETARY CUT-BACKS ON PERSONNEL AND PROGRAMMING

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, yesterday was a black day for the more than 1,100 employees of the CBC who now face early retirement or lay-offs due to the knife-wielding approach of the new Government to the federal budget. These people represent the direct human cost of the actions of an insensitive Government. The inability of the CBC to undertake the development and production of new dramas, children's programs, and informational programs which have gained international renown, is a cruel cut to Canada's cultural and social development.

The CBC is a national institution. It has an ongoing role to play in the development of Canada's national identity and in strengthening national unity through communication. The budget cuts imposed by the Government demonstrate the ignorance of the new Government in recognizing that sometimes there are costs which simply must be borne by a Government if we are, as Canadians, to have a nation. The CBC is one of those costs. Canada, and Canadianism, are not a commodity. Unfortunately, that is how the new Government sees Canada.

The budgetary cuts inflicted by the Conservative Government will lead to an even greater cost in lost cultural development and communication among Canadians in all regions for years to come.

* * *

CANADA POST CORPORATION

REDUCTION OF SERVICES IN RURAL REGIONS

Mr. Brian White (Dauphin-Swan River): Mr. Speaker, I would like to bring a vast inequity to the attention of the House. While urban Canadians enjoy the luxury of daily mail delivery to their doors and are usually able to purchase postal services such as money orders, registered letters, and special delivery, within a five or 10 minute drive, rural Canadians are having their services reduced, or even cancelled, and must travel as far as 30 miles to reach the nearest post office.

In the meantime the President of Canada Post has made several speeches lauding his success in reducing the corporation's deficit and in meeting the objective of improving service. The deficit may be reduced, but I think the President is sorely mistaken if he believes that there is a renewed consumer confidence, as he puts it.

• (1410)

Since my election to Parliament just a few months ago, I have been contacted by an alarming number of constituents from my riding in rural Manitoba. So far, five separate cases have been brought to my attention where postal service has either been reduced or eliminated altogether. The residents of these small rural communities feel that they are paying the price of Canada Post's program of restraint.

I would suggest that the President of Canada Post should take a second look at his level of customer confidence, especially in rural areas, because I firmly believe that Canada Post's deficit reduction program is being borne on the backs of rural Canadians.

* * *

POLITICAL PARTIES

LIBERAL PARTY'S POLICY ON NUCLEAR ARMAMENT FREEZE PROPOSAL

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I wish to call the attention of the House to the verbal gymnastics and contradictions which attend the question of where the Liberal Party caucus stands on the nuclear freeze proposal. The Hon. Member for Saint-Maurice (Mr. Chrétien) says that there has been a change in policy. The Right Hon. Leader of the Opposition (Mr. Turner) will not confirm that there has been a change in policy. The Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) says that they have a different position

now because they are in opposition, thus admitting the moral bankruptcy of Liberal politics.

The fact of the matter is that the Liberals have not changed their policy on the nuclear freeze. They went out of their way the other day to make an amendment to our motion so that they could appear to be for the nuclear freeze by removing from the motion that which would have made it a concrete recommendation. The Liberals are still against the nuclear freeze, and people who support the nuclear freeze should have their heads examined if they believe otherwise.

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[*Translation*]

INTERNATIONAL YOUTH YEAR

REQUEST FOR PROLONGATION OF SUBSIDY PROGRAMS

Mrs. Lise Bourgault (Argenteuil-Papineau): Mr. Speaker, International Youth Year will start officially in 1985. Unfortunately, many non-profit agencies and youth groups will not be able to develop their projects because they failed to receive on time the information on special grant programs.

Mr. Speaker, the previous Government did not put enough emphasis on this international event which is aimed at giving young people a say and a share in the economic, social and political life of our society. How could we forget that the previous Government always neglected young people, that it has done nothing to reduce unemployment or support training programs for, and projects by, Canadian youth?

Mr. Speaker, we must condemn the previous Government's lack of consistency in its youth policies and programs. I would therefore urge our Government to try as much as possible to correct the mistakes made by the previous Government by extending the expiry dates of certain special grant programs provided within the framework of International Youth Year.

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[*English*]

CANADIAN BROADCASTING CORPORATION

CLOSURE OF GANDER, NFLD., RADIO STATION

Mr. George Baker (Gander-Twillingate): Mr. Speaker, the CBC cuts announced yesterday as a result of the policy of the Government are emasculating the corporation.

It is not the high profile national news identity that forms the *raison d'être* for this corporation. It is its promotion and encouragement of cultural identity and opportunities for Canadians in the local things done at each CBC outlet that make this corporation worth-while.

The CBC has announced the closing of Radio Station CGB in Gander, Newfoundland, one of its first stations in the province. It has the highest area ratings in listening audience of any CBC radio station in Canada. This announced closing is uncalled for, and makes no economic sense at all.

I am asking the Minister of Communications (Mr. Masse) to use the authority given to him under the Broadcasting Act to reverse that decision. The Government, in forcing the CBC to cut, has handed it not a paring knife but a chain-saw.

During the election campaign we heard from the Prime Minister (Mr. Mulroney) a kind of inverted snobbery toward the CBC, to pooh-pooh everything the CBC does. This should not be allowed to translate into irrational and cruel actions such as the closing of CGB Gander.

Blinded by the deficit, the Government is crippling the people, crippling the environment, crippling the economy, and now it is crippling our cultural heritage.

* * *

FINANCE

SIZE OF NATIONAL DEBT

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, there is no doubt that more and more Canadians are greatly concerned about the size of our national debt. Although the official debt has been expressed at some $190 billion, this amount does not include the accumulated debt of all the federal Crown corporations, some $60 billion. It does not include some $50 billion collected by the Government in contributions made to the Canada Pension Plan, the Public Service Superannuation Pension Fund, the Armed Forces Pension Fund, and the RCMP Pension Fund. The money collected in pension contributions goes into general revenue and is spent by Governments to pay current bills.

• (1415)

All in all, Mr. Speaker, our national debt in reality is some $300 billion.

This is the unfortunate legacy that our Government has inherited from the former Government.

This huge debt is one reason why all Canadians have been asked to bite the bullet, and for each and every one of us to sacrifice and work together in an unselfish way to get Canada out of the economic mire and back on track again to full employment and economic growth.

Therefore, Mr. Speaker, it is imperative that we make every effort now to make the necessary changes and the necessary sacrifices to curb this debt if Canada is to survive.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

AUTOMOTIVE INDUSTRY

ESTABLISHMENT OF CANADIAN UNION

Right Hon. John N. Turner (Leader of the Opposition): I have a question for the Prime Minister, Mr. Speaker. When he was in New York declaring in his own rhetoric that Canada was open for business, did the Prime Minister have in mind statements made to a New York newspaper by executives of General Motors and Chrysler that, in view of the decision of the automobile workers of Canada to set up a separate union, which is certainly their fundamental right, these key executives felt that that decision threatened American investment in Canada in the automobile industry, and thereby threatened Canadian jobs? Is that the kind of business climate he had in mind in New York city?

Right Hon. Brian Mulroney (Prime Minister): I think my right hon. friend is perhaps confusing two statements that were made, Mr. Speaker. First was my statement that, indeed, we welcomed foreign investment to help us create the jobs we need. But a question was put after the dinner, when I was asked what I thought of the decision by Mr. White. I said that I thought Mr. White was a thoughtful and able union leader, and if he believed it was in his interest and in the interest of Canada to proceed that way, he did so with our encouragement and our good wishes.

GENERAL MOTORS' INVESTMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in the very first Question Period on November 7 I put to the Prime Minister a concern that I had about an investment of General Motors in Canada as a result of the difference in union perspectives between Canada and the United States and the automobile industry. At that time the Prime Minister promised, and let me use his words: "I will take this up with the management of that corporation".

Has the Prime Minister fulfilled that promise? Has he talked to the senior executives of General Motors? What would his reflections be as a result of those conversations, and the recent threat by General Motors to curtail investment in Canada as a result of a separate union being set up in this country?

Right Hon. Brian Mulroney (Prime Minister): I have not seen what my right hon. friend has referred to as a threat, Mr. Speaker. I have not seen that. I assume I would be as dismayed as he would be with that kind of rhetoric, if it were the case. Concerns have been raised as to the status of the auto pact in the event of a separation, but I still hold to the view, which I think would be endorsed by all Members of this House, that Canadian trade unionists are quite entitled to take whatever decisions they believe are in the interests of their members, and that Members of this House would encourage them in doing precisely that.

[*Translation*]

Mr. Turner (Vancouver Quadra): Mr. Speaker, we share this view, and I was more interested in discussing the promised conversation between General Motors and the Prime Minister.

REPORTS OF CANADAIR AND DE HAVILLAND PURCHASE BY FOREIGN INTERESTS

Right Hon. John N. Turner (Leader of the Opposition): On the same subject, of relations with the United States, Mr. Speaker, rumours are persisting that de Havilland and Canadair will be purchased by foreign companies. In my reply to the Speech from the Throne, I expressed several times my concern about this possibility.

Could the Right Hon. Prime Minister give the House the assurance that if these aircraft companies are bought by foreign investors, the House of Commons will have an opportunity to make a full examination of the purchase transactions?

Right Hon. Brian Mulroney (Prime Minister): As far as I know, Mr. Speaker, there are no groups or great numbers of companies or corporations, either Canadian or foreign, lining up to buy the assets in question. If there is any change, I shall certainly let the Hon. Member know.

* * *

● (1420)

[*English*]

TRADE

UNITED STATES BARRIERS

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my question is directed to the Prime Minister. As he probably knows, the United States and many other countries have a very highly complicated set of prohibitions and controls against foreign investment in their own countries, and trade. When the Prime Minister speaks about good friends and neighbours, I presume he means that is a reciprocal relationship. Has either he or his Ministers made any effort, or taken any initiative with the United States or other countries, to ask them to change their barriers and to eliminate their controls and prohibitions against both investment and trade, in light of the dismantling of FIRA which the Government has undertaken?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in my speech in New York, and on many other occasions, I specifically referred to the fact that protectionism is our mutual adversary. I pointed out the problems inherent in attitudes in the American Congress which would give rise to protectionism that would, inadvertently or otherwise, harm

Canadian interests. I said that Canadian interests are privileged ones and that we must have that kind of reciprocity. In fact, I went further. I said that if I were the President of the United States I would wake up in the morning and say: "Thank God for Canada. What can I do for Canada today? It is the best friend anybody could ever have".

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

VISIT TO CANADA BY UNITED STATES PRESIDENT

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I am sure that is what the President in fact says, because it is not every day that he can sell the Brooklyn Bridge to a Canadian Prime Minister.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Axworthy: Considering that the debate and discussion on Investment Canada will take some time, will the Prime Minister undertake to take those initiatives with the United States and ensure that when President Reagan visits here in March he will be able to announce, as the Prime Minister did in New York the other day, the same kind of dismantling reduction and elimination of those kinds of barriers in his country as the Prime Minister announced as benefits to Americans?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I can see why my hon. friend is somewhat unnerved today. There was a statement earlier today by the Leader of the Opposition which says Liberal Cabinet Ministers responsible for excessive spending should be terminated, should be held responsible. I can see why my hon. friend is somewhat perturbed today.

Some Hon. Members: Hear, hear!

Mr. Axworthy: I am not perturbed. I am asking you a question.

Mr. Turner (Vancouver Quadra): When was that statement made?

Mr. Chrétien: When and where?

An Hon. Member: Table the document.

Mr. Speaker: I know it is Wednesday. If I didn't know, I do now. Would the Right Hon. Prime Minister care to finish his answer, please?

Mr. Mulroney: Mr. Speaker, the intervention of the Leader of the Opposition was improper procedurally. If he would like to consult with me on my vast parliamentary experience, I would be happy to be helpful.

Mr. Turner (Vancouver Quadra): When was that statement made?

Mr. Mulroney: The statement was made this morning by Canadian Press. As the Leader of the Opposition knows, I believe everything—

Mr. Waddell: Order.

Some Hon. Members: Answer the question.

Mr. Speaker: Order. Well, I think we will leave it at that. The Hon. Member for Oshawa.

* * *

AUDITOR GENERAL

PETRO-CANADA PURCHASE OF PETROFINA—ACCESS TO CABINET DOCUMENTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. Last Monday when I asked the Government if it would make available to the Auditor General certain cabinet documents which he deemed to be essential in his assessment of the Petro-Canada take-over of Petrofina, the Government said no. Specifically the Minister of Energy, Mines and Resources said:

—the Auditor General wants from me what the law does not permit me to give—

The Government has now changed its mind.

● (1425)

I would like to ask the Prime Minister a straightforward question. What was illegal last week that has become legal this week, or will he tell us what law he is now breaking?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the only change between this week and last was when the Hon. Member for Burnaby was asked on "As It Happens" if he would divulge the confidence of a conversation with his Leader, and he said: "No, that is privileged". That was the only difference this week. My hon. friend will acknowledge that we have always taken the position, and I have defended it in the House, that cabinet conversations—

Mr. Broadbent: It is not conversations that he is talking about.

Mr. Mulroney: I quite agree. The Auditor General stated yesterday that he is not seeking political information or communications between cabinet Ministers. That assurance or that clarification having been given, I am now working with the Auditor General to provide to him all of the information that he requires to make value judgments on behalf of the people of Canada. His report yesterday is exemplary in this regard, and the analysis that it made of our predecessors. We want him to continue that same analytical judgment and we will provide him with all of the information that we have.

DEPARTMENTAL AND CROWN CORPORATION DOCUMENTS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Prime Minister knows, as the Minister behind him knows, that when she said last week that what the Auditor General wanted was illegal, she misinformed the House. It was not illegal last week, it is not illegal this week, and he ought to be getting that material on a regular basis.

If the Prime Minister has now agreed to provide to the Auditor General information concerning the Petro-Canada take-over of Petrofina, which includes documents which were heretofore regarded as secret under the cabinet confidentiality rule, on the understanding that the Auditor General does not want conversations about cabinet meetings, will he assure the House, and, more important, the people of Canada, because hundreds of millions of dollars were involved, that this rule will be applied to all Departments and Crown corporations without exception?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am happy to give my hon. friend the assurance that all of the information available to the Government of Canada that is consistent with the point he has just raised will indeed be provided to the Auditor General of Canada so that he can make the kinds of decisions that he has to make on behalf of Parliament.

COURT ACTION LAUNCHED BY AUDITOR GENERAL

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I am pleased to hear that. If the Prime Minister had said that a week ago, we would have saved a lot of time in the House of Commons. The Prime Minister shakes his head, but he knows that in private meetings as well as in public statements that what I say is the case. If this is now the case, and the Government of Canada is going to honour its obligations under the law to the Auditor General, will the Government make it clear to the Auditor General that it is unnecessary for him to wage a costly court battle against the Government of Canada to obtain, as a matter of right, what he ought to have?

Right Hon. Brian Mulroney (Prime Minister): May I say with respect, Mr. Speaker, that my hon. friend makes a compelling point, but I made it yesterday. He is a day late. I had the Auditor General in precisely to explore that point. I thought it was offensive to the customs of this House that the servant of Parliament should have to initiate litigation, as he did against the previous Government, to seek information which was rightfully here in this House. I met with the Auditor General in a spirit of openness to attempt to find, with him, a formula that would enable us to do that. He appears to be satisfied with the talks as initiated.

I want to give my friend the assurance that I intend to follow through, consistent with that spirit that he mentioned, because our obligation is not to the Auditor General; our obligation is to the Auditor General as a servant of Parliament.

• (1430)

[*Translation*]

FOREIGN INVESTMENT

INQUIRY WHETHER FOREIGN CORPORATION INTENDS TO PURCHASE CANADAIR

Hon. André Ouellet (Papineau): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion.

Can the Minister confirm to the House that a foreign company has actually expressed its intention of buying Canadair? In reply to a question by the Leader of the Opposition, the Prime Minister just said that he was not aware of any companies that would be interested in buying Canadair. However, when the Minister tabled his Bill to do away with FIRA, he said this would allow foreign companies to purchase Canadair. Is there or is there not a company that is offering to buy the Canadair firm in Montreal?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member I would remind him that the Prime Minister said that there was not a long list of companies lined up to buy the aircraft firms. The statement that I made is quite correct. There is at least one company that has expressed an interest. However, I think until that company puts that interest into a firm offer, or at least is more inclined to talk in specific dollar terms, it would not be in anybody's interest to reveal its name.

[*Translation*]

POSSIBILITY OF SELLING CANADAIR—GOVERNMENT POSITION

Hon. André Ouellet (Papineau): Mr. Speaker, my supplementary is particularly important since the Minister seems to be preparing us for the end of the aeronautics industry in Canada, unless the Government makes a definitive commitment. I would ask the Minister first of all, whether he is prepared to make the commitment that Canadair will not be sold unless the buyer offers guarantees that all existing technology at Canadair will remain in Canada, and second, I want to ask whether the Minister is prepared to commit the Government to not selling Canadair if the buyer cannot guarantee existing jobs in Montreal.

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I am sure the Hon. Member will be pleased to hear that, if a deal is arrived at, it will certainly cover the points to which he was referred. It will certainly receive cabinet approval and it will certainly receive the House's approval if necessary under the Financial Administration Act. In any event, if the Hon. Member knows of any Canadian would-be purchasers for Canadair, or any Canadians who wish to become a partner with a foreign concern, he can come over and see me this afternoon. I will be in my office all afternoon waiting to talk to him.

AUDITOR GENERAL'S REPORT

ACCESS TO DEPARTMENT OF NATIONAL DEFENCE INFORMATION

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, my question is directed to the Minister of National Defence and deals with the continuing difficulties of the Auditor General to evaluate satisfactorily the $3.5 billion overrun on the F-18, and other major expenditures of the Ministry of National Defence. Is the Minister aware that under a directive given by the Chief of Defence Staff in September, 1983, under Section 23, his Department was specifically told that the Auditor General should have no more access to information about his Department than would be available to the general public under the Access to Information Act? Will the Minister confirm that that is currently the departmental policy?

Hon. Robert C. Coates (Minister of National Defence): Mr. Speaker, I can assure the Hon. Member that in August, 1983, certain instructions were given to th e Deputy Minister and the Chief of the Armed Forces to the effect that certain information should not be passed on to the Auditor General as he requested. That situation has now changed. The Hon. Member has heard what the Right Hon. Prime Minister indicated today. My officials have received that same message from me, and the information the Auditor General seeks will be provided as outlined by the Prime Minister.

[*Translation*]

Mr. Cassidy: Mr. Speaker, I have a supplementary. Are the directives issued on September 1, 1983 departmental policy or has this policy been dropped?

What instructions have been given to your departmental officials, and has this document now been cancelled, yes or no?

[*English*]

Mr. Coates: Mr. Speaker, apparently the Hon. Member cannot understand it in either English or French. I would like to tell him, as kindly as I can, that the officials of my Department have been instructed to adhere not to the directives that were given by the former Government but to the directives given by this Government, a Government that believes that the Canadian people have a right to the information the Auditor General seeks to provide them.

* * *

VISIBLE MINORITIES

INTERNMENT OF JAPANESE CANADIANS DURING WORLD WAR II—REDRESS SOUGHT

Mr. Blaine A. Thacker (Lethbridge-Foothills): Mr. Speaker, my question is for the Minister of State for Multiculturalism. As the Minister knows, in 1942 over 17,000 Canadian citizens who were of Japanese origin, even though they were born or naturalized Canadian citizens, were uprooted from their homes, and their businesses were expropriated. When will this terrible abuse of cabinet power under the War Measures Act be acknowledged and put right?

Hon. Jack Murta (Minister of State (Multiculturalism)): Mr. Speaker, I thank the Hon. Member for his question and his interest in this very important subject. I can say, subject to the House Leader's discussions and confirmation, that I would hope to have this important matter dealt with early in the Session after we return from the Christmas recess. I would also indicate to the Hon. Member that officials in my Department are at present discussing matters of concern with the Japanese Canadian community across the country. I may just add that the main point that we are trying to stress is that we want full consultation with that community so that this matter can be dealt with in an honourable and just fashion.

* * *

HOUSE OF COMMONS

PRESENCE IN GALLERY OF HON. WILLIAM MARSHALL, NEWFOUNDLAND AND LABRADOR ENERGY MINISTER

Mr. Speaker: May I interrupt the proceedings to bring to the attention of the House the presence in the gallery today of the Hon. William Marshall, Minister responsible for Energy in Newfoundland and Labrador.

Some Hon. Members: Hear, hear!

* * *

[*Translation*]

EMPLOYMENT

ANNOUNCEMENT BY CBC PRESIDENT—GOVERNMENT POSITION

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, we all know how quickly the Minister of Employment and Immigration reacted when the problem was not just closing down an industry but a whole town, the town of Gagnon, and I wish to congratulate her. Today I would like to ask the Minister what she intends to do to help 1,150 CBC employees, especially the creative artists and writers who will not be eligible for pre-retirement and also the clerks and other "small fry" who were severely penalized as a result of yesterday's announcement by Mr. Juneau, the President of the CBC.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I think the question might interest the Minister of Communications.

Mr. Prud'homme: Mr. Speaker, my supplementary is directed to the Right Hon. Prime Minister. I shall put my question to the Prime Minister tomorrow. It is about employment. I think it is directly concerned with . . . But perhaps I was too hasty. I would therefore like to ask, and my question is a very simple one: Does the Minister of Employment and Immigration intend to help 1,150 CBC employees, especially the

creative artists, writers and clerks who are not and will not be eligible for pre-retirement? I do not think this comes under the jurisdiction of the Minister of Communications, since it concerns employment.

[*English*]

Miss MacDonald: Mr. Speaker, I would be glad to take the Hon. Member's representations about this important cultural community under notice, but I would also assure him that in a country such as Canada, where there is so much opportunity and where there is confidence in the future, there is a place for writers, for the cultural groups, and for all of those who want to make a contribution and can make a contribution to the future of Canada.

* * *

FORESTRY

VANCOUVER ISLAND FOREST LANDS

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my question is for the Minister of State for Forestry. Vancouver Island communities with unemployment rates of 15 per cent are worried that the proposed federal-British Columbia forestry agreement will be directed toward replanting in the interior and will do nothing for the prime forest lands of Vancouver Island. I would like to ask the Minister if he will agree to the request of Vancouver Island mayors for permanent funding of intensive forestry on Vancouver Island that would create 1,100 permanent and immediate jobs, and provide long-term economic stability for the Island?

Hon. Gerald S. Merrithew (Minister of State (Forestry)): Mr. Speaker, I can assure the Hon. Member that I have personally visited that particular project on the Island. This afternoon at 3.30 I will be meeting that group and will listen to its representations. I do know a little bit about the magnitude of the request. It is a very interesting one. I think the project is an interesting one, and we will attempt to try to respond to its needs as the money becomes available.

● (1440)

REQUEST FOR ADDITIONAL FUNDING

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my supplementary question is directed to the same Minister. "As the money becomes available" is a very problematic situation. The money is needed now. Will the Minister tell the House whether the proposed agreement discriminates against Vancouver Island? If it does, will he make a commitment to secure additional funds in order that the hard-hit Vancouver Island communities will get their fair share?

Hon. Gerald S. Merrithew (Minister of State (Forestry)): Mr. Speaker, I have visited various parts of B.C. and I do know that there is a great need. My cabinet colleagues are presently dealing with a variety of requests for assistance, and we will deal with that matter in due course.

ETHNIC AFFAIRS

EFFECT OF 1986 CENSUS CANCELLATION

Mr. Sergio Marchi (York West): Mr. Speaker, my question is addressed to the Minister of State for Multiculturalism. Canadian ethnic leaders and organizations have been dismayed over the cancellation of the 1986 census, largely because for the first time in its history it was to collect data which would be used in implementing equal opportunity programs for visible minorities. Was the Minister consulted prior to the cancellation by his colleague, the Minister of Finance?

Hon. Jack Murta (Minister of State (Multiculturalism)): Mr. Speaker, Cabinet collectively dealt with the material which was put forward by the Minister of Finance. I do not share the Hon. Member's concern in terms of the various ethnic communities in this country.

COLLECTION OF DATA

Mr. Sergio Marchi (York West): Mr. Speaker, if he does not share those concerns, he does not share the thousands of concerns which are pouring in from ethnic groups across the country.

An Hon. Member: Me too.

Mr. Marchi: The Minister of Defence should listen and learn.

Some Hon. Members: Oh, oh!

Mr. Marchi: I would ask the Minister, given that both the Abella Commission report and the *Equality Now* report support the 1986 census, what he proposes to the House with respect to collecting that data base, so that Canadians from all parts of the country and all backgrounds can have equal opportunity programs for jobs in Canada.

Hon. Jack Murta (Minister of State (Multiculturalism)): Mr. Speaker, the Hon. Member should know that a labour force survey will begin in a very short period of time. The information gathered through the labour force survey will be utilized by the Ministry of Multiculturalism.

* * *

CANADIAN BROADCASTING CORPORATION

EFFECT OF BUDGETARY CUT-BACKS ON WRITERS AND ARTISTS

Mr. David Orlikow (Winnipeg North): Mr. Speaker, my question is directed to the Minister of Communications. He will know that the President of the CBC announced yesterday that 750 permanent employees of the CBC will be laid off in the next couple of months. However, the President did not deal with the thousands of Canadians who work on a part-time or contract basis on particular programs—the writers, actors, musicians, and dancers. What studies, if any, were done by the CBC, or the consultants whom the minister employed to

determine what the effect would be on these thousands of people?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, last week I informed the House that after serious and thorough consultations with CBC officials within the framework of our respective jurisdictional and regulatory responsibilities, we agreed that budget cuts would be applied mainly to the CBC's administrative areas so as to safeguard creativity and production in the cultural departments, both within the network and regionally. I think these consultations have born fruit, and today, we can see that the CBC has made an effort to restrict the necessary budgetary cutbacks almost totally to administration and capital investment.

[*English*]

Mr. Speaker: Supplementary question.

EFFECT ON INCOMES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I am sure the Minister knows that Hon. Members who represent areas where the CBC has operations have already heard from their constituents that regional and national programs are being cut-back despite the protestations of the Minister. Considering the fact that spokespeople for the cultural community have made the case over the last couple of years that their people are now living on very small incomes, what effect will this have on those people whose incomes will really be sharply reduced by the cut-backs by the CBC?

[*Translation*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, I can assure the Hon. Member that the CBC will do everything in its power to see to it that the cultural sector will suffer as little as possible.

* * *

FORESTRY

U.S. TENDENCY TO IMPOSE QUOTAS ON CANADIAN LUMBER—GOVERNMENT POSITION

Ms. Carole Jacques (Montreal-Mercier): Mr. Speaker, my question is directed to the Minister of State (Forestry).

Has the present Government made representations to the U.S. Government objecting to the tendency to impose quotas on Canadian lumber imports?

[*English*]

Hon. Gerald S. Merrithew (Minister of State (Forestry)): Mr. Speaker, having just had consultations with the industry in the United States, I can tell the Hon. Member that it is a matter of concern, and that there is talk in the United States forest industry about quotas and countervail. I am sure it is a matter which concerns my colleagues in External Affairs and DRIE. We are presently dealing with the matter. We are monitoring the situation. I think the kind of comment that was made by the Prime Minister, and the kind of atmosphere which we are trying to develop between the United States and Canada, will possibly curtail that kind of talk in the United States.

* * *

THE CONSTITUTION

QUEBEC UNILINGUAL TRAFFIC TICKET—PREPARATION OF FACTUM

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is directed to the Prime Minister. I have in my hand the factum, that is, the written argument, of the Attorney General of Canada before the Supreme Court which rejects the position of Duncan Macdonald of Montreal that he has the right to a court summons in English. The factum is dated November, 1984.

When questioned about this, the Minister of Justice and Attorney General of Canada first said that he had not read the factum, even though it bears his name. Later he said that it was prepared by his officials and he had no responsbility for it.

In Supreme Court cases which involve a sensitive political issue, is it the position of the Prime Minister that the chief legal officer of the Crown, the Attorney General of Canada, has not only the obligation to scrutinize closely any factum which goes to the Supreme Court in his name, but that he has full responsibility for its content? What is his position on that?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, given the importance of the matter which is inherent in the question raised by my hon. friend, and not having had an opportunity to read the factum, I hope that he will allow me to consult with the Minister of Justice and get back to him as quickly as I can.

RESPONSIBILITY FOR FACTUM

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, this is a question of government policy. The Right Hon. Prime Minister was a learned lawyer and he should be ready to answer the question. We have a factum, under the name of the Attorney General of Canada, which has been submitted to the Supreme Court of Canada—

Mr. Speaker: Order, please. Does the Member have a supplementary question?

Mr. Allmand: I am simply asking the Prime Minister if it is the policy of his Government that a factum can be placed before the Supreme Court of Canada under the name of the Attorney General of Canada, and that the Attorney General can renounce responsibility for the factum and slough off that responsibility to the public servants in his Department. Is that the policy of this Government?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the policy that my hon. friend has described is the policy of the preceding Government. It sloughed-off ministerial responsibility. Any time it got into trouble, it consistently blamed it on the officials. That is what happened in the previous Government.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order. Does the Prime Minister wish to finish his answer?

Mr. Mulroney: I do not want my hon. friend to get any more exasperated than he is.

I can tell my hon. friend that this Party has stood for the defence of Anglophone rights in Quebec and Francophone rights outside Quebec. We believe in the defence of minority rights. We have no lessons to take from the Hon. Member in that regard.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. The Hon. Member for Yorkton-Melville (Mr. Nystrom).

* * *

● (1450)

[*Translation*]

CANADIAN BROADCASTING CORPORATION

BUDGETARY CUT-BACKS—GOVERNMENT MANDATE ON BEHALF OF FRENCH LISTENERS

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, my question is directed to the Minister of Communications and has to do with the CBC cut-backs.

English-speaking listeners have ready access to American networks such as PBS, but French listeners have no such radio and TV services, Mr. Speaker. Here is my question to the Minister: Given the cut-backs imposed by the Government, how can the CBC fulfil its mandate on behalf of French listeners?

[*English*]

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, I do not think that the CBC is the only one responsible for French programming in this country. I will take this opportunity to explain that the private sector has some responsibility for that. If it is possible for us to improve the quality of our products, improve the exportation of our products, we will have better production in Quebec because the market will be stronger than it is now.

[*Translation*]

Mr. Nystrom: But, Mr. Speaker, last week the Minister said something about improving CBC program services, so my supplementary question is this: How can he now account for the contradiction between his promise of last week to improve services, on one hand, and his budgetary cutbacks at the CBC, on the other?

[*English*]

Mr. Masse: Mr. Speaker, I explained a few days ago in Montreal that we must enlarge the range of French language programming throughout the country. We must give greatly increased emphasis to marketing, both national and international.

[*Translation*]

Mr. Nystrom: That is the contradiction right there!

[*English*]

Mr. Masse: I have new problems—

[*Translation*]

Mr. Nystrom: The contradiction is right there!

[*English*]

Mr. Masse: —and you know those problems—

[*Translation*]

Mr. Nystrom: That was not my question!

[*English*]

Mr. Masse: —have been created by the new environment—

[*Translation*]

Ms. Jewett: Go on, go on!

[*English*]

Mr. Masse: —over the past decade.

[*Translation*]

Mr. Nystrom: That is the contradiction!

[*English*]

Mr. Masse: There is a growing competition from Anglophone programming in this country, both domestic and foreign.

[*Translation*]

Mr. Nystrom: That was not my question.

[*English*]

Mr. Masse: It is not just the situation in Quebec. It is not a case of taking from the English to give to the French. That is not the way this problem should be perceived at all. That is not the solution at all.

Mr. Speaker: With great respect to the Minister. The Hon. Member for Ottawa-Vanier.

[*Translation*]

THE CONSTITUTION

JUDICIAL BILINGUALISM—MINISTER OF JUSTICE FACTUM

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I have a question for the Right Hon. Prime Minister.

As many people in this country, we believe that under section 133 of the Constitution, the courts in some provinces are required to serve the people in both official languages. Mr. Duncan MacDonald's case, and the point which we want to stress for the information of this government, is that neither the *Société franco-manitobaine*, nor Alliance Quebec, nor a number of Canadians share the views of your Minister of Justice in his factum rejecting that position, which is restrictive of language rights. Is the Prime Minister ready to withdraw that factum, read it closely, bring it to his office and take a sensible decision on the matter?

Right Hon. Brian Mulroney (Prime Minister): I think my hon. friend will agree with me that my position, my government's position is quite clear on the issue of minority rights. Fortunately, the courts in Canada have always been there to rule on the major current issues which have been referred to them in that area. There is no doubt that the Parliament of Canada and this Government fully support the rights of our linguistic minorities across Canada. Those are vital rights, and we are going to continue that support to our English or French-speaking minorities across the land.

[*English*]

REQUEST THAT FACTUM BE WITHDRAWN

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I have a very short supplementary. Will the Prime Minister withdraw the factum, read it, study it, and come back to this House with it?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if I may say, when the issue came up regarding the protection of minority rights in Manitoba we took a clear cut position which was not shared by the Leader of the Opposition and some of his colleagues. So I may say that we have been consistent throughout the piece and, as I indicated to my hon. friend from Notre-Dame-de-Grâce-Lachine East, the Minister of Justice is not here but I would take notice of his question and advise the House at the earliest possible moment.

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CANADIAN BROADCASTING CORPORATION

BUDGETARY CUT-BACKS—CONSULTATIONS QUERY

Mr. Howard McCurdy (Windsor-Walkerville): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. He promised consultation. The Minister of Finance failed to consult with CBC management in advance of applying cuts to the CBC. The Minister of Communications failed even to respond to a communication requesting consultation, from members of all three Parties from the Windsor area. Is that to be considered typical of that kind of consultation? Or will his Government agree to engage in real consultation with the people with a view of seeing whether there cannot be some correction in what are obvious errors in determining where the cuts should be applied in terms of their effect on Canadian content and sufficient recognition of the concerns of regional areas?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think that had the Minister of Finance consulted with the President of the CBC prior to the event, my hon. friend would have accused him of political interference. All that has transpired is that the Minister of Communications and other government officers have dealt with the CBC in an acceptable way largely pursuant to a request from the President of the CBC. We are satisfied that the arm's-length relationship that must exist was respected and that the CBC Pesident and officers brought forward a new expenditure program they believed was in the best interests of the corporation. We did not interfere beyond that, and we try to respect what the President of the CBC and his colleagues decide.

IMPACT IN WINDSOR, ONT.

Mr. Howard McCurdy (Windsor-Walkerville): With all due respect to the Prime Minister, you cannot have it both ways.

Mr. Hnatyshyn: Neither can you.

Mr. Speaker: With all due respect, the Hon. Member cannot have a long first question and a preamble to the supplementary. The Member cannot have it both ways. Does the Hon. Member have a question?

Mr. McCurdy: Mr. Speaker, how can we believe the assurances that the cuts would be applied to overhead and administration, when in Windsor all the cuts have been applied to programming?

Right Hon. Brian Mulroney (Prime Minister): The decision, Mr. Speaker, was of course that of the President of the CBC. I may tell my hon. friend that if he feels there has been an injustice in the greater Windsor area, I will be happy to consult with my colleague in Communications and bring that to the attention of the President of the CBC. I am sure that both he and I want the people of Windsor to be treated with the ultimate fairness as well.

[*Translation*]

FORESTRY

DISCUSSIONS WITH QUEBEC ON FEDERAL-PROVINCIAL AGREEMENTS

Mr. Michel Champagne (Champlain): Mr. Speaker, my question is for the Minister of State for Forestry. Can the Minister tell us what progress is being made in the negotiations with Quebec on a Federal-provincial agreement for forestry?

[*English*]

Hon. Gerald S. Merrithew (Minister of State (Forestry)): Mr. Speaker, negotiations have gone on between the Department of Regional Industrial Expansion and the Province of Quebec for some time on an economic regional development agreement. I can assure the Hon. Member that this Government is in favour of that kind of agreement, and I suspect an announcement will be made very shortly relative to the signing of that agreement. I can tell him that forestry plays a very significant part in that particular agreement, and those details will be announced at the proper time.

* * *

NORTH ATLANTIC TREATY ORGANIZATION

CANADIAN CONTRIBUTION

Mr. Len Hopkins (Renfrew-Nipissing-Pembroke): Mr. Speaker, I have a question for the Minister of National Defence. First, I want to welcome him back to the House from his NATO meetings and other various on-the-the-job training programs.

● (1500)

The Acting Defence Minister was not in a position to give me an answer to a question last week because he did not know what the Minister had said at NATO, even though he said they had very close communications. At the same time he did inform us that what the Minister had said "made a great deal of sense", even though he had not heard it.

When making statements about the CF-18 fighter aircraft and the six new patrol frigates, among other items, was the Minister simply not making several promises to our NATO allies that were based on commitments which had already been made and were already under way to a degree, by the previous Government?

Hon. Robert C. Coates (Minister of National Defence): Mr. Speaker, one of the real points of interest in the Auditor General's report is that the former Government told the Canadian people that the CF-18 program and the Canadian patrol frigate program were real programs. We found out from the Auditor General that they were half programs. They were buying half a plane and half a frigate. We are now carrying out the total program by putting the other things in the planes to make them real fighting planes, and putting the other things in the frigates to make them real fighting ships. That would not have happened under the budget proposed by the former Government. As a new Government we are saddled with delivering to NATO and NORAD—

Mr. Speaker: With great respect.

Mr. Coates: It was promised by them and will be done by us.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

DEREGULATION OF TELEPHONE SERVICE

Mr. Brian White (Dauphin-Swan River): Mr. Speaker, I have the honour today of presenting four separate petitions, all dealing with the issue of telephone deregulation. The petitioners from the Birdtail Valley New Horizons Club, the Green Valley Senior Centre, and the Onanole Cheery Chirpers Seniors' Club and many citizens of southwestern Manitoba total 1,041.

Their concern is that telephone deregulation could undermine the tradition of affordable, universal service which we enjoy in this country. They ask that Parliament refrain from enacting legislation which would lead to deregulation.

Mr. Speaker: I have another petitioner, but I do feel duty-bound to ask Members either to take their seats or leave the Chamber, please. Hon. Members are petitioning the House of Commons and it only seems fair to me that they get a chance for the House to hear what they say. Order, please.

WORLD PEACE AND DISARMAMENT

Mr. Tom Hockin (London West): Mr. Speaker, as the Member of Parliament for London West it is my duty to present a petition signed by over 2,000 residents in my riding.

The petition will be familiar to the House. It calls for Parliament to declare Canada a nuclear weapons-free zone, to work actively for a multilateral de-escalation of the arms race, to divert arms funding to peaceful purposes, and to conduct a free vote to cease the testing of Cruise missiles in Canada.

PENALTIES FOR DRUNK DRIVING

Mr. Vince Dantzer (Okanagan North): Mr. Speaker, I have the honour to present a petition from the residents of the City of Vernon in Okanagan North who are concerned about the lack of protection and effective legislation to reduce the carnage and destruction caused by drunk drivers on our roads and highways.

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, the following questions will be answered today: Nos. 30 and 73.

[*Text*]

TREASURY BOARD LAWYERS

Question No. 30—**Mr. Howie:**

How many lawyers are employed by the Treasury Board?

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): There are nine lawyers assigned to the Treasury Board from the Department of Justice.

PUBLIC SERVICE SUPERANNUATION ACCOUNT

Question No. 73—**Mr. McKinnon:**

1. On March 31 of (a) 1981 (b) 1982 (c) 1983 (d) 1984, what total amount was at the credit of the Public Service Superannuation Account?

2. In the fiscal year (a) 1981-82 (b) 1982-83 (c) 1983-84, what (i) average rate of interest did the government pay for the use of the money in the Account (ii) total amount of interest was paid into the Account (iii) total amount was paid out of the Account?

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board):

		Balance in Public Service Superannuation Account
1. (a)	March 31, 1981 —	$12,705,715,357
(b)	March 31, 1982 —	$14,757,155,902
(c)	March 31, 1983 —	$16,367,957,784
(d)	March 31, 1984 —	$17,980,598,737

2. Public Service Superannuation Account

	Average Rate of Interest %		Interest Paid Into Account $	*Additional Interest $		Amount paid Out of Account $
(a) 1981-82 (i)	9.4	(ii)	837,312,392	354,933,154	(iii)	531,289,142
(b) 1982-83 (i)	10.3	(ii)	980,893,935	544,128,465	(iii)	569,387,908
(c) 1983-84 (i)	10.6	(ii)	1,260,717,401	481,706,400	(iii)	618,483,100

* The account earns interest quarterly at a rate determined as if the excess of receipts over disbursements each quarter since the account was established had been invested in Government of Canada 20 year bonds. In effect, the quarterly rate is based on the weighted average yield of all investments over the previous 20 year period.

Some interest earnings in excess of the rate used in the most recent actuarial report on the account (6.5% per annum) have not been credited to the account, but rather have been used to offset the cost of amortizing actuarial deficiencies that arise mainly as a result of annual salary increases. These amounts are shown in the additional interest column above.

[*English*]

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

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

Courts Amendment Act

[*Translation*]

Mr. Gauthier: Mr. Speaker, last November 16, I had a question about the court challenges program placed on the Order Paper. That was a month ago. I therefore want to ask the Parliamentary Secretary whether we can expect an answer soon since, one month later, this matter is now making the headlines and the Prime Minister could perhaps use the answer to understand what is going on in the MacDonald affair.

Mr. Dick: Soon.

I ask that the remaining questions be allowed to stand.

Mr. Speaker: Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

MOTIONS FOR PAPERS

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Mr. Speaker: Shall all notices of motions for the production of papers be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

ONTARIO AND MANITOBA COURTS AMENDMENT ACT

MEASURE TO ESTABLISH

Hon. Ray Hnatyshyn (for the Minister of Justice) moved that Bill C-3, an Act to amend various Acts as a consequence of the reconstitution of the courts in Ontario and Manitoba, as reported (without amendment) from the Standing Committee on Justice and Legal Affairs, be concurred in.

Motion agreed to.

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

Motion agreed to and Bill read the third time and passed.

Freshwater Fish Marketing Act

FRESHWATER FISH MARKETING ACT

MEASURE TO AMEND

Hon. Ray Hnatyshyn (for the Minister of Fisheries and Oceans) moved that Bill C-5, an Act to amend the Freshwater Fish Marketing Act, as reported (without amendment) from the Standing Committee on Fisheries and Forestry, be concurred in.

Motion agreed to.

Mr. Hnatyshyn (for the Minister of Fisheries and Oceans) moved that the Bill be read the third time and passed.

Mr. Mel Gass (Parliamentary Secretary to Minister of Fisheries and Oceans): Mr. Speaker, I am fairly confident at this time that Hon. Members are familiar with the intent of Bill C-5. In a nutshell, it is an amendment to the Freshwater Fish Marketing Act to increase the permitted borrowing limit from the Freshwater Fish Marketing Corporation to $30 million from the present borrowing ceiling of $20 million which was set 10 years ago. In the fishing industry, as is the case in most businesses over the last 10 years, market prices have risen along with operating costs, the cost of fuels, wages and so on. This certainly holds true with the FFMC which has seen its operating budget escalating steadily.

A recently prepared five-year plan of the Corporation shows that its working capital and fixed assets requirements will exceed $20 million in the fiscal year 1985-86, and within a year will be in the region of $24 million. It is significant that the initial payment of the Corporation, that is the amount of money paid out to the 3,500 fishermen in the FFMC area at the start of the season, based on predicted market prices, has risen from a total of $9 million in 1974 to more than $20 million in 1983. As Hon. Members may have noticed from a recent press release, total sales of the Corporation in 1983-84 were in excess of $44 million, which is a record amount.

Perhaps we should point out that the FFMC draws its working capital through loans from the Minister of Finance (Mr. Wilson). It is, of course, not allowed to borrow more from that or any other source than that set out in the Act as its permitted borrowing limit.

Another point I would like to stress is that under the Corporation's mandate it is obliged to purchase all the fish offered to it by the fishermen who operate in the five million square kilometers of territory comprising the area covered by the FFMC. Most of these fishermen are native people who, in most instances, have no alternative means of making a living. It would be most unfortunate if these hardworking Canadian citizens had to suffer as a result of the FFMC having insufficient working capital. That situation could easily arise in the coming year if the credit ceiling is not raised as proposed in this legislation.

• (1510)

Mr. George Henderson (Egmont): Mr. Speaker, my remarks will be brief. There is some urgency to pass this Bill today. We on this side of the House certainly agree with Bill C-5 because there are 3,500 fishermen, many of whom are native fishermen, who require this borrowing authority increase.

This Bill was previously introduced by the Government of which I was a member back in 1980. I recall that the Member for Western Arctic (Mr. Nickerson) did not have many favourable comments about this corporation during second reading stage of this Bill. He felt that it was extremely monopolistic in regard to the private sector in that part of the region. He went on to say that he supported the Bill because he is a good Party supporter, but I think the Hon. Member's remarks might give us cause to believe there is something in the Bill that we did not understand.

Although I am reluctant to bring that up, I would suggest to the Minister, the Parliamentary Secretary and the Committee on Fisheries and Forestry that witnesses should appear on behalf of the Freshwater Fish Marketing Agency so that we can delve into those accusations a little further.

I am extremely pleased to see the progress of the corporation this year. A recent news release on December 6 stated that there would be a final payment for 1983-84 amounting to almost $6 million, of which the single highest pay-out to an individual fisherman was $78,000. That fact reflects what we have thought about the corporation over the years. However, due to the reservations expressed by the Hon. Member for Western Arctic, we should question witnesses from the Freshwater Fish Marketing Corporation in the committee to see if there is any justice to those accusations.

There are no more speakers from the Official Opposition and we are prepared to see this Bill passed as soon as possible.

The Acting Speaker (Mr. Paproski): Is the House ready for the question? The Hon. Member for Vancouver-Kingsway (Mr. Waddell).

Mr. Waddell: If the Hon. Member for Western Arctic (Mr. Nickerson) wishes to speak before me, I would yield the floor to him.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I wanted to say how pleased I was with my colleague, the Hon. Member for Egmont (Mr. Henderson), in the few remarks that he made. I appreciate them very much.

He made two points. First, he said that I in particular—I reflect the views of my constituency—have no great love for the FFMC in its present form, especially the way that it enjoys a monopoly in which no one else is allowed in the business. He also said that I was a good Party supporter. He was absolutely correct on both counts.

He also suggested that the Standing Committee on Fisheries and Oceans should delve a little further into the problem of the marketing of freshwater fish. I agree with him wholeheartedly on this point. Let's face it, the committee hearings dealing with the Bill that is before us today were just a little bit of a railroad job. More time could have been devoted to the proper study not only of FFMC but the whole system of freshwater fish marketing and alternatives to the FFMC.

As I said at second reading, the problem is that the FFMC enjoys a monopoly. No one else is allowed in that business. The fishermen cannot sell their products to anyone other than the Crown corporation FFMC. In return, as the Parliamentary Secretary to the Minister of Fisheries and Oceans (Mr. Gass) pointed out, FFMC is obligated to take all the fish that the fishermen make available to them. However, there is nothing mentioned about the price that it has to pay. Therefore it can say that it will take the fish but only pay five cents a pound for it. The provision in the Freshwater Fish Marketing Corporation Act which states that, in return for granting FFMC a monopoly, it must take the fish really does not make sense. There is an easy way for FFMC to avoid that.

Those who have studied this matter independently have found that in all probability alternative methods of fish marketing could be established. People could go into that business, buy fish from the fishermen and take it across interprovincial and international boundaries in order to develop markets for that fish for the existing species that are marketed and for species that are underutilized or not utilized at all.

If the monopoly was revoked, I believe the enterprise within people would work wonders for the fishermen. It has and continues to be the policy of the Progressive Conservative Party that Crown corporations such as the FFMC should not enjoy that monopoly. This was well thought out prior to the last election campaign. It was an election promise made to fishermen in freshwater country that when we took over the reins of government that monopoly would be revoked.

This issue must not be allowed to go to the bottom of the heap. Perhaps it is not a great national issue involving all of Canada but it is certainly important in certain areas of the Prairies and certainly in the Northwest Territories. We owe it to those fishermen to carry out our election promise.

I hope that in the near future the Minister of Fisheries and Oceans (Mr. Fraser) and his Parliamentary Secretary, whom I know shares a keen interest in this problem, will confer with the Government House Leader (Mr. Hnatyshyn) to see that new legislation is brought in which would amend the FFM Act to revoke that monopoly and enable the fishermen to sell their fish at the highest price to whomever wants to buy it.

Mr. Benjamin: Mr. Speaker, I wonder if I might ask a question of the Hon. Member who just spoke.

The Acting Speaker (Mr. Paproski): You may, by unanimous consent. Is there unanimous consent?

Some Hon. Members: Agreed.

An Hon. Member: No.

The Acting Speaker (Mr. Paproski): I am sorry, I hear a no.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, as the fisheries critic for the New Democratic Party, I would like to wind up the debate if there are no other speakers on this matter.

The Hon. Member for Egmont (Mr. Henderson) stated that we wanted to pass this Bill previously but it was delayed as a result of controversy with the Hon. Member for Western Arctic (Mr. Nickerson). Apparently, the reason for that delay is that the Conservatives are divided on their own Bill. I find that quite extraordinary. Bill C-5 is one of its first Bills and the Government is already divided among itself in its large caucus.

I listened carefully to what the Member for Western Arctic said. He aroused memories I have of seeing fish coming out of the water at the north end of Great Slave Lake at this time of the year when I lived up there approximately ten years ago. I remember how important it is to the people. It is very interesting to see that when the fish come out of the water they freeze instantly. You do not have the problem of putting them into anything; the temperature is so cold that it instantly freezes them.

• (1520)

There are some problems with what the Hon. Member for Western Arctic said. As I understood what he said, he objects, and his Party objected in the campaign—but not as it brings the Bill into the House—to a monopoly situation. I am confused about this, Mr. Speaker. How far would the Member go? Would he get rid of the Canadian Wheat Board? That is a monopoly marketing organization, is it not? Does the Hon. Member believe in orderly marketing? The concept of orderly marketing was to try and give the producer a decent value for his product.

Mr. Benjamin: Maximum return.

Mr. Waddell: As my colleague has said, the maximum return for the product. We have great experience on that in Canada. We fought those battles 30 or 40 years ago. In the so-called free market, which turned out to be not so free, producer kept undercutting producer and the prices would go down and down and down. Does the Hon. Member honestly believe that if this were a free market for fish or for selling to a private buyer that the fishermen would have any more control over the fish? I am not so sure they would. I think they might be better off with a freshwater fish marketing board.

I accept the fact that the Hon. Member represents and speaks for his area. Obviously he is reflecting problems of the fishermen in his area, in the Arctic, an area which I have already said I appreciate and love a great deal. If they are having problems, perhaps we should have a further look at this situation in committee. The Hon. Member said the Bill was railroaded through the committee. To use his words, "it was a railroad job". I remind the Hon. Member that he is a member of the governing Party. The Conservatives control the committees. I hope he would have a little more influence with his own Government not to have a Bill railroaded through the committee. If there is a problem, it seems to me the committee should have another look.

The Hon. Member for Egmont (Mr. Henderson) had a quite genuine suggestion, and I would be prepared to go along with

what he said. I do not think it is in this Bill. This is a minor Bill in the sense that it just increases the credit ceiling so that the marketing board would have adequate working capital. Now is not the time to do it but the Member has flagged the problem.

I am not sure I agree with him. I think there are problems when you start departing from orderly marketing from the experience we have had in Canada. I would remind the Hon. Member that the reason the freshwater fish marketing board was set up—and I remind his colleagues too—is because the private sector failed. The fishermen were in desperate need. They had to get together and set up a board. It is similar to the other Bill we debated the other day on saltwater fish marketing. The Hon. Member's colleagues, in their great ideological pursuit of the holy grail of private enterprise at all costs, should give pause, as my friend from Calgary should give pause, and ask themselves why was this thing set up. It was set up because of the failure of the private market. I am sure a wise man, as the Hon. Member is, would think about that.

We are prepared to let the Bill go through now. I draw the Hon. Member's attention to my speech on second reading of the Bill last week. I ask him to consider the remarks I have made today. Maybe in committee we should make sure that the Government Members can agree among themselves and we will get on and try to do the best thing we can for the fishermen of northern Canada.

Motion agreed to and the Bill read the third time and passed.

* * *

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed Tuesday, December 11, consideration of the motion of Mr. Stevens that Bill C-15, an Act respecting investment in Canada, be read the second time and referred to the Standing Committee on Regional Development.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, when we concluded debate on this Bill yesterday afternoon at five o'clock, I was just about to open the question of benefits for foreign investment. That seems to me to be the crucial question that should be considered. I suggested in passing that the Government was bringing this Bill in with much of the Christmas spirit about it. Santa Claus will bring us good things if only we are good. We will throw the door open and foreign investment will come in and all sorts of good things will happen. It is precisely the question whether good things will follow from foreign investment which deserves to be considered.

I suggested also that proponents of foreign investment have never, in my opinion, subjected the process and its consequences to the sort of consideration that it deserves to have. That for governments is particularly serious because they have the means of clarifying the matter. One can to some extent in a theoretical way open up the question and consider what some of the consequences are. That is what I want to do for a few minutes today.

First, there is concern about the need for capital in this country. It is probably not all that difficult an exercise to suggest gargantuan totals of capital being needed between now and 1990. The Minister of Regional Industrial Expansion (Mr. Stevens) suggested one of those totals. At the same time we are told that Canadians save at a world-leading rate. Given the levels of saving that occur here, one would not think the need for capital was actually as inordinate as is being suggested by the Government in bringing this Bill before us. One might recognize that when foreign investment is encouraged and when very large parts of the economic activity that occur in a country is foreign controlled, in Canadian manufacturing particularly and in large areas of resource extraction—it is overwhelmingly the case that so much of the activity is carried out in companies owned by people outside of Canada—the result year by year is an outflow of capital from Canada. There is no net gain at all.

When Government does not recognize that kind of reality, one begins to suspect it is being ideological and downright irresponsible in the economic policy which it puts before the country. On the score of capital for Canada, foreign investment can be an incredibly short-sighted gain. There are some other areas that are so enormously important to the economic development of this country. Surely what people mean when they talk about capital is technology, the bringing in to the country of knowledge presently not available. When we think of that kind of question and its ramifications, we have even more reason to be concerned about turning to capital investment for a simple answer.

The reality of the matter is that having technology imported into the country by reason of foreign investment can be an incredibly expensive gift to any people. If technology were not available, it would not be the easiest thing in the world but what would happen to Canadians, to the scientists, engineers and people involved in adapting technology and applying it? Canadian research and development would have to be done in order to fill those gaps. When we depend on others to bring the technology into the country, we close doors to our engineers and scientists. We shut off employment opportunities. If Government is ultimately concerned about foreign investment in order to ensure employment, again we have an incredibly short-sighted action in depending upon others to do these things for us.

If we think of employment in higher levels of management, New Democrats do not usually worry about that very quickly, but in terms of development and leadership of the country it is important too. When we depend on foreign investment to provide the capital and the technology, we are likely to get the skills and the management direction with it as well. It is a subject of the most profound importance to a country to consider what happens to it when the leadership and the direction of its economic affairs is coming from persons outside the country and when it is not Canadians who have the

opportunity to benefit. A few able or very fortunate Canadians may rise through the international structure and be lost to Canada. At a time when skilled management leadership of the country should have opportunities to work here on a large scale, we lose them as a result of foreign investment.

• (1530)

We should think about another area of economic activity and ask ourselves what happens in trade areas as far as imports and exports are concerned. What are the possibilities of having more extensive processing of raw material in Canada? In the past we looked to raw material, together with foreign investment; foreign investment in Canadian resources was the basis for Canadian prosperity. What happens in the case of foreign investment? All too often companies are established in the country with only one purpose, that is, to extract the product and get it out to markets in their home countries. Over the years it has been sent to the United States, especially since the Second World War and farther back into this century. When it is between a subsidiary in Canada and a parent company in the United States, we know that the pricing which occurs means low returns in Canada and high profits in the United States. Income flows and the bases for capital are lost to Canada as a result of the establishment of subsidiaries in this country. We worry about imports, about Canada having such an incredibly high level of imports, particularly in manufactured goods. Opportunities are closed off. When we think of those things, we realize that it is American and other foreign subsidiaries which are overwhelmingly importers of manufactured goods.

On point after point I suggest that the Canadian economy suffers and employment opportunities are lost. The future of the country is blasted when we look to foreign investment. For those reasons I feel a deep anxiety about the Bill before us.

Once upon a time George Grant in *Lament for a Nation* talked about the Conservatives having a sense of the country's future. These days when debating Investment Canada, that becomes the fiction many of us felt for years that it was. Conservatives are betraying their heritage these days in bringing this legislation before Parliament and presuming to turn Canada in that direction.

The Acting Speaker (Mr. Paproski): Questions or comments in regard to the Hon. Member's speech? There are no questions or comments. Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): The question is as follows: Mr. Stevens, seconded by Mr. Hnatyshyn, moves that Bill C-15—

Mr. Caccia: No, Mr. Speaker.

The Acting Speaker (Mr. Paproski): The Hon. Member for Davenport (Mr. Caccia).

Mr. Caccia: Thank you, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Is the Hon. Member for Lethbridge-Foothills (Mr. Thacker) seeking the floor on a point of order?

Mr. Thacker: Mr. Speaker, I submit that from the moment you began to read the motion, that terminated the issue and you were calling the question. At that time it was too late for my friend opposite to rise.

The Acting Speaker (Mr. Paproski): I regret that I did not see the Hon. Member, and I have now recognized the Hon. Member for Davenport.

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, I thank you for your very thoughtful intervention. I deplore the intervention of the Hon. Member opposite who thinks that with a cheap intervention of that kind he can cut off debate on such an important measure. Where does he think he is, at the fish market? This is the Parliament of Canada. Mr. Speaker, I congratulate you for making that ruling because there are many Members on our side of the House who consider this Bill to be a very important one.

Mr. Thacker: On a point of order—

The Acting Speaker (Mr. Paproski): Order, please. Would the Hon. Member please be seated.

Mr. Caccia: The Hon. Member should sit down.

The Acting Speaker (Mr. Paproski): Order, please. I did not recognize the Hon. Member because I did not see him. I have now seen him and have recognized him for further debate in the House on Bill C-15. The Hon. Member for Davenport has the floor.

Mr. Caccia: I thank you for your courtesy, Mr. Speaker. I have followed the debate thus far with great interest. As we all know, this is perhaps the most important Bill to be put before the House before the Christmas recess. The Bill will attract the attention of Canadians in every region from coast to coast because of its far-reaching and long-term implications.

I listened yesterday to the intervention of the Minister who is sponsoring this Bill. Quite frankly, I admit that I was startled by some of his statements. As reported at page 1090 of *Hansard*, he said the following:

> —what we are saying is that with respect to new investment, as most of the Members realize from the kits we distributed, there will be no review other than in a very narrow sector.

Will it be to the benefit of Canadians to have no review other than in a very narrow sector? For some years we have had the benefit of the FIRA process which has thoroughly taken into account the desirability of acting in the interests of Canadians. This has been done in a way which has steered foreign investment in a manner that would be beneficial to our own long-term interests. Negotiations took place with FIRA and foreign investors in order to achieve the highest possible benefits for Canadians.

In making his statement evidently the Minister is giving up a very valuable and important review process which has served us well. In that sense he is abdicating an important role on the part of the Government of Canada on behalf of all Canadians.

The Bill as presented to us will not only have a very limited review in a narrow sector, but it will give the Minister total discretionary powers. It means that he will be the sole emperor who decides whether or not certain types of investment will be admitted into Canada. Therefore he will not have the benefit of consulting with Cabinet or his own caucus. He will make his decision in isolation without perhaps taking into account the interests of the minister of industry, trade and commerce or other Ministers who have regional concerns and may want to have a say in the nature, direction and timing of certain investments.

Also in yesterday's intervention he indicated that if the Minister had not made up his mind after 75 days, a particular application would be deemed to have been approved. I find that very difficult to believe; however I have read it in the Bill. It is in Clause 22(3). I see the Hon. Member leaving. If he would stay in his seat, he would learn something. The net effect of Clause 22(3) will be that the Minister may use it when he does not want to make an unfavourable decision; he could let the time period lapse and the matter would be resolved that way. Is that a sensible and responsible way to govern and to protect the interests of Canadian industries or Canadian small businesses? They may be affected by the lapsing provision in the Bill.

I also looked in the Bill to find any reference to Canadian interests because, as was indicated in Clause 2, its purpose is to encourage investment in Canada by Canadians and non-Canadians. Once one goes beyond Clause 2, where does one find a reference to Canadians in the Bill? The Bill is some 30 or 40 pages long. The only place I could find a reference to Canadians was under the duties of the Minister in Clause 5(b). The rest of the Bill makes reference to anything other than Canadian interests.

● (1540)

What is this Bill intended to do? If one looks at it in its totality, one cannot help but conclude, regretfully, that the Bill was conceived in isolation. It has been put forward without the benefit of an over-all industrial strategy. There is no provision to enhance research and development in Canada in order to enhance the capacity of our industry to expand, develop new products and, therefore, new markets and the creation of jobs.

There is no provision for the protection of our cultural identity and cultural industry for those Canadians who make their living in cultural activities in this country. This Bill could have very serious repercussions on our cultural communities and industries. They are struggling to survive against very difficult odds caused by nations that have much larger markets and, therefore, greater capacity to be competitive.

The Bill has no provision to offset a high deficit, into the billions, in the trade of technology-intensive products. It does not make provision for the development of high-tech industries and the protection of fledgling new industries emerging in Canada. Their opportunities may be squeezed considerably or wiped out if a Bill of this nature becomes law without any consideration for the interest of this new high technology industry. In total, that industry is doing badly when we look at the trade figures and the deficit that we have accumulated year over year.

I have gone through this Bill with a fine-toothed comb on a couple of occasions. Another matter that I find surprising is that there is no provision to trigger Canadian savings into Canadian investment. We have a high percentage of savings in our economy because Canadians are thrifty. The savings do not find their way into the type of investment in Canada that this Bill wants to achieve. Where are the provisions to trigger Canadian savings in this Bill which purports in Clause 2 to encourage investment in Canada by Canadians? If that is to be part of the purpose of the Bill, there should be an arsenal of initiatives to give momentum to our own potential rather than develop an imbalanced kind of approach oriented toward attracting capital and initiatives from outside our borders.

I am puzzled because there is no provision for tax incentives for Canadians to invest in Canada.

Mr. Blenkarn: Of course not.

Mr. Caccia: You would expect there to be tax incentives. If the Hon. Member feels I am wrong in that, he can correct me at the end of my intervention and tell me which clause provides tax incentives.

Another puzzling aspect is that the Bill is put forward in isolation as to the future of our Crown corporations and their role in an investment strategy for Canada. What will be the role of existing Crown corporations? They are surrounded by uncertainty because of initiatives taken by the same Minister. If he moves ahead with an investment policy for Canada, he will have to indicate what is to be the role of Crown agencies that are owned on behalf of the Canadian people.

Debate on this Bill may not seem to be the proper place for a statement on the environment, but I was hoping that in his speech or in the press releases the Minister would have given an indication as to the environmental guidelines to be followed in connection with the signals going out from this ill-conceived Bill. There could have been some kind of warning or signal to foreign industrial investors that this Bill does not mean open season on the environment. That could be concluded by some foreign investors if they look at the abysmal performance of this Government with regard to the environment.

Members will recall the statements made last July and August by the Prime Minister (Mr. Mulroney) as to what he would do with regard to acid rain. Our Prime Minister met with the President of the United States and there has been no action on acid rain. The Secretary of State for External Affairs (Mr. Clark) met with his counterpart and again there has been no action. One could say the same for the present Minister of the Environment (Mrs. Blais-Grenier).

I submit I am within the terms of reference of this debate when I state that the Government proceeded with a number of cuts which indicates to potential industrial investors that the environment is becoming a second or third consideration in Canada. Otherwise this Government would not have cut the strength of the Canadian Wildlife Service or the National Research Council's environment program. Also it would not have cut a number of research and development initiatives that have to do with renewable resources. Experience has shown that foreign-controlled branch plants in Canada have been characterized by low levels of research and development, limitations on the ability of the branch plants to export and the fact that branch plants as a rule have short and inefficient production runs.

Many branch plants rely too much on imported technology. This has resulted in a lack of capacity in Canada for the kind of innovation which is an important prerequisite to developing products capable of meeting tough competition both world-wide and at home. These are probably the main reasons, coupled with the fact that, by and large, Canadians want control over their industrial and economic destiny, which led the Liberal Government to introduce the Foreign Investment Review Agency. It was a good measure, one that earned a lot of respect on the part of many Canadians.

• (1550)

What I do find disturbing about the Bill that is before us today is that it does not take into account the main concerns that led to the creation of FIRA in the past. It does not take into account that foreign ownership in technologically advanced industries may one day leave Canadians without participation in the most important growth sectors of our economy. The Bill is silent on that matter. That means that we may have very little, if any, participation in future investments in the advanced industries that may be launched and developed in our country.

The Bill does not take into account that a high level of foreign ownership may one day lead to Canada's future being decided behind the closed doors of corporate boardrooms outside of Canada. Is that what we want to have?

Some Hon. Members: Oh, oh!

Mr. Caccia: Hon. Members over there are moaning and groaning. Perhaps they want to participate in this debate and give us the benefit of their answers to these questions.

Mr. Kempling: Read the Bill.

Mr. Caccia: I have read the Bill. That is why I am raising these questions.

Mr. Blenkarn: Read it.

Mr. Caccia: I am glad to hear these interjections because it tells me that it hurts. Somehow Hon. Members over there do not like to hear what I am saying and that means that some of their sensitivities are being awakened to the reality of fact.

I submit to you, Mr. Speaker, that the Bill does not take into account that Canadians have, over the development of our nation, reached the point where they do really want to have control over their destiny. Canadians no longer wish to be owned by outside interests. This Bill really turns the clock back rather than moving us forward to a more improved position vis-à-vis our own economy. Certainly Canadians do not want to see the development of the country left in the hands of one Minister who will decide when, where and how these investments will be allowed into the country.

This Bill provides no guarantee whatsoever for the destinies of individual workers and their families. It does not protect the livelihood of a worker who may have been employed by a branch plant for 10 or 20 years. We have experienced in Toronto on several occasions a situation in which one day a worker finds that his branch plant is closed because of a decision—

An Hon. Member: So what?

Mr. Caccia: So what? Who said so what? I would like to know who said that. That means that there has been a tragedy in the life of a family. It is tragic to lose one's job all of a sudden because somehow, somewhere, in a boardroom across the ocean, a decision was made to close down and one is left without a job. What does one do then? This Bill is silent on this most important social and economic consideration.

I really hope that the Minister will address himself to these shortcomings when the Bill eventually reaches committee stage. There is no answer to the question of what happens to the Canadian worker when a foreign owner decides that Canada's markets have dried up or perhaps that the economy is contracting and it is better to go to another country where the grass is greener.

All of this is in sharp contrast with the promise made by this Government to create jobs. The open-door policy for foreign investors that the Government is announcing will lead to the creation of new business ventures, but will it create jobs? This is the basic question that we would like to have answered. Foreign investment does not necessarily mean the creation of jobs.

I see, Mr. Speaker, that you are signalling me that my time is up. I thank you for your consideration.

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

Mr. Blenkarn: Mr. Speaker, I have a question. The Hon. Member was a Minister in the last Government and, of course, would have spent a great deal of time in Cabinet discussing foreign takeover problems. Perhaps he would be able to give me the answer to a question that I should have given to Sudha Karayi from my riding, someone who had an opportunity to become the chief Canadian technical person in a new company owned by LUXTEC Corporation of Massachusetts. LUXTEC was supposed to come to Canada—and perhaps we can get them to come now because of this Act—to do some

high technology work in fibre optics. When Mr. Karayi sent the foreign investment review application to LUXTEC, it filled it out but got the application forms back from the agency with a request for more information. Mr. Kloots of that company told Mr. Karayi that, under the circumstances and because of the complications, under no circumstances would they even proceed to look at coming to Canada with fibre optics and high-tech.

If we did not have this statute, I was wondering what the Hon. Member would tell my constituent who had the opportunity to develop this product and work in Canada? Would he tell him that it is too bad and he should stay unemployed?

Mr. Caccia: Mr. Speaker, it is a rather rhetorical question. The Hon. Member knows better than that. Perhaps I should direct him to the guiding principle of FIRA which he knows very well by now, having been in Parliament on several occasions. Under that principle an application would be approved if it were to be in the Canadian interest. That means that it would be approved if it is one that enhances and strengthens already existing industries or does not damage them in any way, shape or form. That is not a bad guideline, I would submit. Evidently, if the specific application for fibre optics manufacturing in Canada was not proceeded with, there must have been some good reasons regarding jobs already existing in Canada.

Mr. Angus: Mr. Speaker, I have a question for the Hon. Member for Davenport (Mr. Caccia). In the last two years of FIRA's operation, 95 per cent to 98 per cent of all applications were approved. Yet less than one-half of those foreign takeovers that were approved tended to increase investment or provide new jobs. Could I ask the Hon. Member, who was a member of the Cabinet of the previous administration, what steps he took to change that so that there were some guarantees on a much greater percentage of the foreign takeovers?

Mr. Caccia: Mr. Speaker, to be questioned by Conservative Members for having gone too far and to be questioned by Members of the NDP for not having gone far enough tells me that we were on the right track, the middle-one.

Mr. Blenkarn: Mr. Speaker, the Hon. Member for Davenport (Mr. Caccia) will know that it costs the Government $6,000 on average to process a FIRA application, but he may not know that it costs the ordinary private applicant somewhere aound $20,000 for legal fees, briefs, accounting statements, undertakings and the like. Indeed, at least one former Member of this House once had his entire law practice financed on foreign investment application. That was fine stuff. I was wondering if that might not be the reason why this fibre optics application was thrown away. Perhaps the applicant said: "I'm not going to bother coming to Canada with new jobs and new technology. I will not come to Canada if they are going to make me go through all that hoop-la. I might as well go to Brazil or a dozen other places in the world where they want investment and jobs". That is the kind of thing we are looking for. What is his comment with respect to new jobs for Canadians?

• (1600)

Mr. Caccia: Mr. Speaker, I am flattered by the persistence of the Hon. Member. He seems to be totally blind to the concern which I expressed at the end of my speech about protecting Canadian businesses and Canadian jobs. Evidently, the Hon. Member feels that an expenditure of $6,000 for an application is too much trouble if it ensures that the application will be screened, modified, or even rejected in the event that it affects the jobs of Canadians and the businesses of Canadians.

If the Hon. Member does not already know, I can assure him that Canada is seen as a highly-coveted country by investors abroad. Those who made applications which coincided with the interests of Canada in the long term, with the interests of the workers who are employed here, and with the interests of businesses and industries which were already active, are doing well for themselves as well as for Canada.

Mr. Skelly: Mr. Speaker, I would like to ask the Hon. Member a question based on his presence in the former Cabinet. With respect to foreign investment in Canada, was there an investigation undertaken of the Iron Ore Company of Canada with respect to its recent shutting down of its iron mining and processing activities because its parent company in the United States decided that it would rather invest in Brazil than continue its activities in Canada? Was there an investigation undertaken on those matters?

Mr. Caccia: Mr. Speaker, the Hon. Member is expecting a degree of memory capacity on my part which I do not possess.

[*Translation*]

Mrs. Mailly: Mr. Speaker, I have a question for my colleague from Davenport (Mr. Caccia). Is it not true that the experience in Canada for the past decades has been that foreign corporations operating here have contributed positively to our economy and that for several generations Canadians working for foreign corporations have been able to raise their children, send them to university, which would have been impossible without those companies in their community? This is my first question.

I would also like to make a comment or give him some information. A foreign corporation has been negotiating with a company in my constituency in order to purchase it. If no foreign owner can be found, the company will close down, since nobody in Canada has the expertise and capital to overhaul that factory now. In his very impassioned pleas for economic nationalism, the Hon. Member seems to forget that there is a very positive aspect to the purchase of Canadian businesses by foreigners who will abide by our regulations and who will be good corporate citizens.

Mr. Caccia: Mr. Speaker, I will answer the second part of the question because it is the one which I understand and with which I almost agree.

[*English*]

It is evident that the situation which has been described by the Hon. Member reflects the main principles that brought about the establishment of FIRA. FIRA was put in place to ensure that the interests of the community would be protected, that investment would not create chaos or disruptions in other Canadian communities, and that it would ensure that the potential growth of new industries which were in Canada would not be endangered by subsequent investment. Therefore, if the Hon. Member is in favour of investment which takes into account long-term Canadian interests, then we are saying the same thing.

[*Translation*]

The Acting Speaker (Mr. Paproski): Questions and comments are over. The Minister of Communications.

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, I would like to draw the attention of the House to certain aspects of the legislation respecting investment in Canada, especially those dealing with Canada's cultural heritage and national identity.

We all know, but it is perhaps good to refresh our memories, that new methods being used by the media—including cablevision, pay-television, video-cassettes, personal computers—and by the cultural sector are becoming a focus for industrial, cultural and broadcasting policies. As countries recognize the important economic role of communications in the media and the arts, they have developed increasingly competitive industrial policies in those sectors. There is a growing world demand for cultural products and for new means of communication. This will result, and has already resulted, in an expanding international market for Canadian cultural products and opportunities for Canadians to compete for an increasing share of foreign revenue.

The cultural industries and the performing arts sector can therefore provide Canada with unique opportunities for economic renewal and future economic stability, as expressed in job creation and even trade. We must not forget that the cultural sector of our economy is one of the best ways to address the employment problem, since 60 per cent of each dollar generated is directed towards employment, compared with 20 cents in primary industries.

I believe that increased foreign investment would help us take advantage of and expand these opportunities. However, I also believe there is another dimension to foreign investment in Canada's cultural economy. Whether it is reflected in our cultural heritage, in music, films, art or the theater, it is a sector that is a central part of our own national identity. The ability to create, to express and to interpret artistic and social values is, I believe, just as important a measure of a country's viability. Canada has the advantage of having reached a point in its development where it has several ways of ensuring that this country will be strong both economically and culturally. Investment Canada is an example of this Government's commitment to creating employment and a free and strong industry, while at the same time ensuring that Canada's unique cultural identity will be enhanced.

In the past, the lack of directives and policies in the Foreign Investment Review Act to deal with cultural activities had created a climate of confusion and a lack of confidence that was most undesirable. I believe the Government has a responsibility to explain its policies and objectives in this sector, so that foreign investors will understand what Canada as a country hopes to accomplish in the cultural sphere.

That is why the proposed legislation provides that foreign investment in the cultural sector is to receive special attention and consideration. These guidelines would therefore help foreign investors to take advantage of opportunities in the Canadian cultural sector, while recognizing the fact that it is essential for us to preserve and develop our Canadian cultural identity.

• (1610)

Because of the impact of consumption and of the earning power of Canadian cultural products such as films, TV programs, recordings and editing on the cultural and social development of Canada, the profitability of Canada's cultural industries is a determining factor when reviewing proposed foreign investments in Canada. Both our culture and our economy are important sectors.

Film, video, recording and production industries now contribute $5 billion annually to the Canadian economy. In addition, they indirectly account for $4 to $5 billion in the related sectors of marketing and radio-TV broadcasting. A significant share of that economic activity comes from foreign investment firms and the distribution of foreign products on the domestic market. However, we note that the best opportunities with respect to employment and economic growth in sectors of cultural activities are offered by Canadian businesses. Apparently, that is due to the nature of the products distributed.

On the other hand, the economic activity stemming from films, recording and production is linked with copyright ownership. Indeed, if copyrights are foreign-owned, the revenues generated on the Canadian market will leave the country and create jobs abroad.

Thanks to the cultural intitiatives taken by the government in recent years—regulations on the Canadian contents of programming, the activities of the Canadian Film Development Corporation, known as Telefilm Canada, the assistance program for Canadian production development, the deduction program for film and video capital cost depreciation, and the postal grants program—Canadian cultural industries have

been through a period of rapid development and growth these past few years.

That situation made it possible for Canada's cultural industries to explore new avenues so as to ensure economic growth and job creation to meet the ever increasing demand for our cultural products in an environment where new communication technologies are the last word.

Movie and record production has grown substantially thanks to new technological developments in films video digital recording and software for personal use. On the other hand, recreational medias such as television, AM and FM radio, pay TV, videocassettes and VCRs have increased the demand for programming. According to recent studies in the United States, by 1988, there will be a $5 billion market for video products alone, in North America. In addition, electronic publication and the use of computers for this purpose create new markets and new opportunities for the publishing industry.

Per capita, Canadians are the largest consumers of cultural products worldwide. Because of this great demand and of the proximity of the United States, the Canadian market will inevitably be invaded by foreign interests as development opportunities occur.

Direct investment in the Canadian cultural industry by foreign interests can bring in certain benefits if these investments contribute to the production and distribution of Canadian cultural products and if there are more joint ventures by Canadian and foreign companies to this end. During the next decade, this investment will be vitally important for Canadians if they want to take advantage of the market which now belongs to foreign multinationals, especially in view of the high cost of new technology, and greater competition thus resulting in more opportunities for us in Canada.

Investment Canada will play a major role in protecting the economic development interests of Canadian cultural industries. The provisions of the Investment Canada Act which deal with business activities related to the Canadian cultural heritage or to our national identity, such as publishing or distribution of books or periodicals and the production and distribution of movies, will create a healthy climate for Canadians to develop strong cultural businesses and will guarantee access to Canadian cultural activities and products. The review activities will allow for an easier assessment on the part of Government authorities of the economic and cultural implications of a proposed commercial activity.

A clear statement of Government policy objectives for the cultural sectors involved will be given to the investor and financial assistance will be provided with due consideration being given to the intentions of applicants as concerns these policies. This will guarantee not only a review of foreign investment opportunities, but also the development by Canada of its own competitive cultural businesses to meet the needs of Canadian artists as well as our cultural objectives.

That is all, Mr. Speaker. I can assure you that this Bill protects our national identity and will allow us to protect Canada's cultural heritage while providing investments which will create jobs. That is the purpose of this Bill.

The Acting Speaker (Mr. Paproski): Questions and comments. The Hon. Member for Gander-Twillingate.

[*English*]

Mr. Baker: Mr. Speaker, I listened with great interest to the Minister. I must admit he is a very fine communicator as Minister of Communications, but I wonder when he makes statements such as the cultural heritage being a determining factor for this investment. He made a very interesting point when he said that we have the highest per capita consumption of cultural products in the world. I am wondering how the Minister defines his role as it relates to maintaining the cultural heritage and the outlets for that cultural heritage which, in a lot of cases in rural and remote areas of Canada, are delivered through the Canadian Broadcasting Corporation. I have been wondering since yesterday afternoon about the function of the Minister as it relates to maintaining that presence in Canada. I was particularly interested in that question because it was announced yesterday that the only radio station in my riding will be closed.

I am wondering what the Minister's role would be under the Broadcasting Act, or what he perceives it to be, as it relates to decisions made by the CBC in this regard.

[*Translation*]

Mr. Masse: Mr. Speaker, I would first assure the Hon. Member that if the previous Government in 1968 had not cut $71 million from the CBC's funding, there might now be a station in his constituency. I will add that for some years now, the Canadian Broadcasting Corporation—and as a previous majority government Member, you were certainly aware of the fact that the CBC was called upon to provide ever increasing services, to use or rather to develop new slots, to constantly enter into new fields—could not do all those things without the Government at the same time accepting the corporation's goals, without the Government providing it with the funds needed to carry out its new roles or goals.

Well, there were discussions between the corporation's president, its former president, Mr. Johnson, and the Government of the day. There was an agreement providing that the CBC would get a 5 per cent annual funding increase in actual dollars, so it could take up the new responsibilities assigned to it both by Parliament and Government. Well, the ink on that agreement had barely dried when the Government took away with one hand what it had given with the other, and then the Government never got around to respecting the agreement it had itself suggested to the corporation. But it never asked the corporation to curtail its services. Worse still, as I said earlier, in 1978 the CBC suffered a $71 million cut. Reviewing the corporation's situation over the past seven or eight years, we find that the cuts inflicted on the corporation in actual dollars

were of the order of $300 million, without the previous Government ever providing the corporation with the means to have the level of administration expected by Parliament.

Indeed, the current president himself was the first to recognize that the corporation's administrative and financial image was not what it ought to be. What this Government did was to require the CBC to review its administrative procedures, trim down its administrative set-up so that the taxpayers' money be properly used for the purposes intended, namely creativity, productivity and production.

Mr. Speaker, the Hon. Member need not fear for the CBC's future. With this Government, and ever since the Bennett administration under which the original Act was passed, and the Diefenbaker era when a radio and television agency was established separate from the Canadian Broadcasting Corporation, and the days when former Prime Minister Clark appointed the Applebaum-Hébert Commission, and now with Mr. Mulroney, I can assure you that the CBC has a Government that is sensitive to its role and needs.

● (1620)

[*English*]

Mr. Baker: Mr. Speaker, this is very interesting. I mentioned that the Minister is a fairly good communicator. He is a fairly good communicator on his side. He just mentioned that the former Government had imposed restrictions on the CBC's increased mandate. I read in today's paper that this Minister says there will be even more spending on the French network. This is imposing again a mandate on the CBC after cutting it as extensively as the Government has done.

I asked the Minister a simple question. He said that the previous Government cut back on the CBC. Then he said that if it had not cut back on the CBC years ago, maybe I would have my radio station. Let me remind him that it was from the cut of this Government that I lost my radio station.

My question to him is quite simple. The former Minister of Communications would be acting if I had brought up in the House of Commons that I had lost the only radio station in my riding. What is the Minister's function under the Broadcasting Act? Is there an appeal procedure to the Minister, or do we have to accept the word of Mr. Juneau, who claims that it was on instruction from the Minister of Communication and this Government that he had to make these drastic moves with his chain saw? What is the appeal procedure? Do the people of Canada have any appeal to this Minister? Does he have any function under the Broadcasting Act as it relates to these cuts and possibly getting some of them overturned or reversed?

[*Translation*]

Mr. Masse: Mr. Speaker, with his experience of Parliament which greatly exceeds mine, the Hon. Member will know that the CBC's annual report has already been tabled in this House, and that the Standing Committee on Communications has every chance of hearing the Corporation's officials if it so wishes. But as the Hon. Member is aware, it is not within my responsibilities to direct the Canadian Broadcasting Corporation concerning its day-to-day operations, in areas of its own responsibility.

I would also like to tell him that when I was in Montreal, I saw something which all French-speaking citizens inside and outside Quebec have already realized over a number of years, and that is the fact that among French-speaking viewers there is a tendency to switch from certain programs produced by both private or public television networks, to English-speaking or American TV stations.

That fact is evidenced by all the statistics, and it belongs—

The Acting Speaker (Mr. Paproski): I am sorry to interrupt the Hon. Minister, but the period provided for questions and comments is ended.

[*English*]

Is there unanimous consent to let the Minister continue? I hear a no. I am sorry. Order, please. The Hon. Member for York East (Mr. Redway).

Mr. Alan Redway (York East): Mr. Speaker, it is a real pleasure for me to have the opportunity to speak in support of Bill C-15, which is the Bill with regard to investment in Canada, otherwise known as Investment Canada. It is a pleasure to speak because this is really the second part of the Government's program for economic recovery in the country. I believe we should all keep that fact in mind at all times. We should all remember why we were elected and sent here. It was mainly for the purpose of getting the country going again and producing some jobs. This particular Bill is aimed at just that.

Traditionally, since World War II the program which governments have followed to get the economy moving again in times of economic recession has been one of government spending to create jobs. Unfortunately, whether we agree or disagree with government spending, that particular option has been foreclosed to this Government and any government acting in the country at the present time. The reason it is foreclosed is that every time anyone suggests that the Government should start spending again we are immediately met with a great howl in the country asking, "What about the deficit?" That deficit really ties the hands of the Government and limits the options available to it.

Members of the Opposition have commented on the deficit regularly since the beginning of this session. They have indicated that the Government should ignore the deficit and deal with the question of jobs. They have been suggesting that the way to do that is through spending and more spending. That is not, of course, the way they attacked the problem during the election campaign. During the election campaign all Parties recognized that there was a problem with the deficit which had to be addressed first.

The Government has approached economic recovery in the country with the deficit as its number one priority. That was in the statement of the Minister of Finance (Mr. Wilson) which was announced in the House early in November. The economic statement dealt with trying to limit growth of the deficit to

allow us to put our own financial house in order and to restore investor and consumer confidence in the country.

The second part of the economic strategy, Mr. Speaker, is to encourage the growth of capital investment in the country once confidence is restored. Of course, that is what this Bill is all about. It is simply to encourage the growth of capital and capital investment in Canada because that creates jobs. I have not heard any members of the Opposition who criticize this Bill deny that investing capital does not create jobs.

• (1630)

Ideally, we would all like to see that capital limited strictly to Canadian capital but we realize that historically that has not been the case and that that is virtually impossible in this country. Historically, it has taken capital from abroad to develop and build the country.

Unfortunately, as far as risk-taking is concerned, and the investment in risk capital, Canadians are rather timid and have not been prepared to take the risks necessary to create that pool of capital to create those jobs. That was very obvious during the last two or three years when we have been in the throes of this economic recession. We have not had enough Canadian capital to produce the jobs to pull us up by our bootstraps and get Canadians back to work. Therefore, the Government has been faced with an effort to try to stimulate that investment from somewhere other than Canada.

What approach should the Government take? A number of Members in the House and many people in the country believe that the course we should be taking is an unrestricted course of foreign investment. They believe that the Government should take off all the restrictions and allow all types of foreign investment into this country without review.

On the other hand, there are many in the House who have great concerns about unrestricted foreign investment. These concerns which Hon. Members in the Opposition have been raising include concerns such as plant closures, no exports by foreign owned companies, and lack of research and development by foreign owned companies. I believe that these are all reasonable concerns, but in facing the reality of today and the problem of trying to build investment and create jobs, the Government has had to try to find a way to encourage investment in this country which is not taking place through Canadian themselves.

Therefore, I believe that this Bill represents a compromise, an acceptable compromise for those of us who are Canadian economic nationalists. It is a compromise which will allow further investment capital into this country and will allow that investment capital to create the jobs that 1,500,000 Canadians very badly need.

This does not represent an entire dismantling or elimination of the previous legislation but, in fact, it is a modification of the previous legislation. It is interesting to note that the tests by which foreign investment is to be gauged, in this Bill remain virtually the same as they were in the present Act. In fact, there have been two additional tests added. Those are the tests that concern cultural policy and international competitiveness. In that respect, the Bill modifies the present law and, in some respects, actually strengthens the review process.

It is also interesting to compare the effect the proposed legislation would have on the applications of foreign investors that were reviewed under the present legislation in 1983 to what is now the law, particularly with respect to the area of direct acquisition of Canadian assets by foreign investors, which concerns most people. According to the proposed legislation, 91 per cent of the total asset values that were reviewed under the present legislation in 1983 will continue to be reviewed under the proposed legislation. That is not a great modification but one which should encourage more capital to come into this country and thereby create more jobs.

That is part two of the Government's program for economic recovery. It is only the second part of other parts yet to come. One of those parts which I, other Members and most Canadians are looking forward to is the budget that is proposed for next year.

I believe that as the Minister of Finance (Mr. Wilson) approaches the development of that budget he should look to three other areas to help us on the road to Canadian economic recovery. The first area concerns the question that was quite properly raised by the Opposition about attracting and encouraging Canadian investment. I believe that we certainly should be looking at some measures not only to attract capital from abroad but also to attract some more Canadian capital into the risk investment area. I believe this can be done through some further tax incentives. We already have tax incentives such as the dividend tax credit, the tax incentives on housing, the tax incentives for the film industry, oil and gas and research and development. Obviously that has not been enough. All of those incentives so far have not been able to attract enough Canadian risk capital to put 1.5 million unemployed people back to work. In developing his budget, the Minister of Finance should consider that area to see what other incentives can be created for Canadians to invest in their country.

One such area, I would suggest to him, is investment in rental apartment buildings and rental apartment development. Prior to the Benson Budget in 1970, there were some tax incentives in our laws that encouraged people to own and build rental apartments. We must put that sort of incentive back into our Income Tax Act so that we can encourage the building of badly needed rental units rather than discourage them as is the case with the present law.

The second area which I believe the Minister should address is the whole question of foreign trade. That is the key to long-term viability, not only of foreign investment in this country but also of domestic investment. During the last few months I toured two industrial plants in my riding. Both of these plants are subsidiaries of multinational foreign companies. One company is IBM. The IBM plant in my riding is the largest IBM facility in this country. The other is Ortho Pharmaceutical, which is a subsidiary of the Johnson and Johnson organization. Each of them employs many thousands of people in my riding. Each of them has a global product

mandate and each of them carries on a great deal of research and development in this country. In fact, the IBM plant in my riding, which employs approximately 8,000 people, has a research lab which will employ approximately 1,000 people by the beginning of next year. Two years ago it employed 200 people and it has been growing by leaps and bounds. That is a subsidiary of a multinational company. That is the sort of thing we can do in Canada with foreign investment.

• (1640)

The people at IBM and the people at Ortho Pharmaceutical tell me that what we should be doing is trying to encourage world product mandates for all subsidiaries of multinational companies in Canada. They tell me it is essential for the foreign subsidiaries and they tell me that building and developing the foreign market is also essential for Canadian companies because, as we all know, Canada is a signatory to the GATT agreements. Under those agreements, the substantial tariff barriers that we once had are falling. One of these days very soon there will hardly be a tariff barrier here. It is not just a concern that foreign investors may pick up their assets and go home, it is also a concern that Canadian investors and Canadian companies will not be able to compete domestically unless they start to compete in the foreign market. What we should have is something in the forthcoming budget to encourage the development of foreign trade, not only by foreign investors but also by Canadian investors, and to encourage at the same time the concept of world product mandates.

The third area that I believe should be brought to the attention of the Minister of Finance is the whole question of consumer demand. It is fine to create a pool of investment capital. We need more of it and we know that investment capital will create jobs, but it is not going to create jobs and no one is going to invest unless consumers spend. Somehow we have to get consumers to spend. We know that we will be able to provide a little bit more of that with some of the pension improvements that have been promised in the Speech from the Throne that are coming soon. I believe we should also be approaching this problem from the same point of view that the United States has approached it. The Americans cut personal income taxes a few years ago, which put more purchasing power into the hands of the public. It allowed Americans to spend more and buy more of the products and the services produced in their country. As a result, manufacturers created more investment and put people back to work. That is the way we can help stimulate the economy of Canada. That is the way we can get people back to work again.

In summation, this Bill, as I have indicated, is the second step in a program of government economic recovery. There will be more, and all of them, including this Bill, will put Canadians back to work again and get Canada moving.

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

[*Translation*]

The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart).

Mr. Malépart: Mr. Speaker. I should like to direct a question to the Hon. Member. He said that the bill will provide employment for Canadians but I would like to know at what cost? How will the amendments to the legislation provide jobs for Canadians? I will give you an example. Last evening, on the television program *Le Point*, a business leader said he was pleased to see that the Prime Minister has opened the door to American financiers but that in 50 years from now Canada will have become the 51st American state. It may be interesting for businessmen, but not for Canadians who need to sure that the America corporations purchasing Canadian companies will not close them down as they have done in the past when the economy slows down. Canadian businesses could become warehouses responsible for the American products. Can the Hon. Member assure us that the bill will give real protection to Canadian workers?

[*English*]

Mr. Redway: Mr. Speaker, I wish the Hon. Member had been listening when I was speaking because I think he would have heard the answer to his question. A few years ago—a long time ago in this country—foreign investment would move in because we may have had some lower wage rates and we had tariff barriers to protect that investment. The barriers protected those companies so they could sell their products in the Canadian market alone. Unfortunately, that type of a policy has become obsolete. Those tariff barriers are coming down and have been coming down for a number of years. Very shortly they will virtually disappear.

Anyone coming to this country from abroad and looking for an investment opportunity is not going to come to look at the Canadian market alone. There is just not enough of a market here and there is no protection. When an American company or any other foreign company—and I might say we should not be just restricting this to American investors, we have many investors from Asia who are coming here at the moment—comes to this country, it is not only because it is looking at the Canadian market but because it is considering the advantages of having a company here that will allow it to compete in a broader market, particularly the American market. I have had discussions with the Ministry of Industry and Trade in the Province of Ontario. One of its programs is geared to bringing foreign investors to Canada. This Ministry tells me that it is achieving its greatest success in attracting foreign investors from Asia. The reason is that Asians can build plants here, develop and manufacture a product, and sell that product not only in Canada but in the United States without having to worry about the non-tariff barriers and the quota system which the United States has for products manufactured in Asia. The Americans do not have those same non-tariff barriers and quotas for products manufactured in Canada. Therefore, it is very attractive for that kind of foreign investment to

come to Canada. That is the reason foreign investors come here. They are not coming here anymore to produce solely for the Canadian market because of our great tariff barriers, which may contract and dry up the market. They are coming here to produce for the world market, and that is the only way they will be attracted to this country.

[*Translation*]

The Acting Speaker (Mr. Paproski): The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) on a supplementary question.

Mr. Malépart: Mr. Speaker, the Hon. Member's remarks confirm that if we want not only the Americans to come here, but also Canada to do business with all the other countries, Canada must be different from the United States, for there are countries in the world which would rather do business with Canada than with the United States.

However, if Canada should become the 51st State of the Union, as the Prime Minister seems to wish, these countries will seek other markets. I suggest, therefore, that the Hon. Member's remarks confirm the fact that the Bill not only does not protect Canadians workers' jobs, but eliminates the factor which some countries found attrative in Canada, namely, it being different from the United States. And now a short question. If you have ever taken part—as a businessman, you have certainly taken part in negotiations or attended conventions—how is it that the Canadian side is always anxious to make concessions or amend legislation? The Prime Minister goes down on his knees before representatives of American financial circles and says: "Canada belongs to you", although he has no assurance that the Americans will change their protectionist policy with regard to Canadian goods. It seems to me that in any negotiation we should keep some sort of trump in our hand.

● (1650)

[*English*]

Mr. Redway: Mr. Speaker, I wish the Hon. Member would not try to misrepresent what is taking place here. Certainly the Prime Minister (Mr. Mulroney) has not gone to the United States to suggest that we become the fifty-first State of the United States. In fact, he went to the United States and said, "We welcome your investment into Canada" in order to create jobs and put 1.5 million Canadians back to work again. Certainly that is a protection for Canadians and for Canadian workers. It is not protection to continue the same course as the Hon. Member and his former Government followed, a course which did not attract any capital to the country, a course which did not create any indigenous Canadian capital, a course which did not create any jobs and therefore left us with 1.5 million people unemployed.

This Bill or this approach will attract some new capital that will create jobs. In that way it will put Canadians back to work and protect them much better than the former Government protected them in any way, shape or form.

Mr. Angus: Mr. Speaker, the Hon. Member made specific reference to capital investment creating jobs. If he had a plant in his riding with 100 employees and assets under $5 million which was acquired by an American or European company, what guarantee would there be that that investment in itself would create any new jobs in that plant? What guarantee is there that that would occur?

Mr. Redway: Mr. Speaker, I do not think there is any guarantee that an investment of that sort will create jobs. I must say that I have many businesses of that size in my riding. I have businesses ranging from the one-persons operation up to operations with many thousands of employees.

Of course, the question is: What would be the purpose of a foreign investor buying the variety of company which the Hon. Member suggested? Given the current economic climate, not only in this country but in the world, and given the current state of economic relations, particularly with respect to tariff barriers, no one from a foreign company will invest in this country at all, either by way of investment in a new business or by acquisition, unless there is some benefit to the company. Surely the benefit is to create a larger profit for the company. One cannot create a profit without increased sales. The way to increase sales is to increase business. Generally, by and large, increase in the size of business increases employment.

There is no guarantee that Canadians who invest in particular companies or try to establish their own businesses will create any real benefit. They may disappear within a few weeks. As a business person and as a lawyer, I have seen many of that variety in my time as well. There is no guarantee of anything in the world. We have to create a climate which will stimulate business so that they can invest and create jobs.

The Acting Speaker (Mr. Paproski): The time for questions and comments has now expired. Before recognizing the Hon. Member for Kamloops-Shuswap (Mr. Riis), I should like to recognize the Government House Leader.

* * *

BUSINESS OF THE HOUSE

Mr. Hnatyshyn: Mr. Speaker, I rise at this point in time to announce the business of the House for tomorrow. We will start the day with Bill C-10, an Act relating to tax interpretation; followed by Bill C-14, respecting foreign tribunals; followed by Bill C-15, the Bill we have been debating today.

As a result of consultations with opposition House Leaders, it is my understanding that we will deal with Bill C-10 and Bill C-14 in all stages including third reading tomorrow. We expect to make progress and then return to Bill C-15 and possibly even finish with it.

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Stevens that Bill C-15, an Act respecting investment in Canada, be read the second time and referred to the Standing Committee on Regional Development.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am pleased to have an opportunity to speak today on what has to be one of the biggest snow jobs perpetuated in the last number of years. They say that Bill C-15 is "an Act respecting investment in Canada" and that its short title is Investment Canada Act. I suspect more appropriate titles would be: sell-out Canada act, warehouse Canada act, fifty-first state Canada act, or perhaps even harlot Canada act, as a harlot does not even begin to negotiate or to bargain for a price. It is simply a giveaway situation.

The other day when the Prime Minister (Mr. Mulroney) was in the United States, he was saying that Canada is now open for business. I suspect he was trying to say that Canada is now for sale, that all those folks could now come in, that the floodgates have been opened once again, that we want to sell off more of our resources and that we want to give more of our industry to foreign control.

It is important for Members of the House to recognize that in the manufacturing sector alone—and we all know that it is the critical sector of our economy in terms of jobs—52 per cent is owned and controlled by foreign interests. I ask any Member to stand in the House and say what country in the world would tolerate 52 per cent of its manufacturing sector being controlled by decisions being made in another country. The decisions made in terms of our manufacturing industry are not made in Canada. They are made in Houston, Texas, New York, London, Berne, Hamburg, Tokyo and Hong Kong. This Government says, "Shucks, that isn't enough; we have to have 60 per cent or 70 per cent foreign ownership of our critical manufacturing sector". I have heard members of the Conservative Party say that this will create jobs or job opportunities in Canada.

I come from an area of British Columbia which not many years ago had a very viable agricultural sector. There were miles, miles and miles of large tomato farms. There were processing plants, apple orchards and asparagus farms. There were hundreds and hundreds of jobs. Then they decided that they should sell off these operations to foreign buyers. They said that it would be good for the local economy to sell that agricultural sector to foreign entrepreneurs because it would encourage development in that sector. When we drive through those same valleys today, there are no tomato farms, no asparagus farms, no producing orchards, no packing plants, no processing plants. Those foreign purchasers bought the land and the plants, closed down the operations, and now import into the area from the United States and other sectors outside the central British Columbia region. It has meant that hundreds and hundreds of jobs have simply evaporated.

Just a few weeks ago one of the major employment centres in my constituency owned by a Florida firm closed down its Canadian subsidiary because it was in the best interests of the Florida-based operation. Now 450 people are collecting UI. That is part of the result of foreign control of the economy.

Today we are discussing in the House of Commons a Bill which the Government has the courage to call "Investment Canada Act".

Mr. Orlikow: Audacity.

Mr. Riis: Audacity, as my colleague says. That is probably close to the truth. While we discuss this Bill to attract more foreign investment and more foreign control of the economy, as knowledgeable parliamentarians we all know that the manufacturing sector is 51 per cent foreign owned, the rubber sector is 98 per cent foreign owned, the agricultural machinery sector is 51 per cent foreign owned, the transportation equipment sector is 92 per cent foreign owned, the electrical apparatus sector is 70 per cent foreign owned, and the chemical industry is 71 per cent foreign owned. One could go on and on identifying each and every economic sector, only to find that between 50 per cent and 99 per cent of it is owned and controlled now by foreign interests.

If this were the United States Congress and we were debating the problem which the country faces, this Chamber and the Galleries would be jam-packed. We would be hearing some of the most emotional and intense speeches as Members of Congress rose to defend industries and jobs in their communities across the United States.

• (1700)

The Government says it has a great idea. It feels that if it makes more decisions regarding our economy in foreign capitals, it will be in the best interests of Canada and Canadians. The logic of this Bill escapes me, as does its approach to job creation and economic development. I will state a number of reasons why.

Something this country requires more than anything else if we are to compete in international markets and develop a viable manufacturing sector is more research and development in this country. This is a peculiar situation. The Government has just introduced measures to cut back on government sponsored and government encouraged research and development through to production. What happens when a great sector of the economy is controlled by foreigners? We need only look at the data. It makes it very clear.

For example, for companies with less than 50 employees, Canadian companies spent 11.2 per cent on R and D, whereas foreign companies spent 3.3 per cent. For large companies with more than 500 employees, Canadian companies spent 8.3 per cent on R and D over sales, whereas foreign companies spent only 2 per cent.

It is perfectly clear that foreign branch plants do not spend the same amount of money on research and development as do Canadian domestic firms. It stands to reason. In a trans-

national operation, where is the likely place for most of the research and development to take place? In a distant branch plant or in the parent head office? Of course it will be back in the parent plant.

There is a real need for Canada to expand its market opportunities. I would ask Members who are present a simple question: Where will the initiative to expand into new and, in particular, overseas markets originate? Will it originate in the branch plant in Canada or will it flow out of the parent company in the United States, Japan, Europe or wherever? The answer is perfectly clear. The branch plant is not here because this is the base of international operations. It is to serve a domestic or regional market within Canada, not as a major launching pad for foreign operations.

It is clear that research and development is not going to take place in firms that are foreign owned and controlled. In terms of creating more jobs, it is not there in terms of this Bill. FIRA is not something that somebody dreamed up one afternoon and decided to impose on the people and industries of Canada. For years and years in this country the problems of foreign investment were well known. Report after report documented the difficulties faced by a country which has so much foreign investment and foreign control over its economy.

In 1974 it was decided to put together a mechanism so that when an outside agency wished to enter Canada, participate and invest in the Canadian economy, it would have to demonstrate that that would result in some net gain to Canada and Canadians. As a mechanism, I do not think anybody could argue with that. If a firm wanted to come to Canada from which there would be no net gain to Canadians, why would we need it here? If it can demonstrate by entering Canada with its investment that there will be a net gain in terms of research and development, job creation and economic expansion, so be it.

That is why FIRA was introduced in 1974. Time after time we in this Party criticized that it had many shortcomings, that it was too secretive, too costly for some firms because of all the red tape through which they had to dodge and weave, and that the processing of applications was unnecessarily long. There were problems associated with it, but the response was not to emasculate this process. It was not to throw it out and put up a sign that we in this country are now for sale.

Let us recognize the problems and deal with them. The members of the New Democratic Party have often called for more appropriate foreign investment in our country. We said that if Japanese auto industries were going to come into Canada, sell vehicles, make large profits and take them to Japan, they should invest in this country. We said that if they were going to take profits out of Canada, they should create jobs as a result of investment in this country, building some Canadian content into those vehicles. We have been advocating that for a long time.

Since its inception in 1974, FIRA has received thousands and thousands of applications. In the last handful of years, about 98 per cent of those applications have been approved. I wonder how many legitimate mature firms have actually considered FIRA to be a major hurdle to their plans to invest in Canada. I do not think there is much hard data to indicate that there are large numbers of firms that would have invested in Canada if they did not have to go through this little streamlining system before they could enter.

Every industrialized western nation has its own version of FIRA, including the United States. As we stand here today and debate this Investment Canada Bill, there are 21 Bills before Congress, all of which can be called protectionist Bills. They are non-tariff barriers to restrict foreign investment in the United States.

The amount of Canadian production related to foreign controlled investment in Canada amounts to about 34 per cent on an annual basis. In the United States it is not 34 percent, but 3 to 4 per cent of American production as a result of foreign controlled enterprises in that country. The U.S. has all kinds of concerns about that 3 to 4 per cent. There are all kinds of protectionist measures that it is debating today. All sorts of groups are watching this foreign involvement in their economy.

We heard in this House today the concerns of the forest industry in the United States. They are considering imposing lumber quotas or countervailing duties on Canada. We have gone through the steel industry and the copper industry in terms of their concerns about foreign imports.

In the United States, 3 to 4 per cent of its production is from foreign owned firms, whereas in Canada it is 34 per cent. Our response is to throw open the gates even more. We want more foreign involvement, more foreign investment. We in the New Democratic Party are not convinced that this is in the best interest of Canadians. This will not create the 1.5 million jobs that are required in our country today.

I want to go through some specifics in terms of FIRA. A great many myths have been perpetuated in the last while. We have looked around for a bogeyman, something on which to blame our economic woes. Instead of blaming the past Liberal Governments' ineptness in terms of developing a sound economy that reflects the realities of the 1990s, we picked out FIRA as the culprit. This is going to be changed and we are going to invite more foreign investment than any single industrialized nation in the world, more foreign investment and control than in many developed countries. The new Government says this will work, creating the necessary confidence, investment and jobs. It is a little bit like Peter Pan. Peter Pan said: "Anyone can fly if he just believes it. If you believe it strong enough and long enough, you too can fly". The Peter Pan approach is a Conservative approach to economic development.

• (1710)

Let us look at some of the facts regarding foreign investment in Canada. The approval rate for FIRA applications over the past two years has been between 95 per cent and 98 per cent. Less than one-half of those approved foreign takeovers intended to increase investment or provide any new jobs. Since the beginning of 1984, 16 per cent of those approved takeovers

promised neither new jobs nor new investment. That is the result of FIRA: no new jobs and no new investment.

Canada has more foreign ownership and control per capita than any other industrialized nation and more than a large number of developing nations. Canada imports more duty-free finished manufacturing goods, excluding automotive goods, than the United States, Japan and the European Economic Community combined. That was indicated by a Science Council of Canada report that gives us an idea of the amount of finished goods that come into our country.

When there is a domestic Canadian firm and a foreign-owned and controlled firm, one finds that the foreign-owned and controlled firm purchases four times as many imported manufacturing goods for its operation than does the Canadian domestic firm. That is simply because that is where its connections are. They go back to their colleagues in the United States, Japan, Europe or southeast Asia. Canadian firms look to Canadian colleagues to find out where they can obtain parts and supplies for their operations. In other words, they have some sense of obligation, if you like, to source their goods and supplies from Canadian suppliers. Foreign firms have not demonstrated that in the past.

We in the New Democratic Party have faith in Canadians. We believe that Canadians ought to be given some priority.

Some Hon. Members: Oh, oh!

Mr. Riis: We believe that Canadians now have the highest level of savings that has ever been experienced in Canadian history.

An Hon. Member: And the highest level of unemployment.

Mr. Riis: That is right. The observer says that we have the highest level of unemployment. We feel that the way to get Canadians back to work is to provide jobs in Canadian firms using Canadian money.

We have faith in Canadians. For example, we would like to look at RRSP money and find ways to generate that money into new investments. We would like to find a whole set of new mechanisms to provide Canadian savers with an opportunity to invest in Canadian entrepreneurial enterprises.

Government Members opposite say that Canadians will not solve our problems for us, we have to look to Hong Kong, Japan, Texas, the United Kingdom and Germany. We would like to look to those countries as well and we welcome their investment, but we have faith in Canadians. We believe that Canadian men and women can get our economy back on track. We have the knowledge, the expertise, the training, the capital and the entrepreneurial spirit. What we need now is a government that has faith in the people of the country and stops looking to some foreign country for the answer. We need a government that says to the Canadian people: "We have faith in you and we are going to provide the mechanisms to mobilize Canadian capital and not foreign capital to create jobs for Canadian citizens".

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

Mr. Malone: Mr. Speaker, I have a question for the Hon. Member for Kamloops-Shuswap (Mr. Riis). His thinking is much analogous to that of a pocket gopher. He believes that if one piles the dirt high enough, one can believe that the rest of the world does not exist.

Since the Hon. Member used the United States as an example many times, I would like to ask him why it was that until 1886, the predominance of capital in the U.S. was European and mostly British. It was that investment into the United States that provided the base from which Americans could develop their industrialization and the ability to stand alone. Is the Hon. Member taking the view that it does not matter whether or not capital is foreign? Where can he raise the capital that does not come from some kind of process of development? Is he simply planning to tax from nothing to create something from nothing?

Mr. Riis: Mr. Speaker, I would like to remind the Hon. Member for Crowfoot (Mr. Malone) that in spite of the best intentions of most cattlemen in his part of Canada, those pocket gophers persist and stay. They stay around for a long time, and I suspect the Hon. Member had better get used to that concept because they will stay for the next few years.

To reply specifically to the Hon. Member's question, I would say that I think it is perfectly clear that capital is required to get enterprises launched and under way. There has been and still is a role for the Japanese auto industry to play, and I think I referred to that specifically in my speech. My Leader has often advocated Japanese investment in the auto industry of this country. However, if they are going to take profits back to Japan, we would like to see them create jobs in this country. We have advocated that since the very beginning of the overseas auto industry.

There has always been a place for foreign investment in a growing economy. However, my concern is that there tends to have been a shift in understanding and emphasis away from Canada to the foreign markets. It perturbs me when I hear the Prime Minister of Canada, after having such an overwhelming mandate just given to him, going to the United States on bended knees begging American investors to come into this country and saying that we are now open for investment.

Some Hon. Members: Oh, oh!

Mr. Riis: I hear Hon. Members guffawing and laughing. Surely the Prime Minister is saying that Canadian enterprises are for sale to Americans more than they ever were before. When I look at the track record of what has happened in the country, I see that most of the purchases in the last number of years have not resulted in new jobs or new R and D, but have been in the form of mergers and takeovers.

Mr. Mazankowski: Seventeen billion dollars left the country. What are you going to do about it?

Mr. Riis: Mr. Speaker, $17 billion left the country. We are very concerned about that $17 billion because the former Government created a climate that made it impossible for anyone with any sense—

Mr. Mazankowski: With your help.

Mr. Riis: Our concern has always been that an investor in this country, large or small, had no idea where the country was going. Policies changed week by week, month by month. We are trying to build some sense of confidence and direction into the economy. Quite frankly, we do not need to have foreigners solve our problems for us. We do not have to go on bended knee to the United States and other countries asking for help. We in the New Democratic Party have faith in the people of Canada. We can help ourselves. We will need foreign support at times but we can do it ourselves and that is our first priority.

Mr. Kempling: Mr. Speaker, I would like to ask the Hon. Member for Kamloops-Shuswap (Mr. Riis) what he would do under the following circumstances, a real example of what happened with a FIRA application. I know about it because my company was involved. We made contact with what I will call a northern European company from a northern European country that had some technology that we felt was usable in the Canadian market. In fact, everyone who saw the product said that it would be great, would help the environment, would help energy costs and would reduce costs in their operations. They said they would like to have it.

Representatives of the company came to Canada and we met with them here. Then representatives from our company went over there and we had meetings over there. We spent thousands of dollars between us. Then they heard about FIRA. In spite of the fact that I was a Member of Parliament and told them that more than 90 per cent of FIRA applications were passed, we could not change their mind. They said that they had spent all this money and that they knew what their technology would do. They said that it would work in the Canadian market. It was a joint venture which we were working on, but there was no way they would place an application before a bunch of bureaucrats who would make the decision as to whether or not it should go ahead. It was technology which had never been used before in Canada. It was a breakthrough. As well, negotiations had been held with respect to exporting the technology into the northern part of the United States. However, we could not under any circumstances convince that company to come to Canada. It would not come to Canada if it had to go before a government review board. On top of that, there was considerable cost involved. We had both spent several thousands of dollars on travel, engineering analysis, purchasing analysis and so forth. In spite of that, the company said that it would not put an application before a government agency.

● (1720)

I say to the Hon. Member that there are thousands and thousands of instances which are similar to this one that would mean jobs for Canadians. We have not got all the brains in this country. We have a lot of them. But, there is technology in other countries which we could use. What would the Hon. Member do under those circumstances?

Mr. Riis: Mr. Speaker, to answer that question one would have to look at the co-sponsor of the application. I stand on the position which I mentioned at the outset of my speech. First, I do not think that the data he suggests exists or that thousands and thousands of legitimate enterprises were scared away by the FIRA process. I would like to see evidence. I have never seen any hard evidence. All I have heard are rumours and tell-tale. If there is evidence, I would ask the Hon. Member to present it to me.

If a legitimate firm were to enter the United States, Australia or other countries, it would go through a similar kind of process. Nobody walks into a country any longer and simply invests in that country. There are virtually no countries where that kind of behaviour takes place. If Members opposite can list those countries, I would ask them to stand in their places and tell me what countries would allow entrepreneurs to walk in without going through any screening process. I challenge them to identify those countries.

Mr. Malone: Mr. Speaker, the Hon. Member for Kamloops-Shuswap (Mr. Riis) continually tries to perpetuate the fear of foreign companies investing in Canada. I want to ask him—the same Member who talks of his great faith in Canadians—what fear he has with respect to Canadians investing in the rest of the world? Why is it that he wants this nationalist attitude, which would build walls around us and prevent us from getting out in the world? I come from a province which has one of the greatest exports. It is not a tangible product. It is the technology of thei oil industry. The Province of Alberta is one of the world's great marketers of oil technology. It not only creates jobs in western Canada, but it ultimately leads to the manufacturing industries of central Canada. Why is he so frightened and fearful of a world which has a bigger market, if at the same time he claims to believe in Canadians? Why does this Member believe that Canadians cannot compete in the international world and that we must build false walls around us? Why is he so frightened of the capacity of Canadians that he would give such a horrible speech about building walls? Are Canadians of no value?

Mr. Riis: Mr. Speaker, I want to make it very clear, as I did earlier, that we need research and development to allow Canadians to expand in international markets. The Hon. Member can read my speech tomorrow. Obviously he did not hear me when I mentioned that very fact. It is important to do that. If we are going to do that, we will need more research and development. The data tells us that the foreign firms which operate in Canada do not do the same amount of research and development as do Canadian firms. As a matter of fact, Canadian firms do four times the amount of research and development compared with that of their foreign colleagues. That is the point I am trying to make. If we are going to develop overseas markets and if we are going to look at

foreign opportunities, we must have more R and D through to production. We must also become much more aggressive. Branch plants, by definition, are not aggressive.

The Acting Speaker (Mr. Paproski): The period for questions and comments is now terminated.

[*Translation*]

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, Bill C-15, an Act respecting investment in Canada, is actually the first piece of legislation introduced by this Government. Parliament, business, labour, in fact everyone has been waiting to see what this Government's trademark will be and what approach it will take to cope with our country's problems, and also what kind of legislation it is going to introduce to reflect the promises made during the election campaign.

Mr. Speaker, the first major Bill introduced by a government, any government, is always a sign of how it intends to keep its promises and meet its commitments, not only as a responsible administrator but also as a government that is prepared to meet commitments it has made to the people.

Before examining in greater detail the principles contained in this Bill, I first want to make my position perfectly clear. First of all, I believe that generally, foreign investment can make a positive contribution to economic development, job creation and the transfer of technology. Second, I also believe that in an economy like ours where we need foreign markets to sell our products or at least a substantial part of our national production, we cannot afford to close our doors entirely to investment, especially from those countries to which we sell a substantial part of our national production, which means jobs for Canadians.

Third, I believe that, generally, and in the long run, a market economy has a better chance of increasing the optimum use of available resources than a controlled economy, which always generates a bias, inconsistencies and distortions which, in the final analysis, are counterproductive.

Mr. Speaker, I would like to say that since the early 70's, I have always been rather impatient with nit-picking controls that tend to discourage bona fide investors from coming to this country. I am from a province that constitutes both a linguistic and a cultural minority in North American terms, and usually, the foreign investment we get speaks English. However, we have often noticed that investors from outside Canada are often more sensitive to Quebec's specific problems than investors coming from other parts of this country, unfortunately.

Hon. Members will therefore understand that I have a tendency to qualify my position on control of foreign investment, more so than many other Members in this House, even the Members sitting on your right. However, Mr. Speaker, I must say that after reading Bill C-15, I was no longer worried about this, and I may say I shall have no hesitation in voting against the passage of second reading of this Bill. My main objection to Bill C-15 is that it is a lot of window-dressing. It is a clear indication of how this Government, which makes a virtue of just about anything, intends to govern this country from now. The documentation that was provided and the scenarios around the tabling of Bill C-15 told us enough about the way this Government, and especially the Prime Minister, intends to lead the country. With all the publicity, the whole performance, the managing of information, the actual contents of this Bill have been neatly sidestepped.

● (1730)

The image is what really matters, and this had been amply demonstrated by their approach. The scenario is quite simple because it is two-sided. The first side relates to the image that must be projected outside the country and, in that sense, the Ministers—on the heels of the Prime Minister (Mr. Mulroney) in New York and the President of the Treasury Board (Mr. de Cotret) in London—will go traipsing right and left and say: "Canada is now open for business".

But there is a second side which the Minister of State (Small Businesses) (Mr. Bissonnette) unveiled in answering a question recently, and it has to do with internal consumption. The Minister of Communications (Mr. Masse) again confirmed it this afternoon. That is internal consumption. Ministers and Government Members will address chambers of commerce, labour unions and boards of trade to tell them that Bill C-15 has been introduced in the House to protect them and safeguard jobs. That is the answer given by the Minister of State (Small Businesses) to a question asked by one of my colleagues—Investment Canada will protect them.

So we have a two-sided scenario: one for the outside world and one for Canadians. They say that Canada is open to foreign investors but, in the same breath, they add that the bill is designed to protect us.

Mr. Speaker, this two-sided scenario reveals to what extent the strategy was more important than the contents. The reality is quite simple: the Bill now under consideration—and many people will be shocked to hear this—is designed to control foreign investments. Hon. Members to your right and others on either side of us here claim that this Bill is not a measure to control foreign investments, but that is precisely what it will do. That is why I cannot understand the questions put to some NDP Members as well as to some of my own colleagues who have made speeches.

Fifty-one out of 52 clauses in this Bill provide rules to control foreign investments. And then they tell us: "Canada is open for business".

When are we told the truth? Well, there's the rub, and that is why, Mr. Speaker, because of this deception, of this strategy of communication and management of information, I will vote against this bill.

They dare pass off this Bill as a measure designed to promote investment. But which ones of my friends opposite have read the Bill? I urge them to examine that 32-page Bill in English and in French. In a clause dealing with investment are set forth the Minister's powers. Five paragraphs refer to the promotion of Canadian investments. But, Mr. Speaker, what is the underlying principle of every paragraph taken separately, for instance:

5(a) encourage business investment by such means and in such manner as the Minister deems appropriate;

Mr. Speaker, as a pious wish, it is hard to beat.

5(b) assist Canadian businesses to exploit opportunities for investment and technological advancement;

Good heavens! Is this not already the responsibility of the Minister of Regional Industrial Expansion (Mr. Stevens). It should also be partly that of the Minister of Finance (Mr. Wilson) who lays down the fiscal and tax policy.

5(c) carry out research and analysis relating to domestic and international investment;

What are they trying to tell us? It means that until 1984, before the introduction of that pompous Bill, nobody in the Government carried out any analysis.

5(d) provide investment information services and other investment services to facilitate economic growth in Canada;

Here again those are responsibilities that are well known and they already are outlined in the Statutes of Canada.

5(e) assist in the development of industrial and economic policies that effect investment in Canada;

5(f) ensure that the notification and review—

Mr. Speaker, I had already finished, and I kept going on. There is nothing left in this Investment Canada Bill, absolutely nothing that will have us believe that its title is anything but a scam.

Mr. Speaker, looking at all those questions, at the provisions of the Bill that refer to investment, I suggest this is nothing but statements of principle taking up about 15 lines, and not even full lines. Not even a third of a page, and that third of a page is divided between the French and English versions. Nothing else but general principles of that sort. Nothing in the remaining clauses of the Bill. They are nothing but a bill to control foreign investment. And I hope that our friends to your right, Mr. Speaker, will at least have the courage to say here in Canada what they will be saying outside our borders.

I submit that this legislation flies in the face of the messages, the signals—to use the favourite Progressive Conservative words—the signals sent outside, especially by the Prime Minister during his trip to New York.

I submit that this legislation also flies in the face of the comments made by the Minister of Regional Industrial Expansion (Mr. Stevens) when he spoke in this House on second reading.

Mr. Speaker, the signal sent out by the Prime Minister in New York is that of a false alarm. Those who have read or heard the New York speech will be under the impression that they can now come to Canada and take over a business without anybody asking them any question. Well, Mr. Speaker, such is not the case. Each one of those foreign investors will have to submit an application to that renamed agency, because somebody will have to consider whether this is acceptable or not. And if this comes under the new agency's regulations, additional forms will have to be submitted. And the questions asked earlier from our friend, the NDP Member, are of course pointless. Those people have not read the legislation. They know not what they are talking about.

Also, among the changes referred to in the legislation, there are some that will make the process less functional, and in one way because of them the new screening agency will appear to be more suspicious, and more ambiguous, and will turn out to be more vague, more difficult to administer. After being openly critical of FIRA, the Progressive Conservative Government reverses its position, as it has done in many other instances, and takes an initiative which suggests to the people that foreign investment control will disappear completely even though this is not the case.

Mr. Speaker, in most of their speeches Members of the Opposition have dealt to a large extent with the scenario, the message to the public, because, and I think this is easy to understand, in a public debate, those who read the newspapers and hear the speeches have not all read the Bill. It is our duty as Opposition members to reply to the public statements made by the Government and not to fall for the scenario put forward by our friends opposite.

The control of foreign investment will still exist. It will now come under the jurisdiction of the new tzar, the Minister of Regional Industrial Expansion. Changes have been made, but these are unexplainable major backward steps with regard to chapter 46 of the 1973 statutes. For instance, I quite agree that the waiting period should be shorter. However, how can we solve relatively complex problems if there is automatic withdrawal after 75 days, even in complex cases or for applications involving other areas? I took part in discussions on this matter, and once the 75 day period expired, the Minister will have no other choice but to say no, or else the investor will have to make a new application.

Here is another backward step. A single Minister will be totally responsible for saying yes or no to major investments. In my opinion, this is nonsense, especially in view of the fact the Minister responsible under the Act has not given any evidence of great judgement in the past.

This is also a backward measure when compared with the previous legislation on FIRA as it blurs the considerations upon which the Minister will base his decision.

Mr. Speaker, can this Government assure us that the application of sections 20 and 21 will be subject to the assessment of the Auditor General to determine whether the conditions under which a foreign investment was accepted were truly met in view of the fuzzyness of this Bill?

Mr. Speaker, I must conclude my comments as my allotted time has run out, but I wish to thank you and to say that I shall have no hesitation in voting against this Bill at the second reading stage. I do not want to be involved in such deception.

The Acting Speaker (Mr. Paproski): Questions and comments. I recognize the Hon. Member for Comox-Powell River (Mr. Skelly).

• (1740)

[*English*]

Mr. Skelly: Mr. Speaker, I would like to ask the previous speaker what is going on in the Liberal Party. Are they trying to argue both sides of this question? On one hand they are opposed to the gutting of FIRA by the Conservative Party, and on the other hand they are putting up speakers to say that the Conservatives have not gone far enough. This was a problem during the last election. No one knew where that outfit stood. Their track record and performance was abysmally bad. I do not think that many Parties in the history of Canada have ever taken such a beating at the polls as this particular organization did. That was due to exactly the same kind of performance as the one we saw from the previous speaker. Some of the Members are arguing on one side of the question, condemning the Conservative Party for gutting FIRA and failing to provide protection for Canadians, and the Member who just spoke, who I guess represents the real conservative wing of the Liberal Party, says that the Government has not gone far enough.

[*Translation*]

The Acting Speaker (Mr. Paproski): The Hon. Member for Laval-des-Rapides (Mr. Garneau) has the floor.

Mr. Garneau: Mr. Speaker, I imagine that you will leave the strategy of the Liberal Party to us.

As this bill deals with domestic consumption on the one hand, and foreign consumption on the other, we have decided to denounce it on both counts. We shall not allow this imposture to be swallowed by public opinion in Canada, and there are certainly others among my hon. colleagues who have fought and will continue to fight against it by responding to the public relations job the Prime Minister has done in the House and the statements the President of the Treasury Board has made and the press releases he has published following his return from London, Germany and France, and I suggest we should respond to this aspect. There is also the technical aspect of the legislation on which I have focused my attention.

[*English*]

Mr. Redway: Mr. Speaker, I was delighted to hear the comments of the Hon. Member in that they appear to agree with the comments I made during my intervention to the effect that this Bill does not eliminate the controls at all. It only modifies them. Almost all of the criticism of this Bill to date has misrepresented that concept and given the impression to the public and the media that this Bill is wiping out all controls over foreign investment. The Hon. Member has made it quite clear that this Bill does not do that. It only modifies the control system. It relaxes it somewhat, but leaves a control system in place to screen foreign investment.

What is the Hon. Member's view of this type of legislation? I get the impression that he would like to see a complete elimination of all controls on foreign investment. Perhaps he could enlighten me if that is his view.

Mr. Garneau: Mr. Speaker, if that were the objective of the Government, why did the Hon. Member not tell the Prime Minister (Mr. Mulroney) to tell the American citizens the truth? Why did he not ask the President of the Treasury Board (Mr. de Cotret) to tell the truth when he went to London? Many Members of the House have made that type of visit in the past. They have heard the questions. Why are the Prime Minister and the President of the Treasury Board touring the world, with great publicity, making people believe that the controls do not exist any more?

[*Translation*]

As far as the second part of the question is concerned, Mr. Speaker, I for one believe that there should be controls of foreign investments in several areas of activities, especially those involving culture, high technology, key sectors of the economy, and I would certainly be outraged to see a corporation such as Canadair, in the riding next to mine, sold to foreign interests, because we have there a wealth of technology which has cost millions of dollars to the Canadian public to develop, and it would be a shame if it were to fall under the control of other countries which could eventually shut it down. I feel therefore that there should be controls in the areas of high technology which we have developed ourselves and where we have a comparative advantage. That is why I said a while ago that some of the amendments to the current legislation are major steps backward, compared with the provisions of Chapter 46 of the 1973 Statutes, and I could not support such amendments.

Mr. Malépart: Mr. Speaker, I should like to add a few things.

After listening to my hon. colleague, I realize—and I hope backbenchers opposite realize it too—that this two-faced government speaks with a forked tongue, for while the Minister of State in charge of Small Businesses (Mr. Bissonnette) says one thing to Canadian businessmen, the Prime Minister says the opposite to their American counterparts in the United States.

I would like my hon. colleague to comment on this, Mr. Speaker. How is it possible to know when and where the government is telling the truth? It has been the same in all areas ever since it was elected and assumed power. The Prime

Minister said something in New York, the "executioner" from the Treasury Board did the same in London, and we have here a bill that says something else . . . Therefore, how is it possible to know when the government is telling the truth?

Mr. Garneau: Mr. Speaker, I cannot answer the Hon. Member's question, but I am strongly against this legislation because the government has shown itself to be two-faced these past few weeks.

[*English*]

Mr. Angus: Mr. Speaker, I would like to ask the Hon. Member for his reaction to the following quote from the U.S. Senate Committee in 1981. It reads:

Much of our trade—

That is American trade.

—with foreign countries originates with orders placed by the subsidiaries of U.S. companies located overseas. For example, 75 per cent of our exports to the 300 largest companies in Canada originates from the subsidiaries of U.S. firms.

Could the Member comment on that kind of statement with regard to how it relates to his comments on the Bill?

[*Translation*]

Mr. Garneau: Mr. Speaker, the Hon. Member will know that I have too much experience to comment a statement that is quoted out of context, and before I can state my opinion in this regard, I wish to read the whole document and make a judgment. Listen, I was not born yesterday.

Mr. Bissonnette: Mr. Speaker, when the Hon. Member for Laval-des-Rapides (Mr. Garneau) says that we have no rights to examine investment such as Canadair, I hope that given the size of that investment, the company will sell at a price that will give us some rights. And when he quotes the Minister of State (Small Businesses) and deals with the impact on the small business sector, I believe, Mr. Speaker, that all Canadian small businesses will benefit from Investment Canada, because all new investments that will be made in Canada and that will develop new projects will benefit small businesses, whether in the construction or the service industry, and that is what we are looking for. Thus, the Hon. Member for Laval-des-Rapides (Mr. Garneau) must not be in the game, he must have improperly read his notes to realize—

An Hon. Member: Will you repeat slowly, he will understand, he is here.

Mr. Garneau: Mr. Speaker, given the wording of the member's question, it would be quite difficult for me to answer it because, in fact, it does not have any logical lead and I do not see how I could answer a question about small business that relates to Canadair.

The Acting Speaker (Mr. Paproski): Questions and comments are over.

• (1750)

[*English*]

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, I am pleased to share some of my thoughts on the legislation before us today. The Bill before us today deals with an extremely important aspect of the Canadian economy. The rhetoric which the Government has put forward with respect to foreign investment is identical to that of the Conservative Governments across Canada that have been in power for some time.

I recall that when the Conservatives won the election in Saskatchewan, Premier Devine put out the call that Saskatchewan is open for business. Promptly, unemployment and the deficit went up and some very undesirable events occurred in the economy. That is a matter of record, not rhetoric.

The situation has been abysmally bad in British Columbia. Premier Bennett has used the same kind of rhetoric. He has invited foreign investors to come to British Columbia with a program very similar to what the Conservative Government here is attempting to put into place today. That province's economy is a complete disaster.

This is a serious situation and the Conservative Government should re-examine the program it is proposing today. Such a program has not worked at the provincial level because the Conservatives take an ideological approach rather than implement a clear program.

There have been some interesting examples of foreign investment given in the House today. Let us review the course that foreign investment in Canada has taken. For instance, Canada has more foreign ownership and control per capita than any other industrialized nation in the world. Our resources land our manufacturing is controlled by an outside agency and we cannot set our own goals or become involved in our own economic planning for the benefit of Canadians and our economy in the long run.

The Conservative Party has chosen to take a hands-off approach to the Canadian economy. It would rather have managers in the United States and other countries managing our economy than Canadian entrepreneurs who have ties to this country—

An Hon. Member: You don't know what an entrepreneur is.

Mr. Skelly: There was a quick shot from a Member across the floor who suggests we do not know what an entrepreneur is. I suggest to him that, as a result of the action of their soulmates from British Columbia, entrepreneurs in that province are desperately looking for an alternative to the Conservative approach. I suggest that in five years they will begin to wonder what an entrepreneur is because entrepreneurs will not support those Members as a result of these measures.

A number of examples have been given today, but one involves a number of small businesses in Vancouver that are involved in waste disposal. Those small entrepreneurs were handling the market, creating employment and buying equipment in Canada. When two large American firms were allowed into the waste management market through FIRA,

they immediately began to drive the small Canadian entrepreneurs out of the market. They gave long-term contracts at very low cost, with which the small entrepreneurs were unable to compete. Those contracts were so far below the cost of delivery of that service that complaints were made with Consumer and Corporate Affairs in Canada. However, FIRA had already approved their entry and it was too late to assist the small entrepreneurs.

Canadian businessmen are being driven out of business by foreign investment. There is a definite and identifiable loss of employment as a result of foreign investment.

Furthermore, the business practices that are being brought into play in that market are unacceptable. It is unacceptable to the Canadian entrepreneurs who have invested and employed people in Vancouver. That is just one example. Members opposite should be looking at protecting those entrepreneurs instead of introducing legislation that will gut Canadian businesses and put this country on the block.

Canada imports more duty-free, finished manufactured goods, even excluding automotive goods, than do the United States, Japan and the European Economic Community combined. That fact comes from the Science Council of Canada report. Of course, those products are not manufactured by Canadians. It sets up an extremely negative flow in the balance of payments from this country. The Minister of Transport (Mr. Mazankowski) has identified the problem, but the ideological fixation has prevented the Government from finding a solution to it. It is an extremely serious problem.

With an increasing number of branch plant foreign investment in this country, we will see those companies servicing a Canadian market with American and imported goods. That is a simple matter of fact. However, the Prime Minister (Mr. Mulroney) cannot go to the United states fast enough. Before introducing this Bill in Parliament, he is down in the United States to sell his wares.

Mr. Malone: Hear, hear!

Mr. Skelly: He is down on bended knee trying to sell out Canada. Of the top 50 companies in Canada, the greatest number of lost jobs over the past two years has been from U.S. owned companies. If they want to retrench in the United States in order to contain employment and economic opportunity in that country, they will certainly shut down the branch plant competition in Canada and attempt to pump their manufactured goods through their agencies.

It is purely a matter of re-inventing the wheel. The Government is going to go through this route once more, with the result that Canadians will not control their country and their economy. The Hon. Member for Crowfoot (Mr. Malone) wants that to happen. He does not want Canadians to have control over their economy. He wants to sell this country out and cannot do it fast enough. He and the Prime Minister look good.

In 1983, Canada had a deficit of $9.4 billion in interest and dividend payments. Since the record began in 1926, Canada has been a net exporter of interest and dividend funds. This is the reality of this legislation. It reflects the attitude and philosophy of the Conservative Government in this country. It only makes sense that if foreign investors are allowed to invest here without scrutiny, they will attempt to maximize their profit and remove as much money from Canada as possible. They will be able to draw some rather exorbitant interest rates as a result of borrowing from the foreign parent corporation. In the pay-back to the American corporation, anything they take out of Canada will go into dividends.

One of the major scams that appears to have happened in the past is that if a foreign company can buy a Canadian firm in a captive market situation, it can produce the raw material in Canada. It will produce the raw material in Canada, sell it to the U.S. firm at or below the cost of production, and the Canadian company will continue to show a loss. Certainly, no tax will be paid. Ultimately, any loans paid out will have to be covered with interest payments to the United States. This means an outflow of Canadian funds.

I see you rising, Mr. Speaker. I will be more than happy to begin again tomorrow.

[*Translation*]

The Acting Speaker (Mr. Paproski): It being six o'clock, this House stands adjourned until tomorrow at eleven o'clock a.m., pursuant to Standing Order 2(1).

At six o'clock the House adjourned.

HOUSE OF COMMONS

Thursday, December 13, 1984

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*Translation*]

INCOME TAX CONVENTIONS INTERPRETATION ACT

MEASURE TO ENACT

Hon. Ray Hnatyshyn (for Mrs. McDougall) moved that Bill C-10, an Act respecting the interpretation of Canada's international conventions relating to Income Tax and the Acts implementing such conventions, be read the second time and referred to a Committee of the Whole.

Mr. Claude Lanthier (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the purpose of Bill C-10 is to enshrine in the Statutes a number of rules for interpreting Canada's conventions relating to income tax. The general rules relating to the interpretation of treaties are laid down in the Vienna Convention on treaty law. However, this Convention is concerned with treaties in general and does not deal with the problems peculiar to conventions dealing with double taxation. Most conventions entered into recently by Canada and other members of the Organization for Economic Co-operation and Development are patterned after the OECD model convention of 1977 concerning double taxation. This convention is accompanied by an appendix entitled "Commentary" which also simplifies the interpretation of later conventions. However, it has now become necessary to provide for other rules as a result of the recent decision by the Supreme Court of Canada in *Melford Development Inc. vs. the Queen.*

In the Melford decision, the Supreme Court ruled that any terms and expressions in Canada's tax conventions that are not defined should be interpreted in accordance with the legislation existing at the time the convention was ratified and not according to the meaning they had at the time the taxable activity took place. In the case of older treaties, according to the interpretation given by the Supreme Court in the Melford case, taxpayers would have to know what certain terms meant at a given time, for instance in 1942, when the former tax convention between Canada and the United States was ratified. Furthermore, the same terms or expressions, but used in different conventions could, according to this interpretation, have a different meaning, depending on the date on which the tax convention in question was ratified.

The Supreme Court's interpretation was also contrary to the interpretation previously applied by Revenue Canada officials, who in the past had understood that, unless otherwise provided in the convention, the meaning of the terms used in our treaties would evolve with the changes being made in Canadian tax legislation.

This Bill is aimed primarily at ensuring, for the purposes of determining Canadian income tax, that the meaning of those terms and expressions in Canada's tax conventions that are not defined will evolve in terms of the changes made in Canada's tax legislation.

• (1110)

The Bill before the House today does not affect the interpretation of any terms that are already defined in a convention. It applies only when terms or expressions in a convention are not well defined or when the convention itself provides that the meaning of a term shall be determined, at least partly, according to the country's legislation.

Neither the OECD model convention nor the attached "Commentary" deal specifically with the issue raised in the Melford decision, that is, when the meaning of a term or expression is determined. The proposed legislation, however, does deal with this particular matter. It provides that, for the purposes of Canadian legislation, the terms used in a convention are to be interpreted according to the meaning they have in the Income Tax Act, as amended from time to time. For instance, if the matter concerns the income tax applicable to payment by a Canadian company, to a resident of a contracting country, of an amount that for the purposes of the Canadian tax system is considered to be a dividend, and if in the treaty the term "dividend" is to be interpreted as defined in Canada's tax legislation, the term "dividend" would, unless otherwise provided, be defined in accordance with the Income Tax Act at the time payment was made. The meaning of this term would then correspond to the meaning it would have under the legislation's provisions concerning dividends, as amended at that time.

The Bill provides that this interpretation rule shall not apply if other arrangements have been made, which would be the case, in the previous example, if the appropriate authorities of both countries had agreed on a specific definition of the term "dividend", as part of the mutual agreement procedure provided under most tax treaties. Nor will this rule apply if the

convention itself contains an exhaustive definition of the term "dividend". In that case, if there is a difference between the definition contained in the convention and that provided in the country's legislation, normally the convention's definition would prevail. Thus, the Bill would not affect the clause, generally designated as the treaty's notwithstanding clause or the incompatibility provision in the enabling legislation for all Canadian tax treaties, which provides that in case of incompatibility between the convention's provisions and the provisions of any other legislation, the provisions of the convention prevail. This rule is consistent with those applied by most other countries when interpreting tax treaties.

Bill C-10 also provides an interpretation rule for non-residents whose business activity in Canada is carried out through a permanent establishment. This rule will make it possible to ensure that non-residents determine their profits from a business activity attributable to that permanent establishment in accordance with the Income Tax Act regulations at the time of determination of income from a business activity. This measure ought to allay any and all concerns raised by the Melford ruling which states that non-residents may indeed claim that the meaning of profits under Canada's tax conventions does not include the meaning as defined in amendments to the meaning of benefits from a business activity under Canadian tax legislation passed after the adoption of the convention. This Bill will ensure that non-residents who do business in Canada will determine their profits the same way as taxpayers who do reside in Canada.

As well, Bill C-10 contains the meaning of certain terms found in most Canadian tax conventions. For instance, the meaning of the term "Canada" will be the same as in the Income Tax Act and specify that the term "Canada" includes the seabed adjacent to the Canadian coast which falls under the jurisdiction of Canada.

The Bill also defines the terms "immovable property" and "real property".

• (1115)

Most Canadian conventions include special provisions on immovable or real property. Generally speaking, they provide that the country where such property is located has the right to tax income from that property, including any capital gain from its sale. Those provisions will make it clear that, as used in the convention, the terms "immovable property" or "real property" refer to any royalty or profit from an interest in the property which, for the purposes of Canada's tax legislation, is considered to be a Canadian mineral asset. Those definitions are in accordance with those included in the new Canada-United States convention.

Finally, under Bill C-10, the preceding provisions will apply, in respect of tax deductions at source for non-residents, to payments made after June 23, 1983 when the former government first announced publicly its decision to introduce legislation on the interpretation of tax conventions in Canada. As for any tax other than the non-resident tax deducted at source, the provisions will apply to taxation years ending after June 23, 1983.

Mr. Speaker, the rules of interpretation contained in Bill C-10 are the same as the interpretation that Canada and the major countries with which it has signed conventions gave to conventions concerning double taxation before the Melford ruling.

Under the provisions of Bill C-10, there will be a standard interpretation of terms and expressions already used in many Canadian tax conventions. In other words, the interpretation will no longer be subject to change on the basis of the ratification date of a given convention. The Bill will also eliminate the need to renegotiate such conventions whenever an amendment is made to the meaning of a term under our tax legislation.

Mr. Speaker, the provisions of Bill C-10 have been the subject of long public debates. It was first introduced as a ways and means motion on July 23, 1983 and, after a few technical changes, on April 4, 1984. Those changes take into consideration the comments made by tax experts. Quick passage of this measure will remove uncertainties which still blur the interpretation of tax conventions.

I strongly urge all Hon. Members, concerned as they are with the efficiency of our parliamentary institutions, to support this Bill so that it may be adopted as quickly as possible.

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I would first of all like to congratulate the Hon. Parliamentary Secretary and my neighbour, the Hon. Member for LaSalle (Mr. Lanthier), for wanting to associate with a Liberal proposal. We have here a Bill that was introduced by the previous Government, and I understand that the Hon. Member is in complete agreement with the intent and the merit of this legislation.

[*English*]

There is not a great deal to say about this particular Bill. It is important in terms of allowing our domestic income tax to conform, on the one hand, to our international obligations and to ensure, as the Parliamentary Secretary pointed out, that when there is an ambiguity or a lack of interpretation, no void is created; and, on the other hand, that international conventions are constantly kept up to date in terms of our current interpretation and the changes we may wish to implement through amendments to the Income Tax Act and laws in Canada.

[*Translation*]

Mr. Speaker, having said this, I would like to emphasize once more that this Bill and others now before the House are initiatives of the previous Government.

I simply want to encourage our friends opposite to tell the Canadian people that some of the Bills passed as a conse-

quence of the budget of the previous Minister of Finance (Mr. Lalonde) were not only acceptable at the time, but are still valid.

• (1120)

[*English*]

In other words, the Budget of last February and the notices of Ways and Means motions which were tabled in this House pursuant to that Budget are obviously in keeping with what this current Government sees as being the requirements of the Canadian economy today. Obviously there will be some departures from the changes during the intervening period. What is significant here is simply that the Government of the day, and I deplore this, tends to be critical, to take positions and make representations in terms of its own rhetoric which are not substantiated by its actions.

Here we have an example of concrete action. It is not a particularly big Bill, but it is important. Again it is a Liberal Bill which was presented to this House as a Ways and Means motion. I would occasionally like to hear from the Government and spokesmen for the Government and acknowledgement of the fact that in nearly every area they are carrying through policies which were introduced into this House as matters of public policy by the preceding Government.

While we hear a lot of rhetoric from this Government in this area and many others, I want to make certain that the Government gradually comes around to ensuring that its rhetoric and actions correspond. If there is one thing that I and other members of our caucus have consistently noticed in the speeches not only in this House but outside this House, whether it be before the New York Economic Club, Chambers of Commerce in Canada or elsewhere, it is that more often than not the rhetoric we hear is not supported by actions. We hear a lot of criticism in this House about the economic policies of the preceding Government, yet the action that we see is the introduction of the same legislation and proposals which were part of the program of the preceding Government. I cite that as simply one more example in which the rhetoric does not correspond to the fact.

The Hon. Member for Brampton-Georgetown (Mr. McDermid) seems to agree with my point. If he does, I hope he will raise it in his own caucus and try to bring the rhetoric and actions of this Government into conformity.

[*Translation*]

Mr. Speaker, first, I would like to congratulate my friend, the Parliamentary Secretary. There is no reason to delay the proceedings this morning and I hope that this Bill will be passed today.

[*English*]

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I too am pleased to have the opportunity to say a few words about Bill C-10 and also to congratulate the Parliamentary Secretary on a very terse delivery, providing us with an overview of the points contained in this Bill, essentially urging us to give some hasty consideration to ensure that this Bill passes as quickly as possible today. I can guarantee him that, as far as our Party is concerned, we will be doing just that.

I remind the House that this whole matter was first introduced in July, 1983 in a Way and Means motion. We have been waiting a long time to deal with something that presumably now requires some urgency. At that time it was also introduced with the indication that there was a necessity for passing this legislation quickly because of a number of problems associated with international tax agreements and understandings. It was brought forward again in the early part of this year and finally today we are dealing with Bill C-10.

Because of previous arguments, we certainly do not plan to provide any type of roadblock for this Bill. Basically it is a technical Bill. It is a Bill that in a sense attempts to approach the problem of the interpretation of international tax treaties and recognizes that, as times change and particularly as tax laws change, the need for updating these international tax treaties becomes rather paramount.

• (1125)

In the last four or five years we have seen a multitude of changes to the tax Act, particularly affecting non-Canadian citizens operating in Canada. They have been wondering and raising concerns with us over the last four or five years about a whole variety of questions. They want to know if they must deal with the tax laws as they are written today or with tax provisions as they existed when the tax treaties were introduced, be that 10, 20 or 30 years ago. There was an ambiguity and Bill C-10 attempts to sort out that ambiguity and provides as a law of the land that income tax laws which apply in the cases of tax treaties are the laws as they exist today and not on the day that the treaties were originally entered into. In a sense, this Bill clarifies for both the corporate sector and individuals operating here and abroad just exactly what tax laws are appropriate.

I suppose it was the Melford decision which brought this issue to a head and brought to the fore a whole variety of problems associated with international tax treaties. With that decision, the need for clarification became very obvious. Therefore, this new Bill C-10 will prevent confusion and disputes arising out of the interpretation of common terms such as "taxable income".

The part of the Bill that is most important in terms of future deliberations is the part which clarifies definitions, such as the definition of Canada. Presumably, many people would not find that definition to be particularly perplexing. However, the territories, the seas, the air space above the territories, the sea-beds and the subsoil resources are in fact categories of that definition which need to be clarified and specified. Bill C-10 clarifies beyond any doubt just what the definition of Canada is for the purpose of various tax treaties.

I would like to say that since July 23 when this issue was first introduced as a Ways and Means motion, we have been anxious to deal with this Bill. We look forward to its speedy passage through the remaining stages.

Mr. Deputy Speaker: Is the House ready for the question? There are no questions and comments for the first three speakers. Does the Minister of Fisheries and Oceans (Mr. Fraser) wish to speak on debate?

Mr. Fraser: No, Mr. Speaker, I do not wish to enter into the debate but I understand that there is a disposition in the House to move this Bill through all three stages.

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

Some Hon. Members: Question.

Mr. Deputy Speaker: Mr. Hnatyshyn for Mrs. McDougall, seconded by Mr. Fraser, moves that Bill C-10, an Act respecting the interpretation of Canada's international conventions relating to income tax and the Acts implementing such conventions, be read the second time and referred to a Committee of the Whole.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and the House went into committee thereon, Mr. Danis in the chair.

• (1130)

The Chairman: Order. House in Committee of the Whole on Bill C-10, an Act respecting the interpretation of Canada's international conventions relating to income tax and the Acts implementing such conventions.

Clauses 2 to 7 inclusive agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

* * *

FOREIGN EXTRATERRITORIAL MEASURES ACT

MEASURE TO ENACT

Hon. David Crombie (for the Minister of Justice) moved that Bill C-14, an Act to authorize the making of orders relating to the production of records and the giving of information for the purposes of proceedings in foreign tribunals, relating to measures of foreign states or foreign tribunals affecting international trade or commerce and in respect of the recognition and enforcement in Canada of certain foreign judgments obtained in antitrust proceedings, be now read a second time and, by unanimous consent, referred to a Committee of the Whole.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into Committee thereon, Mr. Danis in the chair.

The Chairman: Order. House in Committee of the Whole on Bill C-14, an Act to authorize the making of orders relating to the production of records and the giving of information for the purposes of proceedings in foreign tribunals, relating to measures of foreign states or foreign tribunals affecting international trade or commerce and in respect of the recognition and enforcement in Canada of certain foreign judgments obtained in antitrust proceedings.

On Clause 2—*Definitions*

Mr. Waddell: Mr. Chairman, perhaps I missed something. I thought that there would have been a government speaker on this Bill. I know we are now in committee, but I would appreciate hearing a government Member outline for the House the nature of the Bill. I believe that is the normal procedure.

The Chairman: We are now on Clause 2.

Mr. Waddell: I would like an explanation.

Mr. Nickerson: Mr. Chairman, I am rising to make two points. The first point is exactly the point made by the Hon. Member for Vancouver-Kingsway. The Government ought to have someone at hand—and it is normally done at second reading—to tell the House about the Bill. Certainly I would echo the recommendation which came from my hon. friend on the other side of the House.

The second point is a point of order which deals with the reading of the motion. The motion on the Order Paper is to refer the Bill to the Standing Committee on External Affairs and National Defence. After the question had been put, Mr. Chairman, you said that the matter was referred to the Committee of the Whole. I suggest that someone is getting their wires crossed. In order to make this proceeding legal, the House should at some point unanimously adopt the motion saying that the matter should be referred to a Committee of the Whole rather than to the Standing Committee on External Affairs and National Defence.

[*Translation*]

Mr. Gauthier: Mr. Chairman, I simply want to say that we would appreciate hearing the comments of the Government about this Bill, and if I may suggest something in all humility, the House could perhaps adjourn for five or ten minutes to give the Government an opportunity to agree on this Bill so that it can explain it to us.

The Minister of Justice (Mr. Crosbie) tabled this bill and we are going to ask him for explanations on each clause, but there is no one here to reply to our questions. I would like the Government to make arrangements so that we may proceed logically.

[*English*]

Mr. Crombie: Mr. Chairman, as all Hon. Members have had the opportunity to read Bill C-14, I feel that I only have to underline the importance of the Bill, not only to the Government but to all Members of the House and indeed the entire country.

As Members will note at the top of the first page, Bill C-14 calls for the authorization of the making of orders relating to the production of records and the giving of information for the purpose of proceedings in foreign tribunals, relating to measures of foreign states or foreign tribunals affecting international trade or commerce and in respect of the recognition and enforcement in Canada of certain foreign judgments obtained in antitrust proceedings.

Clearly, Mr. Chairman, for too long this country has been suffering as a consequence of not having the Bill in place. I believe the Minister of Justice should be congratulated, at such an early time in his career as Minister of Justice, for bringing the Bill forward. As the Minister has now entered the House, I know he would want to enlighten the House with further details.

Some Hon. Members: Hear, hear!

• (1140)

Mr. Gauthier: The Minister of Justice is in the House. I wonder if he could explain the import of Clause 2 to us, please?

Mr. Crombie: Mr. Chairman, perhaps I could assist. Clause 2, of course, deals with the definitions and I am quite surprised that the Hon. Member would ask such a question. If he has not read the definitions, I query his serious understanding of the Bill.

Mr. Waddell: Mr. Chairman, I would like to ask the Minister of Indian Affairs and Northern Development a question. Under the definitions which he so kindly pointed out to us, a "tribunal" is mentioned. What sort of tribunal did the Government have in mind there? It mentions a court, body or authority, but what kind of tribunal did the Government really have in mind?

Mr. Crombie: The only kind of tribunal which one could have, Mr. Chairman, involves three people. If we wanted to have a "bi-bunal" it would involve two people. It is a tribunal; three people.

Some Hon. Members: Hear, hear!

Mr. Nickerson: Mr. Chairman, it is undoubtedly all right to be humorous for a time. However, this is an important matter. I understand that the Bill has been sponsored by the Minister of Justice, who is now in the House. Perhaps, Mr. Chairman, it would now be possible for the Minister of Justice to give us a proper, non-humorous explanation of what the Bill is all about.

Mr. Crosbie: Mr. Chairman, as the Hon. Member has mentioned, this is a most important Bill and, of course, it gives the lie to the canard that we are helpless in our admiration and love for another foreign nations and will do nothing to protect Canadian interests. This is a Bill which provides the Canadian Government with the possibility of taking avoiding action or blocking action if a foreign power passes legislation or its courts act in some way which interferes with our own sovereignty, or purports to exercise extraterritorial control in ways which might affect Canada.

The previous Government had a similar Bill before the House on several occasions but, as usual, it never got around to passing the legislation. It never had the courage of its convictions. It would not stand up to the United States of America and move the legislation through the House so it never did get to second reading or to Committee of the Whole. Now we have a Government which has the guts and the gumption to pass the kind of legislation which the previous Government threatened for years but did nothing about.

The Bill is a mechanism of last resort. It will come into effect if there are outstanding problems which arise principally from the extraterritorial application of U.S. law which U.S. and Canadian officials cannot handle in a satisfactory manner. We have an antitrust agreement entered into between Canada and the United States. It was signed on March 9, 1984. It provides a useful mechanism to manage problems which may arise from time to time in the antitrust area. That understanding provides for notification whenever U.S. antitrust investigations, or proceedings which affect Canada or Canadian interests, require the seeking of information located in Canada. Once there is notification, that may be followed by consultation.

Although this is a useful mechanism at the political level, it does not resolve the underlying jurisdictional differences. The United States antitrust law has not given up its claim for jurisdiction through what is known as the "effects doctrine". In other words, the United States may hold that a company engaging in conduct outside the United States may be subject to U.S. jurisdiction merely by virtue of the fact that that conduct has or may have some effect in the United States. That is not a doctrine, of course, with which we agree and it causes us problems from time to time. Therefore, we are asking the House to pass this Bill so we will have some muscle to back up our objections.

Another problem which is dealt with in the Bill is the question of foreign subpoenas issued for evidence located in Canada, particularly with respect to criminal matters. We are having discussions with the United States of America which will lead towards the conclusion of a treaty for mutual assistance in criminal matters. It is not concluded yet. That treaty will provide more extensive regular channels for the exchange of evidence between Canada and the United States in criminal matters. That being the case, once that treaty agreement is reached there will be less likelihood of subpoenas being issued in the United States which might have extraterritorial scope which we object to being exercised in Canada.

Another problem with which the Bill deals, Mr. Chairman, is with respect to export controls. I believe we all remember

the Siberian pipeline regulations issued by the United States in 1982 which created problems. The issue here is that U.S. law purports to exercise control over foreign corporations which are U.S.-owned or controlled. We have no objection to having U.S.-owned or controlled foreign corporations investing in Canada. However, we do not want the subsidiaries ignoring our law or our policy and acting only in accordance with U.S. laws which purport to exercise control over subsidiaries in other countries. I think that particular episode demonstrated the necessity for the Government of Canada to have the necessary tools so that we can respond effectively should that be attempted again.

So what does the Bill do? It sets out a framework for Canadian governmental responses to foreign governmental measures or decisions by foreign courts which have unacceptable extraterritorial scope. Yes, we want foreign investment. Yes, we want a better relationship, and we have a better relationship with the United States of America as an example. However, that does not mean to say that we are not going to defend our own vital national interests or our own Canadian sovereignty, and that is what the Bill does. The Bill gives us some muscle to do that. The Bill sets out the framework for us to respond to foreign government measures, or decisions by foreign courts, which we find to have unacceptable extraterritorial scope.

Our domestic laws are not affected until the Attorney General of Canada issues specific orders under the legislation, Mr. Chairman. So the threshold which provides for the exercise of these powers is the opinion of the Government that the foreign measures or foreign court decisions are likely to affect adversely our commercial interests, or adversely affect Canadian sovereignty. The Bill is designed to enable us to protect our own national sovereignty in exceptional cases, after diplomatic efforts have been exhausted and irreconcilable policy differences remain.

I might point out to Hon. Members of the committee that the United States Government is aware of the introduction of the Bill and of the fact that this Bill is going forward. It accepts the fact that we have the right, of course, to ask the House to adopt such measures. I would like to point out as well that other countries—two examples being the United Kingdom and Australia—have passed similar kinds of legislation. In the United Kingdom it is known as the Protection of Trading Interests Act. It was passed in 1980. Earlier this year the Australian Parliament consolidated its legislation in this area which was passed first in 1976. It is called the Foreign Proceedings (Excess of Jurisdiction) Act. The Australian Parliament adopted it with all-Party support. Both the Australian and British legislation resembles the substance of what is now before the committee.

The legislation should be of assistance to our citizens or companies when there is a conflict between our law or policy and the law of a federal state. Where a foreign jurisdiction has a legal apparatus—such as this Bill will provide—enabling the foreign jurisdiction to issue an order that prevents compliance with U.S. law, the U.S. courts will generally recognize this as a legitimate defence, which is known as "foreign government compulsion". We are one of the few countries which has a no legal apparatus at present, Mr. Chairman, to meet the challenge which U.S. court decisions have posed. In other words, those hon. gentlemen who were in power for most of the last 20 years left us, when they left power, with no legal apparatus to meet that challenge. We are meeting the challenge. We have the courage of our convictions to meet the challenge. We have the muscle and backbone to meet the challenge. We do not talk independence and sovereignty and do nothing, as the Liberal Party has done for the past 18 or 20 years. We are acting.

• (1150)

Mr. Dingwall: Crosbie for leader.

Mr. Crosbie: Cries of adulation will not stop me.

Mr. Orlikow: Tell us what will; we want to know.

Mr. Crosbie: The hon. gentleman has me stumped. I do not know of anything that can stop me, Mr. Chairman.

Mr. Waddell: How about an iceberg?

Mr. Crosbie: Before I end, Mr. Chairman, there are three main provisions in the Bill. The three main provisions are Clause 3—

Ms. Mitchell: Say it in French, John.

Mr. Crosbie: Clause trois—

Some Hon. Members: Oh, oh!

Mr. Crosbie: —which permits the Attorney General to issue orders that prohibit production from Canada of documents and related evidence to foreign tribunals which exercise extraterritorial jurisdiction. So Clause 3 is an important clause.

Clause 5 authorizes the Attorney General to issue orders with the concurrence of the Secretary of State for External Affairs. This Bill will be administered, of course, in co-operation with that Department, but under that clause the Secretary of State for External Affairs has to concur, and then an order can be issued to prohibit corporations in Canada from complying with foreign governmental measures with unacceptable extraterritorial scope. To make that provision more effective we can issue orders to Canadian corporations which are foreign-owned or foreign-controlled prohibiting compliance with directives they have received from their parent companies in cases where the parent company tries to implement the foreign government measure by issuing to them instructions.

Under Clause 8 the Attorney General would be permitted, if the House passes this legislation, to issue orders preventing enforcement or recognition of foreign antitrust judgments in Canadian courts where they have exercised unacceptable extraterritorial jurisdiction. The order can relate to either the full amount of the foreign antitrust judgment or to part of it.

As you know, in the United States of America you can get treble damages awarded in a private antitrust action, so the Attorney General might decide to block the enforcement of two-thirds of it. In any event, he can issue a blocking order for all or part of a judgment. Or, if the Canadian party has had to satisfy the foreign judgment in that jurisdiction, they can take action in Canada in a Canadian court to recover the amount paid abroad.

I must apologize for not being here, Mr. Chairman, when the Bill was first called, I was at an important committee meeting. Of course, as we all know, I cannot reveal the secrets of the Cabinet, at least not yet. It may be that in a few weeks' time we can all discuss Cabinet secrets wherever we may be. However, this particular item which affected my home province of Newfoundland was being discussed and I thought there was 10 minutes before the Bill was coming up in the House. But Members are moving so "celeriously" and with such efficiency and dispatch under the new administration that the Bill came up before the 10 minutes expired and I was not here when I should have been. I noticed the Minister of Indian Affairs and Northern Development, in his usual capable manner, and being used to dealing with various jurisdictions across the country, was doing a splendid job. It is very appropriate that the Bill provides blocking orders because he was blocking for me down here.

If we enact this legislation, Mr. Speaker, the Government will have the kind of mechanism which will enable us to be effective in responding to foreign measures with unacceptable extraterritorial scope. As I say, similar legislation was prepared by the previous administration but it did not go through the House so I hope this Bill will be passed expeditiously. There are no current controversies under way at the moment, but in the past we have had several areas of considerable controversy where the United States in particular had taken some action with extra-territorial application in Canada and with which we have not agreed. So if Hon. Members pass this Bill we will have blocking mechanisms and will be able to support the principles we espouse with effective action. It points up the fact that while we are very keen on improving our relationship with the U.S., that does not mean to say that we are not Canadians first, last and always or that we are not concerned about Canadian sovereignty or our own country. We are Canadians first, North Americans next, citizens of the world after that and, of course, some Hon. Members go further than that and say we are citizens of the universe.

I have pleasure in asking Hon. Members to support the Bill and if there are any questions that I can attempt to answer, I will.

Mr. Waddell: Mr. Chairman, I know the Minister wants the House to proceed "celeriously"—

Mr. McDermid: That is easy for you to say!

Mr. Waddell: —on this matter. Sorry, I only know the French translation for that, not the English word!

Would the kind of situation the Minister has in mind be something like this? Suppose a number of industries come to Canada as a result of Investment Canada. The American Congress or a tribunal or court makes a judgment in the future that American companies are not to trade with, let us say, Nicaragua. Does that mean the Canadian Government under this Act could force the Canadian subsidiary not to obey the American court or tribunal?

Mr. Crosbie: The answer is yes, the Bill provides the power to the Government to prevent a situation where the foreign parent instructs its Canadian subsidiary to take action or not take action which is contrary to our own policy. For example, if the foreign parent instructed the Canadian subsidiary not to trade with Nicaragua but it was Canadian government policy that we should have normal trade relations with Nicaragua, then yes, we would be able to act and prevent the subsidiary from carrying out that instruction.

Mr. Waddell: That does not go so far, though, as to require the subsidiary to trade? The subsidiary could still adopt the policy of its parent without really stating that as a policy?

Mr. Crosbie: If there was any conflict between the Canadian law or policy in that situation with the foreign law or policy, our law or policy would be pre-eminent. Yes, they would have to trade or do whatever they were doing. Supposing they were already trading, if that company did not do business with Nicaragua, then I do not think we would say you have to do business with Nicaragua. But if they were already doing business with them, then they would have to disregard their parents' instruction not to do business with them.

[*Translation*]

Mr. Malépart: Mr. Chairman, it is truly embarrassing to see what the Government did this morning faced with a piece of legislation which is relatively serious and important, and I can understand that the Government backbenchers would be tempted to blush when they saw what happened. I also understand their complaints. They are ashamed of what happened and do not want us to talk about it. I therefore understand why they are moaning.

Mr. Chairman, the Minister responsible was not here; even though the Minister of Indian Affairs (Mr. Crombie) really tried to save face, we could see that the Government is not serious about this Bill. As usual, the Minister of Justice (Mr. Crosbie) thought he had to give us a show and said that the previous Government had lacked courage. The previous Government tabled this Bill, and he, in his great wisdom, has suddenly had the courage to have it adopted. First, we could criticize his delay, his absence and his lack of knowledge about this Bill. I would like the Minister to tell us, clause by clause, what changes are contained in this Bill compared with the one tabled by the previous Government.

• (1200)

[*English*]

Mr. Crosbie: Mr. Chairman, there are no important changes of principle in this Bill, as I said when I spoke on the Bill. The difference is that we are asking the House to pass the Bill while the last administration never got around to doing that over a period of four or five years. There are no important changes in the Bill.

[*Translation*]

Mr. Lapierre: Mr. Chairman, I would like first to comment on the suggestion made by the Minister of Justice (Mr. Crosbie) that the previous Government lacked courage. I would remind him that the American extraterritorial legislation only came into force a few weeks ago. And I do not see why one should hurry before . . . I believe the previous Government introduced the bill intending to negotiate an agreement with the American government and ask them to withdraw the offending provisions in their own legislation, their own omnibus bill.

Besides, it is my view that the Minister of Justice (Mr. Crosbie) should entertain a better historical perspective of the debate on extraterritorial involvement, rather than bragging about having solved a major issue single-handed. What he did was to recognize that the Americans could still have extraterritorial measures written in their statute books. And instead of enjoying their honeymoon and their increasing friendship with the Americans, and instead of asking them to withdraw such unacceptable measures, he sulks and says: Well, we will have in our own legislation the theoretical means to oppose the tendency of the Americans to meddle in the affairs of their Canadian subsidiaries.

But in fact, Mr. Chairman—and this I would like to hear from the Minister of Justice (Mr. Crosbie)—this is all very well between lawyers, and they could always say that it is in the law books. But in actual practice, even if the Canadian Minister of Justice says: American courts have no jurisdiction over subsidiaries in Canada, there is no reason to comply despite what the American head office might say.

Mr. Chairman, you know very well that one day the head office will get to its little Canadian subsidiary if it does not comply. And in my view, the problem is a lot more serious than what is implied by the Minister of Justice. I think the problem will be of increasing relevance in the coming months and years, once the American legislation is implemented, and there will be judgments with extraterritorial findings, and the only answer the Minister of Justice will be in a position to offer will be that Bill.

But to be practical, Mr. Chairman, the Minister of Justice should have ensured that the United States will withdraw such a claim to extraterritorial action, rather than simply relying on that legislation. And I gather that the previous government had introduced the Bill to pave the way for negotiations. But when the American legislation was passed, our friends opposite were happy instead of opposing the extraterritorial claims of the Americans.

I remember, Mr. Chairman, there were receptions at the Canadian Embassy in Washington, and there our representatives suggested they had achieved a great success. Well, if that had been such a success, we would have no need for this legislation, because the Americans would have been really pressured by their so-called friends opposite into withdrawing their extraterritorial claims. Why do they need laws in their books giving them the power to go sneaking abroad? And the response of the Minister of Justice (Mr. Crosbie) does not amount to very much under these circumstances. I do not understand. I hope his position involves more than that. I hope our Secretary of State for External Affairs (Mr. Clark), instead of consultations with the Minister of Justice, will have consultations with the American Secretary of State to ensure that Canada will never submit to the American extraterritorial claims.

Strictly speaking, this response is definitely not good enough in my opinion, and I would like to know what are the views of the Minister of Justice (Mr. Crosbie) on this. Is this his final response to the United States' extraterritorial claims, or is it strictly part of the negotiation, or has he already thrown in the towel?

[*English*]

Mr. Crosbie: Mr. Chairman, I really cannot see how these comments require an answer. At the moment the position is that the Government has no legal weapons with which to block attempts by foreign countries to pass laws or use the courts in ways that have an extraterritorial effect here in Canada.

As a result of the passage of this Bill, the Government will have means by which to do that. Furthermore, at the present time there are no immediate issues that require us to have these particular powers; therefore, this is a very good time for the legislation to be passed, when there is no current controversy under way. We will therefore be reay if one does arise.

In the meantime, as I said in my earlier remarks, negotiations are going on in connection with the mutual treaty between Canada and the United States so that we can more effectively exchange information and evidence in the criminal area. Constant discussions are under way so that the problems will not arise. I hope that we will not have these kinds of problems in the future. If we do, this Bill will provide us with the means to take action to ensure that the extraterritorial effects to which we are opposed cannot occur in Canada.

[*Translation*]

Mr. Lapierre: Mr. Chairman, the Minister of Justice (Mr. Crosbie) has not stated his position. Is it the Government's position at this point that it should let the sword of Damocles that hangs over the heads of all the American subsidiaries in Canada stand in the American statutes? Is the Canadian

Government opposed in principle and in practice to the extraterritorial provisions of the American Act? Does the Government intend to keep on demanding the withdrawal of the provisions in the omnibus bill, or is this his final answer? Will they keep on demanding that withdrawal, or will they simply respond with a kind of legislation that in the final analysis, will not prevent in practice the subsidiaries from crawling under the whip and control of the American head office?

[*English*]

Mr. Crosbie: Mr. Chairman, I must say that it is a bit confusing. If one could understand what the hon. gentleman was trying to get at, one could answer his question but it is a very muddled proposition. The hon. gentleman's question is quite muddled, but let me attempt to answer it. We have no power and no authority to stop the United States of America, the United Kingdom, the European Common Market or any country from passing laws that they wish to pass. However, we can object to certain laws if they have an effect on us that we find objectionable, if they attempt to have an extraterritorial effect on Canada, its citizens or corporations in Canada, or if they attempt to exercise some kind of control over subsidiaries of their corporations in our country. We can object to that and have done so in the past.

Now we are asking the House to give us some effective means of acting to prevent those effects from being carried out in Canada. This will be more effective than protesting and telling the United States or whoever that we do not want them interfering or instructing their subsidiaries in Canada to do things that are those countries' policies but are contrary to Canadian Government policy. We will have an effective means of stopping that and that is what the Bill provides.

The evil about which the hon. gentleman is concerned is one that we can address if this legislation is passed. We can effectively put an end to it rather than just protesting to the United States or other foreign countries. We will also have a means of blocking the consequences of the action in their own country. That enhances our sovereignty, which is our national identity. That is why we are asking the House to pass this Bill.

• (1210)

[*Translation*]

Mr. Lapierre: Mr. Chairman, what I am asking the Minister of Justice (Mr. Crosbie) is this: Is it his view that the American extraterritorial claims are legitimate, yes or no?

[*English*]

Mr. Crosbie: Mr. Chairman, I suppose in the eyes of the United States they are legitimate. If we thought they were legitimate, then we would not be asking the House to pass this legislation. We believe companies that operate in Canada should obey Canadian law and policy. If Canadian law and policy is different in some respects from that of the United States, the United Kingdom, or France, the company, no matter where it is owned, has to comply with Canadian law and policy. This Bill gives us some muscle to ensure that they do that.

[*Translation*]

Mr. Lapierre: The Minister of Justice (Mr. Crosbie) has just said he does not consider them legitimate. Now, does he intend to let the Americans go on like this or is he going to continue to pressure them to remove them from their books? That was the position taken by the previous Government. We were saying: We are not only prepared to introduce a Bill to block the extraterritorial effect, but we also want you to withdraw the amendment. And that is what I am asking the Minister of Justice (Mr. Crosbie). Does his answer apply strictly to his own Bill or is he going to continue pressuring the Americans to withdraw the offensive provisions from their legislation? That is what I am asking the Minister of Justice (Mr. Crosbie).

Like the Americans, we all remember the debate on the "back-in". They not only considered it illegitimate but they also asked the Government at the time to withdraw it. It is the same thing. Does the Minister think it should be allowed to stay on the U.S. statutes? Mr. Chairman, we all know that whatever the Minister of Justice (Mr. Crosbie) says, if he protects branch plants of U.S. companies by means of his Bill, the parent company will get them some other way. His own leader has always taken his orders from the United States. Even if the Minister of Justice of Canada had told him not to listen to the United States, everybody knew his job was on the line. It is the same in all branch plants. What I am asking the Minister of Justice is basically: Does his Government intend to go on pressuring Washington to remove offensive provisions from U.S. legislation on extraterritoriality?

[*English*]

Mr. Crosbie: Mr. Chairman, we believe it is wrong for the United States or any other country to pass laws that have extraterritorial effects in other countries. We will make that position clear to them whenever it arises in the future. In addition to making that position clear to them, if this legislation had passed the House we would have had some effective means of blocking what they are attempting to do. We cannot dictate, of course, to the United States Congress or the United States Government what kind of laws that country will have. We cannot dictate to their courts. We cannot force the Americans to change. We cannot force American courts to change their interpretations. But when it comes to Canada, with the help of this legislation we will have an effective means of blocking their attempts to have extraterritorial authority here in Canada. That is the whole purpose of the legislation.

[*Translation*]

Mr. Lapierre: Mr. Chairman, the Minister of Justice is throwing in the towel and saying that this Government has no influence on the American Congress. On the other hand, have the United States and the American Government had any influence on this Government, for instance as far as the National Energy Program is concerned? This Government is

on bended knees before the American Government. For Pete's sake, Mr. Chairman! We had the example of the back-in provision under the National Energy Program. We are well aware that the American Government and big American companies influenced this Government, but what I am asking is whether this Government has any influence on the American Government since they are supposed to be such great friends. Will this Government make use of this great friendship or is it just a one-way friendship which allows the Americans to ask what they want while we have to protect ourselves with this little Bill C-14?

We have no authority or influence on the American Government. This is what the Members opposite say in their bill: We are going to resist as well as we can, even though it might be uncalled for; we shall accept that this legislation remain as the sword of Damocles over the heads of the administrators of American branch companies in Canada, because the Act will still exist. Mr. Chairman, I do not understand why the Minister of Justice and Attorney General of Canada (Mr. Crosbie) and the Secretary of State for External Affairs (Mr. Clark) do not have more guts not only to protect themselves before this House, but also to go to the United States and advise them of the situation.

Instead of just saying nice things when he made his speech in New York, I think the Prime Minister of Canada (Mr. Mulroney) should have said: "Of course, we are open for business, but there are some things that we find unacceptable, and one of them is extraterritoriality." Otherwise, his approach to Canada-US relations may be simply what he has done in the past, which is to keep the Americans happy and follow their orders. This is what the Minister of Justice (Mr. Crosbie) seems to be doing.

[*English*]

Mr. Crosbie: Mr. Chairman, if the hon. gentleman does not like this Bill, let him vote against it. If the hon. gentleman does not want to give Canada some muscle to deal with attempts by foreign countries to impose legislation with an extraterritorial effect on us, then I say to him that he should vote against the Bill. Let him show his true colours. That is all he has to do. We do not just talk a great game. We are not the Government that has been in power in Canada for most of the time since 1945. We were not the Government that came into power at a time when Canadian trade with the United States was not what it is now. It has now increased from something around 60 per cent of our foreign trade to 75 per cent. It was under the hon. gentleman's Government that we have become so dependent for our prosperity on the United States of America. But we are better at managing the relationship than the Liberals were. Even though we can get on much better with the Americans, we are still going to adopt, if the House and the majority agree, legislation that will give us some powers to counteract any of their attempts to impose legislation with an extraterritorial effect on us.

As far as the American attitude toward Canadian policies in energy or whatever is concerned, they did not attempt to pass any legislation with an extraterritorial effect. We agreed with many of the points they made. The hon. gentleman's Government wrecked the oil and gas industry of Canada because of its stupid and obtuse policy. The Liberal Government brought an industry in western Canada that was leading the country in economic growth and prosperity to its knees with its stupid confiscatory, retroactive legislation, a retroactive back-in and all the rest of it. We are still suffering the ill effects of that.

Mr. Waddell: The retroactive back-in was not in Alberta.

Mr. Crosbie: The retroactive back-in was in federal lands.

Mr. Gauthier: Canada Lands.

Mr. Crosbie: The answer to the hon. gentleman is to put his money where his mouth is, vote for the Bill and let us get this legislation under way.

Mr. Kaplan: Mr. Chairman, Members in my own caucus do intend to vote for this Bill. This legislation is virtually identical to legislation introduced on the Order Paper by the former Government. If the Opposition of that day had been as constructive and positive as the Opposition of this day proposes to be, this Bill would have been legislation many years ago.

Some Hon. Members: Oh, oh!

Mr. Kaplan: There is something more to it than that, Mr. Chairman. It is not good legislation to bring forward when an antitrust action is proceeding before the courts in the United States against some entity and orders are being delivered across our border for implementation against interests which can be affected by the Government of Canada. Occasionally in the past, to my recollection as a Parliamentary Secretary and then as a Minister, some of the times when it was convenient to bring the Bill forward because of the parliamentary timetable, it was not exactly appropriate to bring it forward because of ongoing litigation initiated by the American Government.

I take it that the legislation is being brought forward by the Government now, although the Minister may not know it, because it is perhaps a quiet time in the antitrust field in the United States. This may well be a time when the legislation can be brought forward without reflecting upon any particular litigation or the activities of any particular corporation. I am glad to hear that this is a quiet time. In that spirit I am prepared to see the legislation move forward.

• (1220)

I wish the Government were bringing forward some of its own legislation. I know its Members were elected with very great expectations. It surprises me somewhat that they began by bringing forward Bill after Bill introduced by the former Government rather than the legislation which they should have considered as being part of their own mandate.

For example, I read about the Minister's trip to Newfoundland to meet with his counterparts from the provinces and the statement that he would get serious about drunk driving. Not only speaking for myself and my colleagues but I am sure for all Members of the House, if the Minister had been serious about it, as he said he was to the media, perhaps he would have brought that legislation forward in time for it to come into effect for Christmas or New Years, for all the parties which precede the holiday season when the risk of drunk drivers is a serious problem.

The Chairman: I would ask the Hon. Member to be relevant to the Bill, please.

Mr. Kaplan: I felt that I could be as relevant as the Hon. Minister was in his own remarks. Recently—

[*Translation*]

Very recently, the Minister appeared before one of the Committees of the House, and he promised to table his bill, which he called a mini-omnibus bill—

[*English*]

He promised a mini-omnibus Bill. Perhaps it should have been called a "minibus" Bill rather than the mini-omnibus Bill he promised for today. That was the Bill in which I was expecting the drunk driving legislation to appear. Perhaps I am less relevant to the subject of the Bill. However, I am relevant to the day on which the Minister said that he would be bringing forward legislation on that subject.

I note one amendment to the Bill from the form in which it was brought forward by the former Government, and that is that orders emanating from tribunals of states were covered by the legislation of the former Government. In addition, this legislation covers in a way which is totally acceptable to us orders which emanate from international bodies composed of states. I am sure this is done in recognition of the growing significance of international courts in various parts of the world whose orders might otherwise be imposed against Canadian interests.

I thank the Minister for bringing forward this legislation for enactment. It was a measure introduced by the former Government. At the same time I urge him to start living in the future and to start delivering some of the legislation which Canadians must be expecting as a result of the election.

[*Translation*]

Mr. Waddell: Mr. Chairman, I have a question about clause 8, but it would probably be better for me to wait until we get to it.

[*English*]

Mr. Nickerson: Mr. Chairman, when one with a suspicious mind reads this Bill, the possibility that the Government might be trying to reactivate the uranium cartel springs to mind. I hope that would not be the case. With our present House Leader, who is very vocal on that issue, I suspect that is not to be the case. Anyway, we now have a legal way of enforcing the gag order should the occasion arise.

I have a couple of questions. I will ask the first one first.

An Hon. Member: That is a good idea.

Mr. Nickerson: If circumstances were to be in reverse and if a Canadian court ordered a Canadian corporation to present certain documentation with respect to its activities in, say, Australia and perhaps the Attorney General of Australia under the authority of legislation such as this issued an order prohibiting that from being done, would it be a defence in a Canadian court that the corporation would not be able to provide the required documentation because of the order given by the foreign Government? Would it work in reverse?

Mr. Crosbie: Mr. Chairman, I am not sure whether I understood the Hon. Member's question correctly. The Canadian courts and the Canadian Attorney General have jurisdiction over Canadian companies in Australia. They will have jurisdiction over companies which are resident in Australia. They will have the power to make orders which apply to companies within their jurisdiction.

Mr. Nickerson: Perhaps I did not explain my question well enough. In the initial presentation of the Minister of Justice, he said that it was a defence in courts in foreign lands, where a person was ordered to present certain documentation, to say that because of an order issued in another country it was not available and he was not at liberty to present that information. I wonder whether that is the case in Canada. For instance, we were told that both Australia and Great Britain have similar legislation. There are many Canadian companies operating in Australia. If a Canadian court required a Canadian company operating in Australia to bring forth documentation relating to its Australian operations and it was prevented from doing so by an order issued by the Attorney of Australia, would that be a good and adequate defence in a Canadian court?

Mr. Crosbie: Mr. Chairman, I will have to make sure of my reply later, but my tentative opinion is yes. When I was speaking I pointed out that United States courts recommend as legitimate defences what they call foreign government compulsion. If we make an order here or such an order is made in Australia, it will be recognized in the U.S. courts. I will have to check to make sure about Canadian courts. I will get the Hon. Member the answer later when I have had a chance to check with the necessary experts in the Department.

Mr. Nickerson: Mr. Chairman, I shall deal with my second question secondly. I am pleased to see under Clause 9 of the Bill that where a judgment is made in a foreign court against a Canadian corporation resulting from an order issued under this legislation and damages are awarded—

The Chairman: I believe the Hon. Member is asking a question about Clause 9. Could I ask the Member to wait until Clause 9 is before the committee for consideration, if it relates to Clause 9?

Mr. Nickerson: It relates to Clause 9 and to other parts of the Bill. I thought it would be an opportune time to raise it

under general discussion because it might overlap other clauses of the Bill. I might as well be given an opportunity to do it now and I will not raise it again under Clause 9.

When damages are awarded, there will be a recourse in Canadian courts against the person who collected damages in a foreign court. I am pleased to see that. However, a question springs to mind. What happens when a foreign court or tribunal fines a corporation for not complying with the wishes of that court or tribunal? What happens if a corporation is fined the equivalent of $10,000 Canadian, as mentioned in the Bill under the penalty clause, because of an order issued under this legislation? Is there any recourse that Canadian personal corporations might have against the Government of Canada on account of actions of the Canadian Attorney General where they have been found remiss in a foreign court and had to pay those damages or maybe even spent time in jail?

• (1230)

Mr. Crosbie: Mr. Chairman, I do not believe so. This clause would permit you to recover damages paid, but I do not think it would cover fines imposed, say, by a U.S. court because those fines would go to the U.S. Government or the state government. I do not think this legislation deals with that. It would only enable you to call back, as the phrase has it, a damage award or part of it.

The Chairman: Shall clause 2 carry?

Some Hon. Members: Agreed.

Clause agreed to.

Clauses 3 to 7 inclusive agreed to.

On Clause 8—*Attorney General may declare certain foreign judgments not to be recognized or enforceable*

Mr. Waddell: Mr. Chairman, the Minister of Justice will know that I wanted to ask about this clause. I will read the beginning of clause 8:

(1) Where a foreign tribunal has, whether before or after the coming into force of this Act, given a judgment in proceedings instituted under an antitrust law and, in the opinion of the Attorney General of Canada, the recognition or enforcement of the judgment in Canada has adversely affected or is likely to adversely affect significant Canadian interests in relation to international trade or commerce involving a business carried on in whole or in part in Canada or otherwise has infringed or is likely to infringe Canadian sovereignty, he may—

Then there are a number of paragraphs as to what the Minister of Justice may do, including declaring that the order shall not be enforceable in Canada, restricting the money judgment. As the Minister of Justice said, you can get triple damages in antitrust actions in the United States. He might want to restrict that damage amount as it applies to Canada.

The Hon. Member for Western Arctic picked up on my question. I am wondering about the use of this clause to block, and I will quote the words of the Member for Western Arctic: "We now have a legal way to enforce gag orders if the occasion arises". He was referring to the problems with the uranium cartel. In the Minister's view, could this clause be used to block American antitrust actions that would have indirect effects in the Canadian uranium cartel, recognizing that in the United States they really do pursue antitrust actions, unlike Canada? They had been after the Canadian uranium cartel, which the previous Government had gone to incredible lengths to gag and to bury, so much so that the then Leader of the Opposition, the Right Hon. Member for Yellowhead, took legal action in the Canadian courts.

Do the Member for Western Arctic and I just have suspicious noses or is there really a possibility of using this to stop antitrust actions that would apply to Canada and put the gag once again on the kind of secrecy with which we shroud the nuclear industry in Canada?

Mr. Crosbie: The answer is no, Mr. Chairman. The gag so-called was a domestic Canadian action that was taken. It has no relationship to that. This simply deals with the consequences of someone paying a judgment in the United States regarding anti-combines. It has no connection with what used to be known as the gag order that prevented the publication of any of those documents or whatever. It is unrelated to it.

Mr. Waddell: Mr. Chairman, the clause also says "Where a foreign tribunal has, whether before or after the coming into force of this Act". Is the Minister aware of any cases that would be affected by this Act, because it would apply retroactively to cases that may be affected by this clause?

Mr. Crosbie: There are none that I am aware of, Mr. Chairman. There are none that have been brought to my attention. It is always possible there could be some, but I can only answer no, not as far as I have any knowledge of them.

The Chairman: Shall clause 8 carry?

Some Hon. Members: Agreed.

Clause agreed to.

Clauses 9 to 11 inclusive agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported.

Mr. Speaker: When shall the Bill be read the third time? By leave, now?

Some Hon. Members: Agreed.

Mr. Crosbie moved that Bill C-14, an Act to authorize the making of orders relating to the production of records and the giving of information for the purposes of proceedings in foreign tribunals, relating to measures of foreign states or foreign tribunals affecting international trade or commerce and in respect of the recognition and enforcement in Canada of certain foreign judgments obtained in antitrust proceedings, be read the third time and passed.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I just wish to make a couple of remarks before the Bill goes through. I think it should go through. This is an interesting

debate. The Minister of Justice (Mr. Crosbie) alternates between a buffoon and a statesman. I do not know which role I prefer, probably the statesman.

I congratulate the Minister on finally dealing with the Bill and also the Minister of Indian Affairs and Northern Development (Mr. Crombie). It is always a pleasure to hear him in the House. I know this Bill was a tall order for him, but he made short work of it.

Something that came up during debate on the Bill that I would like to talk about for a second is the matter of extraterritoriality. This Bill is a bit of a counterweight to the Government's efforts to open ourselves completely to foreign capital. We have seen this in Parliament in the past week with the changing from FIRA, an agency to look at foreign investment and make sure it was in Canada's interest in terms of jobs, research and so on, to a new agency called Investment Canada whereby we are wide open to foreign investment, too open in my view. Obviously the Minister of Justice disagrees with me.

● (1240)

In his remarks, the Minister mentioned that Members were trying to give examples of extra-territoriality and the difficulties that would be caused. I am not an expert in this area, but I know that in the area of energy, an area about which I know a little bit, the United States could pass emergency energy legislation during an oil crisis or could even pass legislation that anticipates an oil crisis. There could be difficulties in the Middle East or the Gulf states and Exxon, a large multinational corporation, might divert, as it once did in the past, oil that was bound for its subsidiary company, Imperial Oil of Canada, Canada's largest oil company, to the parent company in the United States. That is a broad example of extra-territoriality. Under this Bill, there is not very much that we could do about that. If Exxon were to ship its oil that was bound for Canadians to the United States, then perhaps we could do something about it on the order of an American tribunal.

I brought that example up to show why we in the NDP feel the way we do. However, we are not anti-American and the Minister did not say that we are, although I have heard it bandied about the House. We feel very strongly that we must be careful because we do not have an equal relationship with our great friends in the United States. The United States is a huge empire and we have become and are becoming more and more its colony. There was a book written by Arthur Lower, I believe, entitled *Colony to Nation*. It is a standard Canadian textbook on Canadian history and politics. It depicts how Canada has moved from a British colony to a free and independent nation. I am afraid that we are going to move from colony to nation to colony. I think that is the danger in the thrust of the Government when it says "ready, aye ready" to the Americans.

In the early part of the century, Arthur Meighen, a previous Conservative Prime Minister, said "ready, aye ready" to the British. The Conservative Party was a Party that wanted to keep Canada a British colony. The progressive forces in this country fought and won the battle and made Canada a nation. I would not like to see us go back to the regressive forces of the country as represented by an element of the Conservative Party which is saying "ready, aye ready" to another colonial power, the United States.

Mr. McDermid: You guys are paranoid.

Mr. Waddell: I do not think we are paranoid. The whole thrust of Canadian history has been to fight for an independent country. Indeed, that is the whole point and I will sit down now. The whole point of this Bill is to try to make sure that American laws that apply extra-territorially do not apply to Canada.

I am saying to the Government that we support this Bill for the reasons indicated by the Minister of Justice and for the reasons I have just indicated, but I would warn the Minister of Justice, in his capacity as a statesman, to be careful. As Tommy Douglas once said, when you are dealing with the Americans, it is like having the elephant dancing among chickens; every fellow for himself. They are a little bigger than we are. We do not need to be paranoid, afraid or anti-American but we do need to be careful and we have to make sure that we do not become an American colony just like we were a British colony in the past. I will conclude with those remarks and with the hope that Bill C-14 can pass through the House today.

[*Translation*]

Hon. Jean Lapierre (Shefford): Like my colleague who has just resumed his seat, Mr. Speaker, I am pleased to rise at the conclusion of this debate and say to the Minister of Justice (Mr. Crosbie) that the fact that he has introduced this Bill in the House and that Hon. Members unanimously support it reveals to what extent Parliament is fully aware of the danger that a country such as the United States may represent for the interests of Canada. I should think that, during the short debate today, the Minister of Justice must have realized just how much the messages sent to the Americans by his leader must always be dispatched with some reservations in his mind. He must be made aware that his good faith—and I am convinced that his leader is full of good faith—might cost a bundle to Canada if he is being overly naïve. As we are debating extraterritoriality today, we know full well that, on the part of the United States, it has definitely been a lack of respect for Canadian sovereignty over our own land. No Member of the House would ever stand still before anyone encroaching on Canadian sovereignty, and I am pleased the Minister of Justice (Mr. Crosbie) has finally introduced the Bill for adoption by the House.

I would suggest, however, that this prudent approach will have to be maintained in the future. I rather doubt that the leader of the Minister would ever want to become governor of the State of Canada. Keeping in mind that no one wants to become a governor or a servant knight, his party, ours and the New Democratic Party will have to be ever wary of any American move.

I hope as well that this era of allegedly warm friendship will indeed prove to be productive for Canada. We will have to remember that every time a measure is adopted, and I am thinking, among other things, about markings on steel pipes, something which may very well be to the detriment of Canada's industry. There is a series of other measures, and every day I see colleagues opposite who are interested in the pork industry for instance. But they very well know what is going on in the United States, and with that kind of discrimination they intend to handle Canadian pork. I could give dozens of other examples. I hope this legislation is the first in a series that will be introduced to ensure that our Canadian identity remains intact. Unfortunately, if the cultural aspect is any indication of that after the signals we have been getting these last few days, I am somewhat doubtful as to the preservation of an economic identity, let alone a cultural identity. And in that sense, I think that the legal and economic identity can be maintained, although this is a theoretical debate in my view because in fact the American influence on those subsidiaries stretches beyond judicial influence, and is a moral and financial influence that is more powerful than anything the Minister of Justice could do. But anyway this is a favourable signal, and I hope the Americans will perceive it as an opposition to any attempt at intervention in Canadian law and Canadian business.

Therefore, our party is very pleased in the first place, to have introduced the measure some years ago. But the fact that the discussions have not led to any withdrawal of the American extraterritorial claims is a great disappointment to us. Because in relations that are supposed to be serious, finally having to pass such a legislation certainly goes against a spirit of open trade, good relations and friendship. I think that when you shut the door in your neighbour's face, it is not necessarily a sign that you are getting along very well with him. In that sense it is a sad thing that we have to enact such a legislation, and I hope that this new friendship with our American cousins—philosophical cousins of course—will help us set aside such measures that are not very good for our relations. But anyway, we must remain firm if we do not want to be had in those relations.

And as my colleague from Vancouver-Kingsway (Mr. Waddell) suggested earlier, this is an unbalanced relationship and to that extent, we must be doubly careful. Moreover, I am convinced the Minister of Justice (Mr. Crosbie)—not that he wanted to get the credit for the legislation—is admitting with this Bill that negotiations between his Government and the American Government have failed, and that he had to resort to such a measure because he could not convince the Americans to withdraw the provisions in their legislation that were unacceptable to the Canadian Government.

I am sorry that the Minister of Justice (Mr. Crosbie), the Secretary of State for External Affairs (Mr. Clark) and the Prime Minister could not convince the Americans of our legal sovereignty. This is a bad start. However, he has honestly recognized his error, his failure to convince the American Government, and he has finally introduced this legislation. We are happy to support it in the hope that in the future those special relations will preclude the need for similar bills, for the reason that, not the equality but the mutual respect of our two countries will be maintained. At any rate, it is not by kneeling before the Americans that we will achieve this in my view.

• (1250)

[*English*]

Hon. John C. Crosbie (Minister of Justice): Mr. Speaker, I will not speak at any length, except to say that I remember reading Mr. Lower's book *Colony to Nation*, and one of our problems is that some people still have the fears that they had when Canada was a colony. Today we are a nation and I believe that we have less to fear.

The most important relationship in the world for us to manage is the one between the United States and Canada. It is largely a matter of attitude. At the moment there is a very healthy relationship between Canada and the U.S., but that does not mean that there will not be conflicts and differences of opinion, particularly in some of the areas which the House has been discussing. That is why this legislation is needed.

We are asking the House to pass this Bill in the absence of a crisis or a battle concerning the particular areas in which problems could arise at any time. We are satisfied that Canada will have a productive relationship with the United States in the next few years. It is a relationship which will benefit both countries. We are Canadians first, last and always. The passage of this Bill will serve to remind people of that. I thank Hon. Members for their contributions and their support for the Bill.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I have no intention of letting some of the remarks which were made by the Hon. Member for Vancouver-Kingsway (Mr. Waddell) go unchallenged. When it comes to nation-building, if the Hon. Member would consult his history books he would find that it was Members of the Progressive Conservative Party—gentlemen such as John A. Macdonald—who did more than anyone else to create the nation of Canada.

I have a couple of comments with respect to the Bill. My first comment deals with the penalties which can be imposed under the Bill—a maximum $10,000 fine under indictment and $5,000 on summary conviction. It would appear to me, in light of some of the transactions and commercial dealings which might be involved under this Bill, that hundreds of millions of dollars, if not billions of dollars, might be involved. That small fine probably is not large enough. Possibly at a future occasion the maximum fines which can be imposed by this Bill could be increased. At the same time, we may want to examine the length of the maximum prison terms. They seem to be somewhat excessive.

The Bill is being passed by the House today because of the extraterritorial jurisdiction claimed by other nations with which we do not agree. If we look at subclause 7(2) we will

find that we are not entirely lily white in this respect. The subclause to which I have referred would give Canadian courts jurisdiction over offences under this Bill which are not committed in Canada but outside of the Canadian territorial jurisdiction. It may require the United Nations or some other international body to examine closely the extraterritorial claims of various nations. I can envision a case in which a corporation or an individual may be caught in between the two—can be fined by one side for not complying with the regulations of another country and vice versa. It may require an international organization to examine the extraterritorial claims of jurisdiction to try to bring some order to what could conceivably become a rather difficult situation.

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

Some Hon. Members: Question.

Motion agreed to and Bill read the third time and passed.

* * *

[*Translation*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed, from Wednesday, December 12, consideration of the motion of Mr. Stevens that Bill C-15, an Act respecting investment in Canada, be read the second time and referred to the Standing Committee on Regional Development.

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): As it is nearly one o'clock, Mr. Speaker, may I call it one o'clock?

Mr. Deputy Speaker: Order, please! It being one o'clock, I do now leave the chair until two o'clock.

At 12.56 p.m., the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

CANADA POST CORPORATION

SERVICE REDUCTIONS IN PRINCE EDWARD ISLAND

Mr. George Henderson (Egmont): Mr. Speaker, the Conservative Government recently announced cut-backs to postal services in Prince Edward Island. While the post offices are small, the impact is not.

S.O. 21

I would like to read to this House a letter I received from one concerned Islander. It states, and I quote:

> The Victoria Village Council, on behalf of the residents and established businesses of Victoria and the surrounding community, vigorously protest the reduction of working hours of the Victoria post office.
>
> The post mistress, Annie Craig, is a 60-year old widow with no other means of employment. This is her only source of livelihood. It is regrettable that government restraint can deprive people who have worked, raised a family and contributed to the welfare of the province, of maintaining a meagre living.
>
> We trust you will use your influence in this situation and work on our behalf to retain Victoria post office at its present status.

Canada Post also announced cut-backs to the Richmond, Lennox Island, and Miminegash post offices in my riding. Will the next cut-backs take Saturday rural mail delivery away from Prince Edward Island? I hope that the Prime Minister and his Cabinet can assure us that this will not happen.

* * *

THE THIRD WORLD

AMOUNT OF MILITARY EXPENDITURES

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, a major obstacle to Third World development is military expenditure by both developed and developing countries. Some of the Third World's biggest military spenders are also the smallest achievers in social and economic progress. In 1980, for example, Ethiopia's military expenditures represented 10 per cent of its Gross National Product, its purchases being dominantly from the Soviet Union. Although each developing country has a right to provide for its own defence, it also has an obligation to give priority to its people's human needs.

As an aiding country, Canada can surely help improve this situation. We can review, for example, our own arms exports to the Third World. One estimate puts a $150 million figure on those shipments. We can also review our own aid policies and persuade assisted countries to limit their military budgets, for example, to perhaps 1 per cent of their Gross National Product. We can, as well, support creating an international arms register that would record the massive arms traffic around the world, including the Third World. Such measures, Mr. Speaker, would not weaken Governments in the Third World. I am confident that they can strengthen their people.

* * *

UNITED NATIONS

CANADIAN VOTE AGAINST NUCLEAR WEAPONS FREEZE RESOLUTION

Ms. Pauline Jewett (New Westminster-Coquitlam): Mr. Speaker, Canadians, and indeed people everywhere, must be greatly disappointed today. Despite the assertion of the Prime Minister (Mr. Mulroney) that peace was his dearest wish and that Canada would exert a more creative presence at the United Nations, and despite the assurances of the Secretary of State for External Affairs (Mr. Clark) and the Ambassador

for Disarmament that Canada would play a leading role in the search for disarmament and peace, Canada has again voted against a nuclear weapons freeze at the UN. Yesterday we were one of only 12 nations to vote no to a superpower freeze.

In recent weeks, thousands of Canadians have tried to pursuade the Government to change its mind on this issue. Since Canada's "no" vote on November 20, Canadians from coast to coast have written to, and pleaded with the Government to support the UN call for a mutual, balanced, verifiable nuclear weapons freeze between the superpowers. Like the Liberals before it, the Government has ignored public opinion, public pleading, and the urgency of action to halt the nuclear arms race.

This week in the House the New Democratic Party tried to persuade the Government of the wisdom and need to support this UN effort. The Government did not listen. Instead, the Conservatives chose to take the same outdated advice, most of it emanating from the Pentagon, as the Liberals did before them. On this crucial issue of nuclear disarmament there is sadly no difference between those two old Parties, and nothing new about Canada's new Government—

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

* * *

PETRO-CANADA

RETURN ON EQUITY QUESTIONED

Mr. Paul Gagnon (Calgary North): Mr. Speaker, in this day of financial restraint I rise to question the prudency of our investment of $4.2 billion in Petro-Canada. A recent analysis of Petro-Canada shows a 1.2 per cent return on equity versus a 9.9 per cent return for similar companies. Is part of this poor earning record due to paying too much for Petrofina and BP? Consider, Mr. Speaker, that the same analysis estimates that Petro-Canada's assets are overstated by about $2 billion. Further, I question some of its decisions.

The company has a huge inventory of unused office space in Calgary. For example, the Hanover building was rented at about $20,000 per day, starting in April, 1982. Now, 950 days later, it is still three-quarters empty. That is a waste of about $15 million.

The Petrofina takeover is only one portion of the question. One has to look at all operations, the takeovers, real estate, operating costs, and the management. I call for a parliamentary inquiry to ascertain if the taxpayers' investment of $4.2 billion was a prudent investment and if the company was, and is, as well managed as similar Canadian companies.

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

ENVIRONMENTAL AFFAIRS

CANADIAN WILDLIFE SERVICE

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, now that the Government, because of strong pressures, seems to be seeing a glimmer of light in its foggy perspective of its role in the environment, and has decided to continue monitoring the effects of forest pesticides on migratory birds, the effects of toxics in the Great Lakes on the herring gull, and the migration patterns of the caribou in the north, and is also making some positive noises about keeping the interpretation centres open. I urge the Minister of the Environment (Mrs. Blais-Grenier), and the Government, to acknowledge at last that the environment is important, and to rescind the shameful decision to cut down the strength of the Canadian Wildlife Service.

* * *

WESTERN GRAIN STABILIZATION ACT

CALL FOR AMENDMENTS

Mr. Lee Clark (Brandon-Souris): Mr. Speaker, in southwestern Manitoba, as well as in Saskatchewan and Alberta, drought conditions and a grasshopper infestation have damaged or destroyed much of this year's crop. As a result, many prairie farmers are experiencing serious cash flow problems. I know my colleagues, the Minister of Agriculture (Mr. Wise) and the Minister of State for the Canadian Wheat Board (Mr. Mayer), are well aware of these problems, and I applaud the positive steps which have been taken to date. However, Mr. Speaker, I believe that more can be done.

Since many farmers urgently need cash in order to seed next spring, I strongly urge the Government to introduce amendments to the Western Grain Stabilization Act. Farmers in my area are encouraged by recent indications that there will be a large pay-out from the stabilization fund next year. It is my belief that a significant portion of that money should be made available to prairie farmers prior to spring seeding. In addition, the Act should be amended so that the initial payments can be made during the spring of future years when a pay-out is to be triggered.

For too long the former Liberal Government waffled on this issue, while the fund grew and farmers became more desperate. I expect the new Government, therefore, to act quickly to bring forward the necessary legislation so that western Canadian farmers will have a fighting chance next spring.

* * *

FINANCE

SUPPORT FOR INCREASED CORPORATE TAXES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, I would like to congratulate Winnipeg businessman, Albert Cohen, President of Gendis Corporation, who believes that large Canadian corporations should be paying higher taxes to

help reduce Canada's deficit. Mr. Cohen proposed that corporations should pay 2 per cent more in corporate taxes for the next three years, and has urged the Canadian Chamber of Commerce to support this idea.

Given the size of our deficit and the fact that, according to the Auditor General, the cost to Canadians in tax expenditures, most of which benefits go to these corporations, is somewhere between $30 billion and $50 billion, I feel that the time is perfect to follow Mr. Cohen's suggestion.

* * *

[*Translation*]

SOCIAL SECURITY

PROGRAM OF ALLOCATION TO SPOUSES—ALLEGED DISCRIMINATION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, a recent Gallup poll has shown that 57 per cent of Canadians disagreed about the stupid decision of the Government to waste $36 million in public funds to change the colour of the Canadian forces uniform.

Mr. Speaker, I hope that the members of this House, whatever their party, will have the Right Hon. Prime Minister (Mr. Mulroney) come back to his senses and transfer those $36 million to the Minister of National Health and Welfare (Mr. Epp) to prevent any discrimination against senior citizens who will be denied access to his program of spouse allowances merely because they are single, separated or divorced.

Secondly, Mr. Speaker, I am against the party which is being prepared in the House of Commons in view of the wasteful expenditures made on fir trees. I do not know if a friend of the Prime Minister had a lot of fir trees to sell but I think that money should have been used to help the needy.

* * *

• (1410)

[*English*]

ABORTION

APPEAL AGAINST ACQUITTAL BY TORONTO JURY

Mr. Jim Jepson (London East): Mr. Speaker, the laws of our land are becoming a mockery in light of the outcome of the Morgentaler trial. I heartily commend Attorney General Roy McMurtry on appealing the Morgentaler case on the grounds that Dr. Morgentaler clearly admitted he broke the law, yet a jury saw fit to disregard the law and take upon itself the responsibility to judge whether a particular set of circumstances justified a specific law being broken. The job of the jury was not to decide whether the law was just or not; the job of the jury was to determine whether Dr. Morgentaler had broken the law.

Either the law of the land is to be adhered to, Mr. Speaker, or it should be abolished. Obviously the latter is not a logical choice. However, the outcome of this trial has set a dangerous precedent, one that cannot be accepted by the Crown or the people of Canada.

The jury selection in the Morgentaler trial made a mockery of that system as well. I urge our Attorneys General and Minister of Justice to make every effort to prevent this from ever happening again. The discrimination against upstanding, honest, hard-working Canadians, because they were churchgoers or occasionally attended church, was appalling.

I applaud Mr. McMurtry on making a difficult decision politically, but one that was in the best interests of all Canadians.

* * *

[*Translation*]

GOVERNMENT ADMINISTRATION

REFERRAL TO AUDITOR GENERAL'S REPORT

Mr. François Gérin (Mégantic-Compton-Stanstead): Mr. Speaker, first of all, I want to suggest to the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) that he should read the report of the Auditor General before describing the actions of this government as stupid.

When the Auditor General points out that there was a small mistake of $3.5 billion in the F-18 program, it is hard for my constituents to understand. When he says that the deficit was pratically out of control, he confirms what we were saying during the electoral campaign and he confirms that Canadians were right to think that it was about time to get rid of the previous Government, which was out of control. There is still room to skim off the fat. One federal employee in five is over-classified, which goes against the legislation and regulations approved by this House. We find that a bolt that should have cost $9 did in fact cost $1,900. If this is what the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) wants, he should take the time to read this report before calling the decisions made by this House stupid.

This report proves what we have always maintained. It summarizes what we were saying during the campaign.

* * *

[*English*]

ENERGY

BRITISH COLUMBIA OFFSHORE DEVELOPMENT—CRITICISM OF ENVIRONMENTAL REVIEW PANEL

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, the federal-provincial panel reviewing environmental impacts of offshore drilling in British Columbia lacks credibility because of its restrictive terms of reference. The panel is not even able to ask the basic question of whether or not Canada

requires offshore drilling to meet energy needs. Although B.C.'s offshore area is subject to aboriginal claims, the panel is specifically prohibited from dealing with aboriginal rights. B.C. Indians are justifiably worried that, while land claims are being stalled, their resources are being ripped off and their environment destroyed.

Petro-Canada, which possess offshore leases, has shown the farcical nature of the panel by declining even to take part. It claims the cost of providing information is too high. Finally, no funding has been provided for intervenors. Communities which would be devastated by any offshore drilling accident do not have the funds to make full and adequate study of the risks involved.

This farcical panel was appointed by the previous Government. I call on the present Government not to lift the moratorium on offshore drilling until a proper study has been done. Intervenor funding must be provided, aboriginal rights must be considered, and the question of energy need must be raised.

ORAL QUESTION PERIOD

[*English*]

ENERGY

NEWFOUNDLAND OFFSHORE DEVELOPMENT—
FEDERAL-PROVINCIAL AGREEMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is for the Prime Minister. It appears that the federal Government has made a contract, or deal, with the Province of Newfoundland concerning the offshore. On June 14 the Prime Minister, when he was Leader of the Opposition, wrote to Premier Peckford outlining the proposals of his Party for an offshore deal. Does the agreement, negotiated and apparently concluded with Newfoundland, reflect the provisions of that letter to Premier Peckford, and would he arrange that his Minister table the agreement in the House as soon as possible so the people of Newfoundland and the rest of Canada can review the terms?

Right Hon. Brian Mulroney (Prime Minister): I thank my right hon. friend for raising a very important issue, Mr. Speaker. In point of fact the matter has not yet been fully concluded. Under the direction of the Minister of Energy the talks have progressed extremely well. There is a meeting of minds and agreement in principle in some very major areas—almost all, I understand. There appear to be some housekeeping items and some tightening up to do, and we expect that at an early moment there will be a final agreement because such an agreement would be very much in the interests of Newfoundland and Labrador, and Canada.

ELIMINATION OF BACK-IN PROVISIONS IN NATIONAL ENERGY PROGRAM

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in that same letter the Prime Minister, when he was Leader of the Opposition, assured Premier Peckford that the Crown-carried share in offshore Newfoundland and Labrador would be equally shared by both Governments. In light of his statement in New York city earlier in the week, where he proposed the elimination of the back-in provisions of the National Energy Program, how is the Province of Newfoundland going to be compensated?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think it will be compensated financially, with money and with new opportunities, when the negotiations are completed. What has happened so far appears to be fully consistent with the agreement I worked out with Premier Peckford in June, and not at all inconsistent with the thrust of the statement I made in New York and which I made elsewhere in the country.

I want to assure my right hon. friend, and other Members of the House, because I know we all regard this as very important, that when the deal is concluded in its final form and brought to the House for approval, he will be satisfied that indeed this is an extremely worth-while and long-awaited agreement very much in the interests of the development of Newfoundland. It will open new opportunities to Newfoundlanders and other Canadians, as well as broaden our energy perspectives around the world.

Mr. Turner (Vancouver Quadra): Of course we hope that is true.

EQUALIZATION PAYMENTS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, in that same letter to Premier Peckford the right hon. gentleman assured the people of Newfoundland that there would be no dollar for dollar loss in equalization payments as a result of revenues flowing from the offshore. In light of the Prime Minister's current conversations with the Premier of Manitoba and with Premier Lévesque of Quebec relating to equalization payments, can he guarantee to the people of Newfoundland that there will be no loss in equalization payments?

Right Hon. Brian Mulroney (Prime Minister): Yes, Mr. Speaker. I have always felt the concept of federalism is sharing, sharing wealth and opportunity. Newfoundland has been a deprived province for too long and this Government, hopefully with the concurrence of all Members of the House, will take some very definite and positive steps to ensure that the people of Newfoundland and Labrador finally get a fair kick at the can here in Canada.

ROLE OF ONTARIO PREMIER

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. I was astounded to learn that before Parliament was consulted, before the people of Newfoundland were consulted, Bill Davis was consulted. He approved the deal. He said: "It's okay, they're poor". I want to know why the Premier of Ontario was consulted. I want to know exactly what role he played in this deal. Obviously, Mr. Speaker, "check it with Erik" has been replaced with "check it with Bill".

Mr. Crosbie: Who did you check it with?

• (1420)

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, it has been the desire of both our Party and Premier Peckford and the Government of Newfoundland that any deal struck with Newfoundland should be in the national interest. The only way one can determine what the national interest is, is to talk to all the people involved.

In the formulation of the Atlantic accord back in the spring, the Prime Minister (Mr. Mulroney) and I were in touch with other Premiers of other provinces, including Alberta, the Maritimes, and the Premier of Ontario, because we were breaking new ground. We were determined that we were going to use the accord as an instrument of equality for Newfoundlanders.

When I talked to the Premier on this matter, I pointed out that the average income in Newfoundland is 57 per cent of the national average. That is why they are poor.

Mr. Speaker: Order.

Miss Carney: The premiers we have talked to agreed with us that the accord could be an instrument to bring equality and fairness to Newfoundland.

TRAINING IN OFFSHORE SKILLS—GOVERNMENT POSITION

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, only if Newfoundlanders have skills will they get jobs in the offshore. Why is there absolutely no mention of education or training in this agreement? What does the Government intend to do about training because, if it does not do something, Bill Davis's assessment of poor Newfoundlanders will be true eternally.

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I would say that this is a classic case of sour grapes. Don't you believe in good news?

Some Hon. Members: Hear, hear!

Mr. Rompkey: Answer the question.

Miss Carney: I would suggest to the Hon. Member that he wait until he sees the full agreement. We have a draft agreement of 62 clauses, in which more work has to be done in some technical areas.

Mr. Rompkey: You have shown it to Davis and not to us.

Miss Carney: We will certainly be presenting it in the House.

* * *

SOCIAL SECURITY

PRINCIPLE OF UNIVERSALITY

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Prime Minister. This morning the Minister of Finance told *La Presse* that universality is a luxury of the past. In September it was a sacred trust; in October it was negotiable, and now, as of this morning, universality is out the window. Who speaks for the Government, the Prime Minister of Canada or the Minister of Finance?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the press report that I have makes no such reference. I am sure that it is an inadvertent distortion of the facts.

The Minister of Finance is reported as saying that the awarding of social benefits to persons earning more than the national average—he did not refer to universality at all, at least in the press reports I have—

Mr. Deans: What are you talking about? Do you understand what is written there?

Mr. Mulroney: While I suppose it is open for debate or discussion, all he was saying was that his objective was to try to put more money into the hands of Canadians who need it most. The poor and the dispossessed in our society need more benefits than the bank president making $500,000 a year. That is exactly what we want to do.

Mr. Deans: Sit down. Don't be absurd.

SOCIAL CONTRACT

Ms. Margaret Mitchell (Vancouver East): Does the Prime Minister not acknowledge that there has been a sacred social contract between the people of Canada and the Government of Canada regarding social programs? Is he now prepared to break this contract?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I believe that the traditions of this Party have been consistent from the very beginning. Mr. Diefenbaker and Mr. Stanfield, among others, had occasion to debate this in the House, and did so with great honour to the Party and the country. We stand for social justice. We stand for social programs. We stand for equality of opportunity, and we also stand for an examination to try to help those in our society who genuinely need assistance. There are too many people in this country living below the poverty line. We are trying to

help them before we help those who do not need that kind of assistance.

OECD REPORT

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, surely the Prime Minister is aware that OECD studies show that Canada ranks second to last in social spending, and that people are suffering greatly? Will he agree today that there will be no cuts to old age pensions and family allowances? People are confused. Give us the truth.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am sure it was a matter of inadvertence again. With regard to the OECD study to which the Hon. Member refers, in which Canada was second to last, health care was not included. If it was, it would have raised Canada almost to the top of the list. That is what is wrong with the NDP position.

Ms. Mitchell: I am talking about social programs.

Mr. Mulroney: I regret to say that my hon. friend, from time to time, has selective amnesia. I want to deal with that because we indeed stand firmly committed to assisting old age pensioners. We stand firmly committed to aiding all of those in Canadian society who need and deserve the help of the Government of Canada.

Some Hon. Members: Hear, hear!

* * *

THE CHARTER OF RIGHTS

DOLPHIN DELIVERY CASE—GOVERNMENT FACTUM

Hon. Bob Kaplan (York Centre): Mr. Speaker, my question is directed to the Prime Minister. It concerns a factum submitted to the Supreme Court of Canada by the Government on September 3 in the Dolphin Delivery case. Does the Prime Minister stand behind the position taken by the Attorney General that the Charter should be narrowed so that citizens are not protected from encroachments on their freedom of expression and freedom of association where those encroachments arise under common law? Or is this another orphan similar to the one the other day for which the Government disclaims paternity?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, that is a gross and wilful exaggeration of the position taken by the Government of Canada. The Government of Canada has not argued any diminution in the Charter of Rights of Canada. This was a case that, on the facts, relates to private parties only in a relationship governed exclusively by the common law, without any legislation or government action in issue. In those circumstances, the Charter has no application.

We have intervened in every major court case and supported the Charter of Rights in many of them. Therefore, the question is an absolute distortion of the situation.

Mr. Kaplan: It is not a distortion. In his answer the Minister just referred to the common law as being excluded from protection in the Charter. That is exactly my question.

COMMON LAW RIGHTS

Hon. Bob Kaplan (York Centre): Mr. Speaker, if the Minister is admitting that common law rights are to be excluded by the Government, will he agree that in the future all factums in which the federal Government intends to stand against the rights of the citizens, as it has done in this case, and against the Charter, as in the MacDonald case, will be reviewed by full Cabinet before they are sent to court?

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, no such action has occurred, nor will any review by the Cabinet be necessary. The Attorney General is in charge of these proceedings. We have intervened in case after case to support Charter rights and we will continue to do so.

When we think it is a situation where the Charter does not apply, as in the particular case to which the hon. gentleman is referring, a legal opinion will govern, not some cheapskate, political opinion to twist things, as the hon. gentleman is attempting to do.

* * *

FINANCE

CORPORATE TAX RATE

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is directed to the Prime Minister. Is is the position of the Government of Canada that in the near future the Government will reduce the already low 15 per cent corporate tax rate by introducing additional incentives for foreign investment in Canada?

Right Hon. Brian Mulroney (Prime Minister): No.

NEW YORK TIMES REPORT

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, will he then look into the relationship between the Minister of Finance and Dr. Michael R. Graham, Vice-President of Dominion Securities Pitfield Limited, to determine why Dr. Graham, in an article in *The New York Times,* indicated that such measures were likely to take place?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am completely unaware of any of the information to which the Hon. Member refers. I will take it under advisement and ask the Minister of Finance to explain.

[*Translation*]

THE CONSTITUTION

JUDICIAL BILINGUALISM—MINISTER OF JUSTICE FACTUM

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question is directed to the Right Hon. Prime Minister.

For a week we have been asking the Government questions about the MacDonald case. The House will recall that a broad interpretation of Section 133 is being requested in Quebec to allow Canadians to receive bilingual introductory documents. The Government's position is based on an opinion given by the Department of Justice. The MacDonald case is about rights that are important to Canada's linguistic minorities. I would like to ask my question, considering the Prime Minister's statement yesterday in the House, at page 1150 of *Hansard:*

● (1430)

We believe—

Referring to your Party.

—in the defence of minority rights.

Will the Right Hon. Prime Minister do today what he promised yesterday, that is, revise his position, withdraw this factum from the Supreme Court and inform the House today of his decision?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think the Minister of Justice, who can take care of his own Department, has answered the question correctly. If I am not mistaken, Mr. MacDonald, the protagonist in this case, said yesterday on the TV news that he was satisfied with the representations made by the Minister. Nevertheless, since I have not had an opportunity to read the factum personally, and considering all the attention it is getting, especially from my hon. friend, I shall read it very carefully on the weekend and subsequently report back to my hon. friend. If, after consultation with the Minister, I reach the conclusion that it would be wise to examine this case from another angle, I shall do so without delay.

[*English*]

COURT CHALLENGES PROGRAM

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my supplementary question is for the Secretary of State, the Minister responsible for official languages and also responsible for the Court Challenges Program, and who has financed Mr. MacDonald to the tune of $35,000. Was the position stated in the factum submitted by the Minister of Justice the result of a consultation with the Secretary of State, and is there an agreement between the Secretary of State and the Minister of Justice regarding consultations on these matters?

Hon. Walter McLean (Secretary of State): Mr. Speaker, in response to the Hon. Member I wish to remind him that the intention of the Court Challenge Program is to deal with test cases. The intention of it is arm's length from the substance of the cases involved.

The arguments here, as the Hon. Member will know, are parallel to similar cases in which previous Governments have intervened in this way. In that circumstance the Secretary of State is not involved with the Minister of Justice in the substance of the issue.

* * *

FOREIGN INVESTMENT REVIEW AGENCY

BENEFIT OF REVIEW PROCESS FOR CANADIAN SUPPLIERS

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, this is a question for the Prime Minister on the continuing melodrama of FIRA.

Some Hon. Members: Oh, oh!

Mr. Langdon: Research analysis of FIRA by the son of the Minister for Mining has shown that one positive benefit of FIRA review was to introduce small, new foreign investors to Canadian suppliers from whom the foreign firms then bought supplies. Why will the Prime Minister not keep this review process for new investors, which process has had such positive benefits for Canadian suppliers and the jobs they provide?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the matter is presently being debated before the House. It may very well be that my hon. friend, with his special concern and knowledge of that area, will be able to persuade Members of the House of the validity of his views, in which case they will be incorporated into the final piece of legislation.

I can say that we have broached the matter with open minds in the hope, and in the knowledge, that all Members of the House will take the kinds of positive attitudes expressed by the Hon. Member and support legislation designed to create new jobs and new opportunities in Canada.

Mr. Langdon: Mr. Speaker, I am not certain if it is open minds or vacant minds.

Some Hon. Members: Oh, oh!

Mr. Dick: Yours?

Mr. Langdon: Let me ask the Prime Minister whether he would be prepared, in view of his recognition that there is some substance in the case on this point, to make a recommendation to his own Minister of Regional Industrial Expansion that this particular part of the Bill be reviewed and reconsidered—

Mr. Speaker: I am in very great difficulty. I did not realize the subject of the first question was coming this way. The Member does not know, I am sure, because it is a rule peculiar to this House, that questions put during Question Period that are anticipatory of a debate later in the day are not to be

permitted. Since the matter is called for debate, I am now in some difficulty having allowed the first question.

Perhaps I could simply explain my problem to the Member and go on to the next questioner. I am sorry I did not catch that on the first question. I have some sympathy for the Member since he is caught in a position that is of my making, and I apologize.

The Hon. Member for Sudbury.

* * *

SOCIAL SECURITY

GOVERNMENT POLICY

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is for the Prime Minister. I want to say that the Conservatives can worry about the bank presidents, but Liberals are going to worry about average Canadians.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

Mr. Frith: In light of the Minister of Finance's interview with *La Presse* yesterday, can the Prime Minister tell us whether Canadian families who earn $35,000 a year or more are to expect cuts in their old age security cheques and in their family allowances?

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

SOCIAL SPENDING AS PERCENTAGE OF GROSS NATIONAL PRODUCT

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, would the Prime Minister indicate to the House why his Government is not prepared to increase social spending in light of the study by the OECD countries which shows that Canada ranks sixth out of seven of the richest industrialized nations in the amount per cent of Gross National Product spent on social expenditures?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we appear to be moving up, depending upon which Party is asking the question.

Some Hon. Members: Oh, oh!

Mr. Mulroney: We have moved from the bottom to sixth. In point of fact we are third per capita in social spending.

The Hon. Member raises a good question, because we have increased social spending for widows and widowers between the ages of 60 and 64, and we have increased it as well for veterans who fought for Canada and who deserve our recognition and help at this moment.

Some Hon. Members: Hear, hear!

RESEARCH AND DEVELOPMENT

CANADIAN COMPANIES' RECORD

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, my question is directed to the Right Hon. Prime Minister who knows how important research and development are to allow Canadian enterprise to expand. Is the Prime Minister and the Government aware that Canadian firms do five times the amount of research and development through to production than do foreign firms of the same size?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am aware of the fact that Canada over the last 15 years has spent less per capita on research and development than any industrialized country, with the exception of Iceland and Ireland. This Government is designing policies to attract national and international investment and to have research and development dramatically expanded here. We are going to ensure that that the research and development component is extended irrespective of the nationality of the capital, because that is what creates durable jobs in Canada.

Mr. Riis: Mr. Speaker, the Prime Minister will know that has not been the case.

ROLE OF INVESTMENT CANADA

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, given the fact that Canadian firms do significantly more research and development through to production than foreign firms, will the Prime Minister explain how getting rid of the review process in Investment Canada is going to assist us in expanding that R & D sector?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, Investment Canada is not an omnibus piece of legislation designed to correct all of the ills. It is a piece of legislation designed to enhance the creation of employment by the attraction of international investment capital here. There will be other legislative instruments designed to enhance research and development because we believe firmly, and I think we will bring in legislative instruments which my hon. friend will applaud, that research and development must be substantially enhanced here in Canada if we are to achieve the levels of prosperity and employment that we need.

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FISHERIES

WEST COAST TRAGEDY—PROVISION OF WEATHER REPORTS

Mrs. Mary Collins (Capilano): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. The Minister will recall early in November the tragic deaths of five fishermen off the coast of British Columbia. At that time the people of British Columbia were concerned that inadequate weather information may have been a contributing factor to the tragedy. Over a month has passed. Can the Minister advise the

House of the status of his inquiry into this tragedy? In light of proposed cut-backs in weather services, could he assure the House that adequate weather information is and will continue to be in place to prevent such tragedies from occurring in the future?

● (1440)

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, I thank the Hon. Member for her important question. The report was handed to me today from my colleague, the Minister of the Environment. That report indicates that weather reporting was inadequate. It also makes recommendations with respect to the Department of Fisheries that all vessels report weather conditions as they find them on a daily basis, and that before any fishing openings are made consultations take place between Department of Fisheries and Department of the Environment atmospheric services. I ordered my Department today to make those arrangements.

With respect to cut-backs, there will be no cut-backs affecting the efficiency of weather reporting on the West Coast.

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FEDERAL-PROVINCIAL AFFAIRS

SIGNING OF DEVELOPMENT AGREEMENT WITH QUEBEC—INDIAN DIMENSION QUERY

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, my question is directed to the Prime Minister. Tomorrow the Government of Canada and the Government of Quebec will sign a $1 billion five-year development agreement. The Indians of Quebec have been shocked to learn there is no provision in that agreement directing some of these moneys to Indian and native developments. There are equivalent provisions in the development agreements with Ontario, Alberta, Saskatchewan, and Manitoba. Would the Prime Minister assure us that he will raise this matter immediately with the Premier of Quebec and take steps to amend the agreement before it is signed tomorrow?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the IRDA agreement deals with items of economic development as raised, by and large, by various provincial premiers. The agreements, at least the ones we've tried to sign, reflect a rhythm of development within the provinces as selected by provincial Governments. I know that in a parallel way the Ministry of Indian Affairs and Northern Development has been having many consultations with regard to native peoples.

If my hon. friend is of the view that there should be more integration, I would be happy to take a look at it. However, I can tell him that it appears that this agreement, which is the first the Government of Quebec will have signed with the federal Government in many, many years, will be very creative of job opportunities and employment for Quebecers. It is regarded as a major development in the Province of Quebec by all Quebecers who view economic development in co-operation with the federal Government as a step forward.

REQUEST FOR RECONSIDERATION

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, I must advise the Prime Minister that in the agreement signed with other provinces—and in the one signed by the Province of Ontario—there were specific provisions ensuring that Indians, Métis, and Inuit are not forgotten. Will the Prime Minister consult with the Minister of Indian Affairs to make sure that before tomorrow there is a possibility of including in this agreement, as is the case with other provinces, the same type of provision to ensure that some of that $1 billion goes to the Indians and Inuit of Quebec for their economic development? It is very important.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I can give my hon. friend the firm assurance that the Indians and Inuit of Quebec, many of whom live in my riding and even vote for me, will not be forgotten at any time or in any circumstances.

INDIAN ECONOMIC BENEFITS ISSUE

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my question is directed to the Minister of Indian Affairs and Northern Development. The Minister knows that if native people are not involved in the framework agreement, it will be almost impossible for them to have any kind of involvement in subsidiary agreements. How is it possible for an agreement to be drawn up between Canada and Quebec without including significant economic benefits for Indian people?

Hon. David Crombie (Minister of Indian Affairs and Northern Development): Mr. Speaker, I think there are two points which I could suggest to the Hon. Member. First, his premise is wrong. Second, economic benefits, both within and outside the agreement, will of course flow to those people affected in the Province of Quebec.

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METRIC CONVERSION

DUAL LABELLING PROPOSAL

Mr. David Berger (Laurier): Mr. Speaker, my question is directed to the Minister of Consumer and Corporate Affairs. Could he confirm reports to the effect that he is about to permit dual labelling, both in metric and in imperial measures? Having consulted with consumer, business, teaching, and science representatives across Canada, who all gave him the same advice, is he now prepared to ignore it? Has he caved in to the Neanderthals in his caucus?

[*Translation*]

Hon. Michel Côté (Minister of Consumer and Corporate Affairs): Yes, Mr. Speaker, I have had consultations with different interest groups and I am now drafting my recommendations. I intend to submit them to my Cabinet colleagues at

the earliest opportunity, and then I will make the appropriate announcement.

Mr. Berger: A supplementary question, Mr. Speaker. When will the Minister make up his mind? He has been dragging his feet for three months now. Does he not know yet that one third of our income comes from our exports and that the cost of the two systems is higher?

Mr. Côté (Langelier): Mr. Speaker, I think it is important not to proceed too rapidly so as to make the most logical and effective decision in the best interests of Canadians. That is what this government will do.

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AGRICULTURE

TRANSMITTAL OF FAMILY FARMS—GOVERNMENT POSITION

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is directed to the Minister of Agriculture.

Knowing the difficulties experienced in property transfers, such as a farm transmitted from father to one of his children, particularly with respect to tax matters, I would like to know what measures he will take to improve the situation and make it easier to transfer family farms from one generation to the next.

[*English*]

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the Hon. Member's question and his concern. Perhaps his question might be more appropriately directed to the Minister of Finance. However, it is my understanding at the moment that legislation allows for the transfer of the family farm from father to son or daughter, whatever the case may be, without a capital gains payment, providing the actual sale price is that of the valuation day value.

In addition, we now have a Bill before the Senate which would allow the seller to invest up to $120,000 in an RRSP providing he has been in the farming business for at least 10 years. The Minister of Finance in his economic statement referred the very important matter of capital—

Mr. Speaker: With great respect, the Minister might want to send a letter.

Some Hon. Members: Oh, oh!

* * *

ENERGY

HIBERNIA OILFIELD DEVELOPMENT—PROJECTED COST OF OIL

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is directed to the Minister of Energy, Mines and Resources. I want to say to her that all reasonable Canadians must applaud the fact that the Governments of Canada and Newfoundland have finally come to an agreement over Hibernia.

Some Hon. Members: Hear, hear!

Mr. Waddell: Having said that, given that the world price of oil is between $28 and $30 U.S. per barrel, would the Minister tell us what are the most recent projections of her Department for the price of a barrel of Hibernia oil?

Hon. Pat Carney (Minister of Energy, Mines and Resources): Mr. Speaker, I am glad the Hon. Member welcomes the Newfoundland agreement. I think that he and members of the Opposition should wake up every morning and say: "Thank God we have a Conservative Government in Ottawa."—

Some Hon. Members: Hear, hear!

Mr. Speaker: Order. Perhaps the Minister would like to answer the question.

Miss Carney: To answer the question, which is extremely timely, all the projections that we have—and I have been briefed on this recently by Energy Ministers of other countries—show that oil prices should start increasing again in the early 1990s. They are in a stable mode now, but they are expected to head upwards in the 1990s. That is why it is important we bring Hibernia on now, so that we have energy security in 1990-92 when we expect the prices will be higher.

GOVERNMENT POLICY

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, given the fact that some analysts have projected $60 per barrel for Hibernia oil, if world prices do not rise, are the Government and the Minister's Department contemplating a pricing system in Canada where there will be two prices—a price for the world oil market and a higher price to Canadian consumers for Hibernia oil or tar sands oil? Is that what the Government is contemplating for Canadian consumers?

Hon. Pat Carney (Minister of Energy, Mines and Resources): No, Mr. Speaker.

* * *

● (1450)

THE CENSUS

CANCELLATION OF 1986 ENUMERATION

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, thank God we have a vibrant opposition in this House.

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Boudria: In the absence of the Minister of Finance, I will direct my question to the Prime Minister. According to the Canadian Press wire service and an internal report of Statistics Canada, the Government has overpaid $217 million in equalization grants over a five year period because the census data are not entirely up to date. According to the same report, estimates over 10 years would make matters far worse in the absence of a census. Will the Prime Minister tell us what consultation was held with the provinces before cancelling the census? Also, how much money will the provinces lose because of inadequate census data?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I suppose nobody could lose as much money as the previous Government lost and be damned for it by the Auditor General for mismanagement and abuse of public funds.

Some Hon. Members: Hear, hear!

Mr. Mulroney: What we are trying to do, with a sense of fairness, is to save some of the taxpayers' dollars and to treat the taxpayers' dollars with frugality. I would have thought, notwithstanding some temporary inconvenience, that my hon. friend would be applauding to save taxpayers' dollars, rather than rising on a constant stream of red herrings.

DEPUTY MINISTER'S VIEWS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I will direct my supplementary question to the Minister of State for Finance. According to the same report Mr. Jean Fournier, Assistant Deputy Minister of Finance, is quoted as saying—

Mr. Speaker: With respect, does the Hon. Member want to put his question?

Mr. Boudria: Can the Minister inform the House whether those view of her Deputy Minister were the same views expressed by the Minister of Finance when he cancelled the 1986 Census?

Hon. Barbara McDougall (Minister of State (Finance)): I am sorry, Mr. Speaker, the microphone went off and I did not hear the quote from Mr. Fournier. I apologize to the House.

Mr. Speaker: I am sure the Member will send you the quote, and you can read it.

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FOREIGN INVESTMENT REVIEW AGENCY

ACQUISITION OF NEWFOUNDLAND PAPER MILL—LABOUR LEGISLATION REQUIREMENT

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, my question is for the Minister of Regional Industrial Expansion. On November 23 of this year, under the provisions of FIRA, the Government gave permission for Kruger Inc., a foreign controlled company, to acquire the Bowater Mill in Corner Brook, Newfoundland. That company has now stated that it will withdraw its offer unless the provincial Government passes legislation which would change the Labour Standards Act retroactively to 1978. Will the Minister tell this House if that change in the Labour Standards Act was agreed to by FIRA? If not, will he tell this House what he is prepared to do to ensure that that company has to abide by the laws that were in place when the FIRA agreement was reached?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, I am sure the Hon. Member is aware that it is not customary to discuss ongoing decisions and conversations and, for that matter, even the undertakings with respect to FIRA matters. I am sure the Hon. Member would not want me to break the precedent that has been set for so long.

POLICY INQUIRY

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, given the Minister's answer, will he tell this House just how far the Government is prepared to go to attract foreign capital to Canada, and whether the price we will have to pay will be the elimination of child labour laws, minimum wage laws, health and safety laws, and environmental protection laws, all of which have been targeted by the corporate sector? How far is the Government prepared to go?

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member, I think most Members would agree that we hear much nonsense in this House from time to time, but rarely such utter rubbish as the Member put in his question.

Some Hon. Members: Hear, hear!

* * *

AIRPORTS

LONDON, ONT. AIRPORT CONTROL ZONE

Mr. Tom Hockin (London West): Mr. Speaker, my question is for the Minister of Transport. One week from today the control zone over the airport at London, Ontario, is scheduled to be reduced from 10 miles to five miles. This is as a result of a Ministry of Transport directive issued last year. According to the base user organizations in London, this reduction raises—

Mr. Speaker: With due respect to the Hon. Member, does he have a question, please?

Mr. Hockin: About the safety of aircraft. The Minister and his officials met with these groups—

Mr. Speaker: The Hon. Member leaves me no choice. The Hon. Member for Montreal-Sainte-Marie.

[*Translation*]

SOCIAL SECURITY

SPOUSES ALLOCATION PROGRAM—GOVERNMENT POSITION

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, my question is for the Right Hon. Prime Minister.

Mr. Prime Minister, in the replies you gave earlier to the Member of the NDP and to my colleague about the meeting with the Minister of Finance to discuss social programs, you did say that your Government wants to help people in need, especially senior citizens.

Mr. Speaker: Order, please.

Some Hon. Members: Question.

Mr. Malépart: Can the Prime Minister tell me whether he has changed his mind and his reply means that the 80,000 senior citizens who are single, separated or divorced will now receive assistance under the spouse allowance program?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there has been no question. We only heard a statement. There was no question. I could perhaps continue my reply to the question asked by my good friend from London West.

[*English*]

I want to know a little about the London, Ontario, airport.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. Then the Prime Minister should ask the Minister of Transport to make a statement, under Statements by Ministers, about the London, Ontario, airport.

Some Hon. Members: Oh, oh!

[*Translation*]

Mr. Malépart: Mr. Speaker, the Prime Minister is evading his responsibilities.

Mr. Speaker: Order, please!

An Hon. Member: Sit down!

Mr. Speaker: Order! The Hon. Member has a question, and I presume the House is ready to hear it.

Mr. Malépart: Would the Prime Minister tell us whether he has reviewed his decision and whether his Government will help from now on those 80,000 senior citizens who are single, separated or divorced, under the Spouse Allowance Program?

Mr. Mulroney: Mr. Speaker, we are going to help those in our society who have been neglected by the previous Government. As the Minister of Finance clearly indicated in his speech, they deserve special attention from this Government. We are going to help them unhesitatingly and unequivocally.

[*English*]

AGRICULTURE

NORTHEASTERN SASKATCHEWAN FARMERS—FLOOD COMPENSATION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, I have a question for the Minister of Agriculture. About four or five weeks ago in this House he said that Treasury Board would be considering some assistance for the farmers in northeast Saskatchewan who were flooded out last summer. Did the Minister get that through Treasury Board, will there be assistance to those farmers, and why is it taking so long?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, in response to the Hon. Member's question, I can appreciate his interest in the matter. I did not think it was four or five weeks ago that I made that statement. I might put his mind at ease. We have completed the calculations on the Saskatchewan Manitoba excess water compensation. We are in the final stages of assessing a similar compensation payment to the Province of Quebec. I hope to be in a position, within a matter of a very few days, to make a positive announcement with respect to both.

RATIO OF FEDERAL GOVERNMENT CONTRIBUTION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, during the election campaign the Minister's Party promised that it would put up two dollars for every dollar put up by the provincial Government. Can he assure the House today that that promise will be kept?

Hon. John Wise (Minister of Agriculture): Not exactly at this point in time, Mr. Speaker.

* * *

ENVIRONMENTAL AFFAIRS

CANADIAN WILDLIFE SERVICE—ARCTIC BIOLOGICAL STATION EMPLOYEES

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Prime Minister. As he knows, the Arctic Biological Station at Ste. Anne de Bellevue is to be closed as part of the Fisheries and Oceans cuts. Why has his office now advised all those who work there that they are not to make comments of any kind to the media, to the public, to Members of Parliament, or to any other government representative?

• (1500)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am unaware of any such suggestion. I think it is probably quite inaccurate because I can assure my hon. friend that that would be completely inconsistent with my own views and with the wishes of the Government. We want the public to be fully informed of government policy.

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions, with the exception of one, presented by Hon. Members on Wednesday, December 12, 1984, meet the requirements of the Standing Orders as to form.

WORLD PEACE AND DISARMAMENT

Mr. Speaker: The petition presented by the Hon. Member for London West (Mr. Hockin) does not meet the requirements of the Standing Orders as to form.

* * *

BUSINESS OF THE HOUSE

WEEKLY STATEMENT

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like to ask my colleague, the Government House Leader, a question to enable him to set before the House the business he proposes for the House for the coming week.

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, I am pleased to respond to my hon. colleague and to the House. We are ending this part of the session and are coming to the Christmas recess. We appear to be making progress on some items of legislation and I must say I appreciate the co-operation extended by both opposition Parties in this regard. I think this demonstrates to Canadians that we can make legislative progress while having sincere and good debates on the issues on which there may be differences.

I would like to bring forward some items on which we may make progress over the course of the next three days. Today we will carry on with the consideration of the Bill relating to Investment Canada, Bill C-15. Tomorrow I would like to call Bill C-8, the Bill with respect to the PGRT, for second reading and I think there might be a disposition to deal with all stages of that Bill in the House of Commons tomorrow. If we can complete that Bill tomorrow, I propose that we return to the debate on Investment Canada at the end of the day if we have not completed it by then.

On Monday it is my intention to call Bill C-13, a Bill relating to public works in Canada. Again, my understanding is that there may be a disposition to deal with that Bill in all stages including Committee of the Whole. If we complete the consideration of that Bill on Monday, it would be my intention to return to Bill C-15, relating to Investment Canada.

I think my hon. friend and I should keep in touch with each other. There will be further discussions that will take place with respect to progress on legislation which we hope to have the House deal with before the Christmas recess. At this point in time I propose only to deal with the business up until the end of Monday. I will give the assurance that I will consult with my colleagues in the opposition Parties with respect to business for the rest of the week. However, I think that depends very much on the progress that is made. Of course, the business that I have announced is always subject to the usual caveat that it may be changed in the event that circumstances or priorities change.

ROUTINE PROCEEDINGS

[*English*]

COMMITTEES OF THE HOUSE

REGULATIONS AND OTHER STATUTORY INSTRUMENTS—FIRST REPORT OF STANDING JOINT COMMITTEE

Hon. Bob Kaplan (York Centre): Mr. Speaker, I have the honour to present the first report, Statutory Instruments No. 28, of the Standing Joint Committee on Regulations and Other Statutory Instruments, in both official languages.

FINANCE, TRADE AND ECONOMIC AFFAIRS—SECOND REPORT OF STANDING COMMITTEE

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have the honour to present the second report of the Standing Committee on Finance, Trade and Economic Affairs, in both official languages.

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

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PETITIONS

CALL FOR REINSTATEMENT OF CAPITAL PUNISHMENT

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, to the honourable the House of Commons of Canada in Parliament assembled, the petition of the undersigned residents of the District of Muskoka in the Province of Ontario, who now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that your honourable House will thereafter provide a remedy, humbly—

Mr. Speaker: With great respect, I rise to advise the Hon. Member, as I have advised other Hon. Members, that he is in fact reading the petition. He should simply provide the House with a short summary or synopsis of the purpose and intent of the petition as opposed to reading it.

Mr. Darling: Thank you, Mr. Speaker. This petition deals with the return of capital punishment and the undersigned hope that this House will give serious consideration to this. Therefore, your petitioners humbly pray and call upon Parliament to reinstate the death penalty for the murders of police officers and prison guards and for premeditated murder.

Introduction of Bills

PUBLIC SERVICE EMPLOYMENT ACT PUBLIC SERVICE STAFF RELATIONS ACT

MEASURE TO AMEND

Mr. Les Benjamin (Regina West) moved for leave to introduce Bill C-216, an Act to amend the Public Service Employment Act and the Public Service Staff Relations Act (political rights).

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Benjamin: Mr. Speaker, the purpose of this Bill is to provide public servants with the right to engage in political activity, as may any other Canadian who is not a public servant, and to be a candidate in a federal, provincial or territorial election. It would add political allegiance and activities to the list of things they can do and would provide the right for a public servant to engage in political activity after working hours.

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

* * *

LOUIS DAVID RIEL

MEASURE TO REVOKE CONVICTION

Mr. Les Benjamin (Regina West) moved for leave to introduce Bill C-217, an Act to revoke the conviction of Louis David Riel.

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Benjamin: Mr. Speaker, 1985 will mark the 100th anniversary of the conviction and hanging of Louis Riel. The purpose of this Bill is to revoke the conviction of Louis David Riel for high treason as opposed to merely granting him a posthumous pardon.

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

* * *

NUCLEAR WEAPONS FREE ZONE ACT

MEASURE TO ENACT

Mr. Les Benjamin (Regina West) moved for leave to introduce Bill C-218, an Act to declare Canada a nuclear weapons-free zone.

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the said Bill?

Some Hon. Members: Agreed.

Mr. Benjamin: Mr. Speaker, to lend strength to Canada's arguments and efforts to achieve a nuclear freeze and nuclear arms reductions, this Bill will declare Canada to be a nuclear weapons-free nation.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, the following question will be answered today: No. 15.

[*Text*]

CANADA POST CORPORATION LAWYERS

Question No. 15—**Mr. Howie:**

How many lawyers are employed by the Canada Post Corporation?

Hon. Perrin Beatty (Minister of National Revenue): Eleven lawyers are employed by the Canada Post Corporation.

* * *

[*English*]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, if question No. 38 could be made an order for return, this return would be tabled immediately.

Mr. Speaker: Shall question No. 38 be made an order for return?

Some Hon. Members: Agreed.

[*Text*]

PUBLIC WORKS—CONSTRUCTION PROJECTS IN NEW BRUNSWICK

Question No. 38—**Mr. Howie:**

On January 1, 1984, were any Department of Public Works construction projects under way in New Brunswick and, if so, what were they?

Return tabled.

[*English*]

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

Mr. Speaker: Does the Hon. Member wish to be recognized on this matter?

Mr. Skelly: Mr. Speaker, I have had a question on the Order Paper for some time, question No. 1. It deals with the RCMP hiring policy for people who have for a very long time put considerable expense into this matter and it is creating a great hardship on applicants. I wonder if the return related to question No. 1 could be inquired into by the Hon. Member to see if the answer could be expedited. I am sure that a number of people may drop their applications and seek other occupational activities depending on the outcome. I think the question is based on fairness and a real need for people to have some information and probably a policy statement put forward by the Solicitor General.

Mr. Dick: Mr. Speaker, I will look into the matter.

• (1510)

Mr. Deans: Mr. Speaker, I rise in my capacity as House Leader to ask whether the Parliamentary Secretary, over the course of the next few days could review the Opposition questions which have been on the Order Paper for some time to determine whether they might be answered. I notice that the practice of late has been to answer questions from government Members, perhaps inadvertently, but there have been many Opposition questions. I wonder whether he could look into the matter.

Mr. Dick: Mr. Speaker, I realize that a number of questions which have been placed on the Order Paper by the Hon. Member for York-Sunbury (Mr. Howie) have been answered. They were the simplest questions and took the least amount of time to answer. Perhaps that is why the others have not been answered. However, other questions are being considered and hopefully there will be further responses at the beginning of next week.

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

[*Translation*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Stevens that Bill C-15, an Act respecting investment in Canada, be read the second time and referred to the Standing Committee on Regional Development.

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, I am pleased with this opportunity to speak today to Bill C-15, an Act respecting investment in Canada. In my speech I intend to demonstrate that if the Bill is passed in its present form, it will definitely harm the interests of Canadian workers.

Like all Members, every weekend in my riding of Saint-Michel-Ahuntsic I spend some time with my constituents. I cannot think of anything more distressing than listening to the personal tragedies experienced by constituents in their search for employment. I cannot say whether I sympathize most with a young person, a woman or a man over fifty with a family. They all have the same needs. Everyone needs a roof over his head and enough to eat.

I am sure Hon. Members would not remain unmoved if I mentioned all the sad stories I hear in my office. However, I will spare the House these details, because I am sure most Hon. Members are having much the same experience in their own ridings.

This Government is using the legislation now before the House to try and set up a common market with the United States by giving them all kind of concessions. For instance, 90 per cent of investments to acquire Canadian small- and medium-sized businesses will no longer be reviewable. I repeat the terms used by the Secretary of State for External Affairs (Mr. Clark) in his speech in London, in Great Britain, on December 10th of this year, where he said:

> If adopted in its present form, the effect of the Bill will be to exempt from the review process all foreign investment concerning new businesses. Direct acquisitions of Canadian businesses whose assets do not exceed $5 million will not be reviewable, and the same will apply to indirect acquisitions of Canadian businesses with assets of less than $50 million.

Indirect acquisitions mean that a third party is involved.

Mr. Speaker, this provision is a threat to most of our small- and medium-sized businesses which, as the House is aware, form the cornerstone of Canada's economy. It is easy for the Prime Minister to go to the Economic Club and tell our neighbours to the South: Come on in, shop around in Canada, pick up any small business under $5 million, make an offer, and we will deliver. Mr. Speaker, he made us feel like some sort of Consumers' Distributors, this chain of small stores which everybody knows and where people can buy most everything at a very reasonsable price.

Mr. Speaker, it does not require much imagination to construct a scenario for the future. They will find all sorts of very good reasons to export their operation to the United States. As the Minister of Finance (Mr. Wilson) indicated in this House on December 10th, and I quote:

> What we are trying to do, and what the Americans encouraged us to do, is to improve the environment for private sector investment.

"—and what the Americans encouraged us to do—" Mr. Speaker. But since when should Canadians take into consideration what Americans want for us?

Instead of trying to sell Canada to the highest bidder, the government should take control of his inter-provincial employment policy.

I found a real gem on page 2 of the Investment Canada press release dated December 7th, and I quote:

Investment Canada, in consultation with the private sector and provincial governments, will work together with our trade services in Canada and abroad to promote and facilitate investment.

Well, we have a problem there, because when, for whatever reason, a Canadian worker in one province wants to settle in another province, there are a number of constraints. Workers are penalized in their search for employment. For instance, in many areas his skills are not recognized in another province. That is what is happening right now in Canada. I have another example taken from the construction industry. A construction worker who lives in Hull and for personal reasons wants to cross the river to settle in Ottawa, finds he cannot go back to Hull to work, because there is no such thing as mobility in our country. Mobility is not protected in Canada. We are trying to negotiate with the Americans and give them a good deal, while we have problems of our own we have yet to settle.

If today's high unemployment rates are hurting us in Canada, imagine what it will be like for Canadian workers and employers when Americans control most of Canada's small businesses. Especially when we realize that small- and medium-sized businesses are at the very heart of Canada's economic success. What right does anyone have to inflict this kind of situation, this kind of uncertainty on our businessmen and women? If their future is going to be snatched away by the first foreign investor who comes to town, that is enough for anyone to give up.

The Hon. Member for Capilano (Mrs. Collins) said yesterday, and I quote:

Nobody is obliged to sell his business.

Mr. Speaker, how could anyone say such a thing? We all know that no one will be obliged to sell his business. The process will be infinitely more subtle and more insidious. As it becomes increasingly difficult for Canadian entrepreneurs to withstand financial pressures, it will be easy for any American entrepreneur to step in and take advantage of the situation. And there is not going to be much in the way of protest by this Government and other authorities. Is that what the Government opposite wants: to prepare our small- and medium-sized businesses for the hangman's noose?

Bill C-15 is a threat to the very essence and *raison d'être* of small- and medium-sized businesses in our country. The Foreign Investment Review Agency was used as a negotiating tool and an intermediary to ensure that any investment would be in the interests of this country.

This bill has nothing to offer to Canadian investors. I think it is shameful to show such disrespect for the Canadian population.

Another danger which I must single out in this piece of legislation, Mr. Speaker, is the absolute decision-making power of the Minister. Knowing how mesmerized this government is before the almighty southern eagle, I am not at all sure that Canadians will be protected. This calls for drastic amendments during the committee proceedings.

For years and years, Mr. Speaker, we have been trying to get a handle slowly and methodically on our own economy. But now the Conservatives have shifted in reverse, just about ready to give up on the masters-in-our-own-home principle. That is a very popular slogan in Quebec, and so it ought to be for all Canadians. To all newly elected Members from Quebec, it is a well-known saying which should be repeated here before the federal government—masters in our own home.

Are we on the verge of becoming a satellite country, the 51st American State? In any event, I agree with my colleagues that the Americans are our friends and allies. Other speakers have debated the issue and I would rather not elaborate on it.

But the role of the Opposition is to safeguard the vested interests of Canadians, and that is why I took the floor today.

Before concluding my remarks, I have to remind the government that Canadians do want to work, but not at any price, certainly not if they cannot invest their hard-earned savings in a company of their own choosing.

Essentially, we are all here to make sure that our policies are fair to one and all. We all have the same goal, namely to promote investment while at the same time giving Canadian industry a leading role on the world's new economic stage.

It is in that spirit, Mr. Speaker, that I am prepared to cooperate fully and support all necessary motions in amendment once Bill C-15 has been referred to a parliamentary committee.

Mr. Deputy Speaker: The Hon. Member for Chambly (Mr. Grisé) for questions or comments.

• (1520)

[*English*]

Questions and comments?

[*Translation*]

Mr. Grisé: Mr. Speaker, here is my comment or question. After hearing the speech of the Hon. Member for Saint-Michel-Ahuntsic (Mrs. Killens), I cannot help but ask myself certain questions.

I can understand that the Hon. Member finds it tragic when unemployed people whether they are women, young people or men heads of families come to see her at her constituency office.

I would like to ask a question of the Hon. Member. I want to know whether the situation in her constituency has existed only since September 4 or whether this has not in fact been going on for several years.

Mr. Speaker, the Hon. Member spoke about the danger that our small businesses fall into the hands of Americans, but I wonder which is the greater danger, having businesses con-

trolled by foreign capital which bring employment to these men, these young people and these women, or seeing these small businesses disappear because of a lack of capital.

The Hon. Member also said that the former Government had made enormous efforts to promote economic recovery. I wonder at what price this was done and in what condition this left our economy.

Mrs. Killens: Mr. Speaker, the Hon. Member asked me whether the situation in my constituency was the same before September 4. I can say that the situation has worsened since that date. I represent a constituency—

Some Hon. Members: Oh, oh!

Mrs. Killens: No, you will listen to me as you should! I represent a constituency of blue-collar workers, most of whom are construction workers. You can imagine what is happening following the economic statement made by the Minister of Finance (Mr. Wilson), who announced cut-backs in every area. People are panicking, and I see at my office whole groups of men who are being laid off. Winter is coming and the situation is impossible. We know what is happening in the city of Montreal. Mayor Drapeau who dreamed of building 20,000 housing units on Montreal island, will not be able to reach his target, and in my own constituency, where there are mostly construction workers, the situation has become even more serious since September 4. What compounds the problem is the fact that, since that date, young students knowing that there will no longer be a Young Canada Works Program—

Mr. Malépart: This is awful!

Mrs. Killens: —are already beginning to queue up at my office to ask for my advice. I must tell them that we are waiting because the Government is consulting.

Mr. Rossi: As usual.

Mrs. Killens: As usual, as my colleage from Bourassa (Mr. Rossi) says. I do not know what to tell these young people who come to see me. The situation is worse because of budget cut-backs which affect my constituency. That is my answer, Mr. Speaker.

[*English*]

Mr. Deputy Speaker: If there are no further questions or comments, we will resume debate.

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, I am sorry that I must participate in this debate on Bill C-15 because I would have hoped that at this day and age, in 1984, we would not be turning the clocks back. However, it would seem that we have to mount a defence to prevent this Government from bringing forth this very regressive legislation which is going to do nothing good for the people of Canada; in fact, it will just help sell us down the river. I would like to address my remarks to what it means to the Canadian economy when we do have foreign investment, when we have companies from across our borders coming in and acquiring the assets of existing facilities or, in fact, building branch plants. I would like to read a list of branch plants, Mr. Speaker. It is admittedly a bit out of date. These are branch plants in Ontario in 1980, all owned by foreigners who at the time of the recession decided they had to consolidate and concentrate on their American parent companies instead of the Canadian branch plants. They are as follows: Bendix Automotive of Canada Ltd., Windsor, 55 employees; Bendix again, 650 employees; Canada-Ferro Company Limited in Brampton, 108 employees; Chrysler Canada Ltd., in Windsor, 2,200 employees; Crownfab of Canada Ltd in Oakville, 90 employees; Essex Wire, Dunnville, 350 employees; Ford Motor Co. of Canada Ltd., Windsor, 840 employees; Gabriel of Canada Ltd, Orangeville, 20 employees; Houdaille, Oshawa, 500 employees; Rockwell, International of Canada Ltd., Parry Sound, 200 employees; Sealed Power, Stratford, 180 employees and Vulcan Equipment in Fergus, 56 employees. All of these companies were branch plants which were closed when things got tough because the Americans who owned them decided they had to protect their own companies first. In those days, the lay-offs in Canada were horrendous. In a seven-month period over 10,000 people in all but Ontario were laid off. There were 130,000 laid off in Ontario. That is a total of 140,536 men and women who had their jobs wiped out because their American bosses decided they wanted to protect jobs in the United States rather than in Canada.

● (1530)

That is what foreign investment means to Canada when we are not careful to ensure that we have the kind of review process that FIRA was intended to provide. Instead of forming Investment Canada we should have been strengthening FIRA so that more than 50 per cent of the investments would guarantee new employment growth in Canada.

I mentioned the Houdaille plant in Oshawa which had been in operation in that community for over 50 years manufacturing automotive bumpers. In 1979 it was awarded a $600,000 grant from the Department of Industry, Trade and Commerce to refinance the retooling of that plant. At about the same time, in fact in May of that year, Houdaille Industries was taken over by KKR Investments, a holding company based in Florida, with FIRA's approval in December. The shareholders were actually told of the planned phase-out of the Oshawa operation before FIRA even approved the sale. In fact, the phase-out began a mere 10 days after FIRA's decision when half the work force was laid off. Six months later, on July 9, 1980, the closure of the plant was announced. The remaining employees had a minimum of 18 years at the plant, many with more than 30 years, with the average being 29 years. That is what you get when you do not have controls.

Let us look at some recent figures. In 1982-83, of the top 50 companies in Canada, 32 were owned by Canadians, or 63 per cent of the total. That group lost 9,953 jobs. But the U.S.-controlled companies, of which there are only 11 or 22 per cent,

lost 17,487 jobs. There were three other foreign owned companies, or 6 per cent, with a job loss of 550. That is not the way we should be moving in this country, Mr. Speaker. Very clearly Canadian companies do better. They have a greater incentive to keep their people working. It is their lifeblood, and because they are Canadians they feel strongly that they should do so. But someone who lives across the border has less loyalty to a company in Canada than a Canadian does.

Earlier today I raised with the Minister of Regional Industrial Expansion (Mr. Stevens) the situation in Corner Brook where we have Kruger Incorporated, with FIRA's permission, acquiring the assets of the Bowater mill. In fact, it was this Government and this Minister who gave that approval who also provided some fairly hefty financial assistance, along with the province, to allow Kruger to acquire the assets. But it seems that the rules are changing. Kruger is now saying to the Premier of Newfoundland that it will not go ahead with the deal unless that Government is prepared to bring in retroactive legislation to change the labour standards laws. That Conservative Government is doing that and, as we see have seen today, yesterday and the day before, the debate is continuing long and hard in that province as the Opposition tries to prevent this very regressive situation.

I asked the Minister just how far this Government was prepared to go in order to attract foreign capital. Would the price we will have to pay be the elimination of things like child labour laws, minimum wage laws, health and safety laws and environmental protection laws? I found his reply to be ironic. He referred to it as garbage. I was quite pleased to hear that, Mr. Speaker, but the scary part is that those suggestions have not as yet come from the foreign-owned companies; those suggestions are coming from organizations like the Canadian Manufacturers' Association in presentations to a government commission, from the Fraser Institute, and from Canadian chambers of commerce. If Canadians are suggesting that kind of regressive step, what are we going to get from the folks in Alabama? They are going to want right-to-work laws, which is the right to eliminate unions. That sounds fairly similar to what is happening in Newfoundland today.

Let me read from an editorial in the *Calgary Herald* dated October 22, 1984 with reference to the Canadian Manufacturers' Association. That business organization says the federal Government could end the universality feature of programs such as family allowances and re-examine such things as minimum wage laws, child labour laws and health and safety standards in the work place. We do not want that kind of Canada, Mr. Speaker. We want a Canada where we have a direct say. While we recognize that there is a need for an influx of capital, both from Canadians and from non-Canadians, it has to be done through a set of rules we can live with. We do not want them coming in for quick fixes and then running back across the border when things get tough again. We need stable industries with a commitment to Canada.

Foreign-controlled companies do not spend anywhere near as much as Canadian companies do on research and development, a key source of economic growth and productivity increases. Let me give you some examples. This is the ratio of research and development over sales expressed as a percentage. For companies with less than 50 employees, it is 11.2 per cent for Canadian companies and 3.3 per cent for foreign companies. For companies with from 50 to 100 employees, it is 10.1 per cent for Canadian companies and 4.3 per cent for foreign companies. For companies with from 100 to 200 employees, it is 9.1 per cent for Canadian companies, 3.7 per cent for foreign companies. For companies with from 200 to 500 employees, Canadians do it at 8.4 per cent and foreigners at 3.4 per cent. For the companies which you would assume have the most bucks, those with more than 500 employees, it is 10.3 per cent for Canadian companies, and all the foreign controlled companies can do is to come up with 2 per cent. They are siphoning off that money and taking it home where they create jobs, not in Canada where jobs are needed. Foreign companies imported 22 per cent of their sales, five times that of Canadian-controlled companies. In manufacturing, they imported 30 per cent of their sales, four times that of Canadian companies. They are basically extensions of their parent companies whose activities are directed at the Canadian market only and not geared to the exports which we badly need.

Let us talk about the human side. I have talked about the lay-offs that occur when branch plants pull up stakes and go back home. What does it mean in human terms? I would like to read from a poem from the metropolitan Toronto Social Planning Study entitled *Lay-offs: Job Retention As a Policy Issue*. It was written by 13 year old Sharon L. The poem is entitled "My Dad Is Unemployed". It says: "My dad is unemployed and I hate it. It isn't his fault he hasn't a job. He tries hard enough. His company had to let somebody off. Guess who got picked? I hate his employers for what they did, for the quarrels and tension, but especially for making my dad feel so useless, unwanted, unneeded. I hate them for it." That is what foreign investment in this country means, Mr. Speaker, when we do not get a handle on it.

• (1540)

That is what it means when we do not ensure that there are some rules for foreign-owned companies to live by in terms of creating more jobs in this country and ensuring that they do not just extract our resources, take a quick shot at the market, wipe out a few competitors and bail out.

One of the messages I have heard in this debate from government Members is that they are concerned that Canadians are not investing in this country. I share their concern. Instead of developing incentives for Canadians to spend their savings in order to create jobs or for Canadian corporations to invest in Canadian products, the Government is looking abroad.

This should be called the popcorn Bill because the Minister seems so concerned about the businessman who wanted to come here to establish a popcorn stand for $6,000. If there are such possibilities for that business, why is there no Canadian investing in it? Why is it necessary to encourage the Ameri-

cans or Europeans to set up a popcorn stand? The Government seems to suggest that they represent the entrepreneurs in Canada. However, I see no changes that will encourage entrepreneurs to invest here. Instead, many Canadian corporations have taken their money out of Canada and invested it elsewhere.

Let me give an example from my own community. Great Lakes Forest Products Limited has announced that it will build a pulp and paper mill in Washington State. It will spend $25 million U.S. from the Canadian economy to build that mill, which will eat into the Canadian pulp and paper industry and British Columbia's markets for newsprint on the West Coast. That company is in receipt of $48 million to $50 million in direct grants from the Government of Canada and the Government of Ontario. It owes $116 million in deferred taxes. Yet the Government is letting that company take its money to create jobs in the United States. Perhaps that company should go to Corner Brook to invest in the mill there and keep the money within Canada.

The reason given by Great Lakes for this investment in Washington is the unfavourable investment climate in Canada. Other companies have expressed the same sentiments. For many years we have seen our development companies buying shopping plazas and other enterprises in the United States and building condominiums. Why do they not do that here? Instead of simply opening the doors, the Government should be determining the causes for investment money to leave this country. I just do not understand.

Mr. McDermid: That is right. You sure don't.

Mr. Angus: Last year, personal savings in Canada totalled $36 billion. Surely we can do something to use that money to create some wealth in Canada. We do not even come close to the Americans.

Between 1950 and 1974, Canada had personal savings rates of 5.9 per cent. In the United States it was 6.9 per cent. In 1984 the figure is 12 per cent as opposed to 6 per cent. Canadians save twice as much as Americans.

Mr. Epp (Provencher): Do you know why?

Mr. Angus: I would like to know why. Perhaps the Hon. Minister can join us in the debate and explain.

Yesterday, the Hon. Member for York East (Mr. Redway) talked about housing and the need to encourage investment in housing. I agree with him but the reason why people are not building in this country is that they can make more money by leaving it in the bank. This is the result of the high interest rate policy of the previous Government which the present Government seems to accept. It has not taken action to ensure that interest rates go down to a realistic level so that people will invest money into housing again. The Americans will not build homes and apartments here because of the cost of borrowing. They realize that they can make money easier through other means. I suggest that the Government should change that policy.

I want to see Canadians investing in housing, whether it is rental or for purchase, so that we can escape from the intolerable situation which persists in most communities in this country.

We are also concerned about foreign investment with respect to the fishing industry in the Maritimes. There was an interesting discussion that took place recently in the Standing Committee on Fisheries and Forestry. I am glad that the Minister of Fisheries and Oceans (Mr. Fraser) is here today. He knows that the recent court decision effectively bars the Americans from the lucrative part of the Georges Bank. This means that the only way they can get into that market is by the acquisition of assets of Canadian companies, of fishermen, canneries or other companies.

It is my understanding that there is no provision for review by Investment Canada. I encourage the Minister to review that situation because I believe that other aspects of the fishery industry besides the Georges Bank could be in danger of being taken over. At least with FIRA, the Minister has an opportunity to say in Cabinet that such action is not good for the Canadian industry.

There also seems to be some confusion among Members of the Cabinet about provisions in the Bill. In reply to a question that I raised in the House two days ago, the Minister of State for Small Business (Mr. Bissonnette) said, as quoted in *Hansard* at page 1111:

—Investment Canada will see to it that the money is reinvested in Canada.

I have not found such a provision in this Bill. I would be pleased if an Hon. Member could tell me where that provision is because I have not seen it. I suspect it is not there and that the Minister did not understand the implications of the Bill.

In conclusion, let me explain what our Party would do. We would tighten up the existing FIRA legislation to cover a review of foreign firms already operating in Canada, applying stricter controls over any expansion of existing foreign-controlled business, ensuring that these firms promote trade in accordance with Canadian laws and policies rather than submitting to the laws and policies of the controlling company.

We would ensure that foreign businesses operate in our best interest by providing jobs, production of manufactured goods, research and development, re-investment of profits in Canada, and the purchase of Canadian goods rather than imports.

We would promote the expansion of public and co-operative ownership to promote ownership by Canadians of a larger sector of the economy and to halt and reverse the trend to foreign domination.

I am pleased to participate in this debate and look forward with interest to further discussions.

● (1550)

Mr. McDermid: Mr. Speaker, we have been highly entertained over the last 20 minutes by some remarks that are hardly worth commenting on. However, I do have a question for the Hon. Member. He is against investment coming from off-shore into Canada. At the same time he is against Canadi-

an companies growing by investing outside of Canada. What is the NDP policy? How would the New Democrats prevent Canadian companies from growing by investing off-shore? What legislation would the New Democratic Party bring into the House to prevent Canadian companies from growing off-shore? The Hon. Member does not need to get cribbing notes from his seatmate.

Mr. Langdon: He does not need cribbing notes.

Mr. Angus: Mr. Speaker, my colleague is right. I do not need cribbing notes. I welcome the Hon. Member's question. I remember seeing him in the halls of the other House a number of years ago. I want to say to him very clearly that we would provide mechanisms by starting with lower and controlled interest rates so that when Canadian companies and investors have some dollars there will be more incentive for them to invest in risk industries in Canada. Second, we would also be prepared, and we talked about this in the campaign so it is nothing new, to ensure that there is some kind of vehicle to prevent capital from flowing out. Perhaps some form of taxation system could be devised that would achieve a balance so that companies in Canada would find it more attractive to invest here at home. It is not that companies are expanding, Mr. Speaker. Great Lakes is undermining two other Canadian companies, two existing forest products companies in the Province of British Columbia. I, as a Canadian, object to that.

Mr. McDermid: I have a supplementary question, Mr. Speaker. What the Hon. Member is saying to the House today is that he is opposed to competition in the market-place. That is the bottom line of his comments. He is opposed to competition of any kind and he is going to eliminate competition, which is absolute rubbish. It is absolutely insane to make a proposal like that.

Mr. Rodriguez: There is no competition among the banks.

Mr. McDermid: I think the Hon. Member said he was going to bring in monetary controls. He would prevent Canadians from taking money outside Canada. Would the Hon. Member like to suggest any limit? Are we talking of $600; $1,000 or; $10,000? What exactly is the Hon. Member proposing when he talks about monetary controls? He is talking about controlling Canadians, telling them that they cannot take money outside the country, that they cannot invest, that they cannot take that extended holiday or whatever. What is the Hon. Member trying to tell this House? Why do the socialists not come clean with the Canadian people? Nobody believes a single word the Hon. Member has said today, not one.

Mr. Angus: I want to assure the Hon. Member that when I spoke I did not speak in terms of the Canadian who is travelling to Duluth in the U.S., next door to my community or to Florida or what have you, Mr. Speaker. Of course, they are not going to have exchange controls imposed on them. I am talking about investments of over half a million dollars.

Mr. Epp (Provencher): All investments?

Mr. Angus: Some kind of controls have to be imposed on those kinds of investments. Those are the kinds of investments that are stealing dollars from potential Canadian industries. I would rather see this Government get tough with the tax breaks it is giving to the corporations, the billions upon billions of dollars that we as individual taxpayers have to make up for. Corporations must begin to pay their fair share in this country instead of using the money to go off some place else and create jobs that may eventually lead to the elimination of jobs in Canada. That is what it is all about.

Mr. Oberle: Mr. Speaker, will you permit me to ask a question of the Hon. Member for Thunder Bay-Atikokan (Mr. Angus)? I am curious whether the Member realizes two things. First, if the particular company of which he speaks had not made the investment in Canada in the first place, there would never have been any jobs, nor would there have been any economy in the area of which he speaks. Second, and equally important, does the Hon. Member not realize that the money of which he speaks—and I can tell him I know a little bit about that company, that it is not taking out $50 million a year, it is scraping the bottom of the barrel—which the company may have taken out for investments in other parts of the world has been earned in other parts of the world? Most of the product, if not all, is exported to other parts of the world and earns foreign exchange income that we need badly if we want to rebuild Canada's economy and recapture our place in world markets. How narrow-minded can these socialists become? Why does the Hon. Member for Kamloops-Shuswap (Mr. Riis) not give this fellow a lesson? He is young enough to learn, and the Hon. Member for Kamloops-Shuswap knows better, surely.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Angus: Mr. Speaker, I will have a chat with my colleague the Hon. Member for Kamloops-Shuswap (Mr. Riis), who obviously agrees with me.

Some Hon. Members: Oh, oh!

Mr. Angus: I wonder about the question which the Hon. Member asks. If he is talking about money that Great Lakes has earned in the United States—I assume he talks about sales the company has made of a product, as far as I know it does not have any other operations elsewhere in the world other than in Thunder Bay and in Dryden at this point in time—because that company played the exchange market in the United States, it lost a substantial amount of profit that could have been used to develop Canadian industry. That company lost $900 million by trying to play the market instead of investing in Canada.

Mr. Oberle: If it were not for the exchange it would be broke.

Mr. Deputy Speaker: If there are no further questions or comments, we will resume debate with the Hon. Member for Simcoe South (Mr. Stewart).

Mr. Ron Stewart (Parliamentary Secretary to Minister of Public Works): Mr. Speaker I welcome this opportunity to join in the debate on this important piece of legislation to all Canadians, namely Bill C-15. Unlike the comments of my colleague across the way, in my view this legislation heralds a significant change in the direction in which this country has been heading over the past 15 years. On September 4 Canadians sent out a message loud and clear that they wanted change. This Bill evokes change. That message could not have been made more strongly. On September 17 the process of this change began when our new Government assumed office. Since then we have had a Throne Speech and an economic statement which charted Canada's new course. Now we have Bill C-15, the first new piece of legislation by the new Government that will halt, as I love to call it, that slippery slide to socialism which those gentlemen know so well.

Some Hon. Members: Oh, oh!

Mr. Stewart: That is the notion which the Liberals put into effect some 16 years ago with their sleeping buddies beside them.

Mr. McDermid: The socialist hordes.

Mr. Stewart: That is right.

Mr. Rodriguez: Tell us about B.C. today.

Mr. Stewart: Nothing symbolized the socialist policies of the previous Government more than the National Energy Program and the Foreign Investment Review Agency. Today we are beginning a process of making a break from those policies of the past that have bankrupted this great nation and placed 1.5 million people on the dole.

It is very interesting to note the comments of the opposition Members, the socialists in particular, who have spoken out so loudly against this constructive and positive piece of legislation. I noted in particular the comments of my colleague, the Hon. Member for Essex Windsor (Mr. Langdon), who just left the Chamber and who in the past few weeks has been so critical of the deal approved by FIRA which will result in the loss of 600 jobs in the city of Barrie. That is my riding, Mr. Speaker.

Mr. Orlikow: Aren't you worried about it?

Mr. Stewart: I am very worried about it.

An Hon. Member: What are you going to do?

Mr. Stewart: Listen and you will learn.

I have searched long and hard for the logic in this argument and I can say I have found none. In his criticism of Bill C-15, he said that the end result would be a loss of jobs for Canadians. In his defence of FIRA he implied that FIRA would protect those jobs. I should like to quote from his remarks of December 11, 1984 when he said:

● (1600)

—under this Bill, Black and Decker would have been completely free of any review when the take-over occurred . . . they would have had complete freedom to shut down that subsidiary without any negotiation process, without any help for the workers involved, without any negotiation with the community and without any review mechanism by the Government of Canada. That kind of economic nonsense will damage communities across this country one by one over the next 10 years, if this Bill goes into effect.

The scenario described by the Hon. Member for Essex-Windsor is exactly what has happened in Barrie under FIRA. That is the type of economic nonsense, as he called it, which has been allowed to happen with the blessing of FIRA. Does the Member want this kind of economic nonsense to continue? Does he support FIRA or does he not? Does he want change or does he not? The Hon. Member did not say, but the inconsistencies in his argument were clear because 92 per cent of the cases which came before FIRA were approved at a cost of some $6,000 each. As a result of the work of the entire Cabinet in making those tremendous decisions, only 8 per cent were turned down. One of the ones which should have been turned down was the Barrie plant. Did they do it? Not on your "pooh-whippy", they didn't.

Mr. Johnston: How do you spell that?

Mr. Epp (Provencher): Translation.

Mr. Stewart: Right now there is every reason to believe that that agreement in front of FIRA was defaulted by Black and Decker. Did FIRA catch it? Did FIRA say, "No, you cannot close the Barrie plant because you did not live up to the obligations under your contract"? No, not one word have we heard from FIRA. Ostensibly that plant is to be closed, but perhaps not, and it will not be as a result of anything done by FIRA. Believe me, they sat and watched the whole degenerative process. Out of the whole thing, all they ever look at was only 8 per cent. One of the ones at which they should have taken a shot, they let go by the boards. I do not think that says anything good whatsoever about FIRA.

I believe the vast majority of Canadians support the initiatives of the new Government, particularly the goals which Bill C-15 will achieve. During the election campaign the Prime Minister (Mr. Mulroney) made it clear to all Canadians that new infusions of capital were necessary if we were to revitalize the economy and allow it to create—the one thing he said which Hon. Members opposite keep throwing at us—jobs, jobs, jobs. But, how do we get those jobs, jobs, jobs? We must have somebody who will spend some money here. This country stretches 5,000 miles from sea to sea and it has a measly 25 million people. We do not have a domestic market which is sufficient to do the silly things which the former speaker mentioned. We must export. We are a great exporting nation. To export, we must have capital which builds buildings and machines and sells products. Not one doggone thing in the world happens until one sells something.

I am talking about a strategy which would encourage equity investment and stop the outflow of equity capital. That is the problem in Canada. In 1980, the Liberals told Canadians they would buy back Canada, that foreign investors were no longer welcome. That was the message of P.E.T. But the Liberals did not really buy back Canada. They borrowed it back. That is what they did. They absolutely and totally borrowed it back, replacing foreign equity with foreign debt. The Progressive Conservative Party wants to reverse that trend. We want to encourage an inflow of investment capital, because equity inflows mean less reliance upon debt. They mean lower interest rates, a lower deficit, lower inflation, higher economic growth and, given the one medium we need, but, most important they mean jobs. That is the critical need. We need to strengthen the capital base of Canadian companies, particularly our small businesses. Too many Canadian businesses have too much debt and too little equity. That is our problem.

The message was clear. Bill C-15 will fulfil the promises we made to Canadians. As I said before, on September 4 they voted overwhelmingly in favour of our policies and new directions for the country. If the members of the Opposition believe for one minute that Canadians do not want to welcome foreign investment capital into the country, let them look at the government Members surrounding them on that side of the House. The message is clear. Canadians have rejected FIRA, totally rejected it. Canadians have rejected the socialist policies which have brought about the worst economic crisis the country has experienced probably since Confederation.

There are 1.5 million of what our friends across the way like to call ordinary Canadians. We on this side are ordinary Canadians too. We think more of them than they do, with all their rhetoric. These ordinary Canadians must surely wonder why the NDP, which claims to have a monopoly on the concerns of ordinary Canadians, is speaking out so loudly against this positive piece of job-creating legislation. Perhaps we have a chance of getting rid of those albatrosses — de Havilland, or Canadair. Why do they demand a continuation of the policies which have done so much to damage Canada? Billions of dollars have been spent to prop inefficient operations. They cannot have it both ways. They have to make up their minds. Either they are for change, which means jobs for Canadians, or they are against it. I think the ordinary Canadians which we represent know where both opposition Parties stand. It is fairly obvious if one looks across the way.

What are the changes we can expect to see with the passage of Bill C-15? First, all new businesses are exempt from the review process. Second, all direct acquisitions of Canadian businesses under $5 million are exempt from review, except those pertaining to culture. I believe that makes sense. It refers to those in the print media, et cetera. Third, all indirect acquisitions under $50 million are exempt form review.

The effect of these changes will be significant, especially in light of the activities of FIRA in 1983. For example, none of the 442 new businesses reviewed in 1983 under FIRA would be reviewed under Investment Canada, 80 per cent of the 283 direct acquisitions would not be reviewed by Investment Canada, and 93 per cent of the indirect acquisitions would not be reviewed by Investment Canada.

Investment Canada has also been given a specific mandate to encourage investment for growth and jobs, to provide information services and to advise businesses and investors on opportunities and contracts. This matter was raised in the House today. We were asked why we would do away with that. That will not be the case whatsoever. The Prime Minister mentioned that there would be more Bills coming in, delving further and further into the problems of foreign investment. In short, it sends out a message that Canada wishes to become a better place for foreign investors to do business. It is as simple as that. In turn, this will give domestic investors increased confidence in the Canadian business environment.

Unlike FIRA, Bill C-15 reflects a new attitude. That is what we as Canadians must have. We require a complete attitudinal change. It recognizes the positive contribution foreign investment can make. Some 90 per cent of foreign investors will no longer have to wait for government approval before proceeding with their investments. We are placing realistic time limits on the length of the review process. We are not dragging our feet.

FIRA proceeded from the assumption that all foreign investment was bad. That was the Trudeau philosophy. Investors had to prove that they could benefit Canada, and the word "benefit" was defined by a bureaucrat. Investment Canada proceeds from the assumption that foreign investment is good for the country. Mr. Speaker, I ask you to think about the word "FIRA". Every foreign investor was afraid. The very word struck fear i the hearts of foreign investors. It was negative, the way everything was for so many years. Now we have something which is positive—Investment Canada, the place to put your money. It is a place of trust, a place of growth, a place where new jobs will be created. That is the difference between us and them.

Opponents of this legislation like to point out the high approval rate of proposals made to FIRA, but they missed the point. As Richard Smith of the American Embassy said in a letter to *The Globe and Mail* on September 8, 1982:

> FIRA's approval rate, reportedly close to 90 per cent—

In reality it is 92 per cent. He continued:

> —is not the relevant measure; it takes no account of applications withdrawn or not made as a result of FIRA's onerous procedures and requirements. Investment once established in a foreign country is highly vulnerable to the policies of that country, and it tends not to go where it perceives it is suspect. There is a sense in which FIRA can be viewed as a solution without a problem.

However, there is a problem. There is no way of knowing how many potential investors simply looked at government interference—particularly Americans to whom the words government interference are anathema—and then quickly looked elsewhere. There is no real way of knowing how many we lost, no way of knowing those potential investors were chased away by that one scary word, FIRA.

● (1610)

The Wall Street Journal expressed similar sentiments in the September 14, 1982, issue, and I quote:

In practice the agency has been secretive and capricious, and . . . has driven away many would-be investors through bureaucratic inertia . . . a continuation of FIRA provides just the wrong signal at a time of capital flight by Canadian and foreign investors alike.

Amen. All the criticism has not come solely from the United States. In August 1982, the West German Economics Minister said that Canada could move closer to recovery and secure new markets for its energy, if only it would drop its trade barriers and relax nationally-oriented policies.

Mr. Oberle: Those are my people.

Mr. Stewart: The Hon. Member says that those are his people, and I agree with him. He called FIRA and the NEP "hindrances that impair the investment climate of your country". That is about to change. It is like a breath of fresh air. A new day has dawned. The PCs are here and Canada is on the way straight up.

The underlying theme behind the criticisms of FIRA has not been so much over the approval rate, but over the potential investors who never even bothered to try to get through the plodding, bureaucratic mess. That has been the problem. We are now sending out a message to potential investors that Canada is again open for business. The door is open and the till is ready to ring.

FIRA has been a hindrance and a millstone since the day it was created. It is a bureaucratic nightmare. Since that time it has grown increasingly irrelevant. As *The Globe and Mail* pointed out a year ago, FIRA was set up in 1974 by a minority Liberal Government, but it came too late to fight the last war over high foreign ownership in the economy in the 1950s and 1960s, and now it is ill equipped for the next war, fighting for new business investment in the 1980s. If we are to survive as Canadians, we have to be out in the jungle, which is known as the world market-place. Let us put it to rest and bring in a new agency that encourages investment in Canada. Let us welcome it with open arms and not be so silly. That investment will create jobs for my children and your children. It will help take away that deficit which is a millstone around the youth of this nation. Job priority is the top priority. It comes from doing such things as, first of all, getting rid of FIRA.

How is it that the opposition Members can claim that we will lose jobs by bringing new investment into this country? That is the most ludicrous thing I have ever heard. How can they demand a stronger FIRA to protect jobs that do not exist? That was pointed out by my colleague to the left. Is it not obvious that the Liberal policies of the past 16 years, which the NDP so strongly supported, have brought us to the point we are at today? Is it not obvious that Canadians voted for change and that we are providing that change? It must not be because we still hear criticism.

Why do the opposition Parties continue to criticize the policies that were so strongly endorsed by Canadians on September 4? It was all put out in front of them. I dare say that there is not one of us on the government side who did not make speech after speech deriding and decrying FIRA and stating that we would change it. Every Canadian knew that. They continued to defend the policies that were so clearly rejected by that mass of voters. Perhaps that explains why they are surrounded by government Members on that side of the House. How much stronger does the message have to be before they realize that the policies of the past which they cling to, as our government House Leaders says, like Velcro, are irrelevant to the vast majority of Canadians in the 1980s? What was ever accomplished in North America by socialism? Nothing.

Bill C-15 is timely, relevant, positive, constructive and worth-while. It is what Canadians want and it is what they are going to get. I would urge all members of the opposition Parties to look to the left, to the right and then to support this legislation which Canadians want and so desperately need. Let us bring investment capital into Canada and create jobs for the 1.5 million unemployed ordinary Canadians, whom we in the P.C. Party support, who want to work but have been denied the opportunity to do so by the harmful Liberal policies, backed up by the little bit of ambiance to their left over the past 16 years. Have the courage once to vote for change.

Mr. Langdon: Mr. Speaker, it has been fascinating listening to the Member make his speech. It has been an interesting combination; first a little speech for the people back home who say, "My goodness, I think Barrie should have prevented the shut down of the Black & Decker plant", organized carefully for a clip on the TV station. Then, somebody clearly drafted for him a speech extolling the virtues of eliminating the agency that he just got finished saying should have stood up and protected the workers in his dome city. He carefully read the speech without recognizing the immense contradiction in which he was involved.

At the very least, as he stood and talked about the new day that had dawned, he should have blushed. The new day that dawned after the election for the 600 workers in the Black & Decker plant in his constitutency was a bleak and desperate day, a day in which their jobs were lost and in which this Government was presented with a challenge. This is the whole point of this debate: The existence of a review mechanism by the name of FIRA—it could have a different name or a slightly different approach—has given the workers of Barrie the chance to appeal the shutdown decided on by Black & Decker.

The Hon. Member is well acquainted with what is taking place in his constituency. He must realize that those workers came to Ottawa. They were able to meet with the staff of the Ministry of Regional Industrial Expansion. They were able to present to the Minister careful information, which contradicted the information which Black & Decker had provided to FIRA. As a result of the existence of that review mechanism, which he now wants to strip away, the Minister had Black & Decker come to him and provide a fresh explanation. The trade union involved is now taking that Minister to court to ask the Minister to intervene to protect their jobs under this piece of legislation of which he wants to get rid.

We have here a classic case of workers and communities being able to use FIRA to try to protect themselves. Instead of this Member standing up and supporting his community and

the workers in his city, he stands up and says, "A new day has dawned. Thank Heaven for a P.C. Government". It is a classic case of jobs being lost as a result of foreign investment. The facts are on the record that it was a foreign company that took over another foreign subsidiary. The result has been a loss of 400 jobs.

Members opposite may not like to face reality. They may want to re-write history, but the facts are very clear in this case. Why did this Member get up in the House to try to defend the elimination of the one mechanism that his community and his workers have had to turn to in order to stop this company from doing what it wanted to do? Why has he been able to rise and unblushingly call for the cutting away of the one piece of legislation which is protecting the people in his community?

• (1620)

Mr. Stewart: Mr. Speaker, first I would like to tell the Hon. Member for Essex-Windsor that when it come to speaking about free enterprise, I do not need any help. Second, perhaps I could ask him a question. Does he understand the meaning of grandstanding, Mr. Speaker?

Some Hon. Members: Oh, oh!

Mr. Stewart: When the Hon. Member first stood in his place in this House to speak about Black & Decker and General Electric, he mentioned that take over of Westinghouse by Black & Decker. He did not even know what the company was. He is up there grandstanding again on their great vision of ordinary Canadians.

Yes, that is happening in my riding. Only 8 per cent of all the applications that came before FIRA were reviewed, at a cost of $6,000 each. The one that FIRA should have reviewed was the Black & Decker application for Barrie. It did not review it and allowed it to happen. Why bother at all? That is the whole point. We will chase away 35,000 more than we will ever win. It is in my riding and it is my concern. However, defending an 8 per cent decision does not make it right at any time.

Mr. Johnston: Mr. Speaker, I am just going to step in and help you referee this exchange. I gathered from the Hon. Member's remarks that he seems to be telling us that had FIRA protected the Black & Decker workers, he would not be supporting this Bill but would be supporting the continuance of FIRA. Is that correct? That is the conclusion that I would draw from what the Hon. Member has said.

Mr. Stewart: Mr. Speaker, may I tell the Hon. Member that his conclusions are the same as they were in the leadership race: he might win.

Mr. Langdon: Mr. Speaker, again, the Hon. Member has missed the point of FIRA. The statistics regarding FIRA do not show that 92 per cent of the applications have not been reviewed. They show that 92 per cent of those reviewed were accepted with conditions, and the conditions in the case of Black & Decker, according to the news reports and the comments made by FIRA officials, were that the Black & Decker plant would remain profitable. So long as it remained profitable, it would be kept open.

The union has quite clear statistics that indicate, first, that Black & Decker was profitable last year and, second, that it has remained profitable this year. It is because of that that it is able to turn to FIRA and say: "You have not kept to the conditions to which you have committed yourself". In fact, it is the commitments that FIRA has gotten out of Black & Decker that now permit the workers in the community to go both to the Minister and in turn to the courts to try to protect those jobs.

Let me ask the Hon. Member whether he cannot recognize the contradiction in his approach. Can he not recognize that in this case, as I predict will happen in many, many cases in the future, jobs of Canadian workers will be lost because of foreign investment and jobs that could be protected by a review process will go without that protection in the future?

I have one last point to make, if I may. I am not grandstanding. I do not have constituents in Barrie to win to my side. I am talking about people in our country who are being hurt and whose jobs are being lost. That is the point and that is what our fight is about. I ask the Hon. Member to recognize that as well.

Mr. Deputy Speaker: I recognize the Hon. Member for Simcoe South (Mr. Stewart), but I ask him to make it a short answer.

Mr. Stewart: Mr. Speaker, I will make it short. It is not contradictory. I will always fight for my constituents. I will be fighting very hard for solving the Black & Decker problem, and not inflaming it as the Hon. Member is. Investment Canada, on the whole, will create a much better situation than we have now, and always will. Foreign investment—

An Hon. Member: Right on!

Ms. Mitchell: We made a convert.

Mr. Deputy Speaker: The time for questions and comments is now over.

* * *

MESSAGE FROM THE SENATE

Mr. Deputy Speaker: I have the honour to inform the House that a message has been received from the Senate informing the House that the Senate has passed Bill C-16, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st of March, 1985.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: Order, please. It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Egmont (Mr. Henderson)—Fisheries—Georges Bank boundary decision—Possible United States request for moratorium. (b) Request that Prime Minister negotiate management agreement; the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall)—Employment—Provision of funds to create jobs. (b) Source of funding; the Hon. Member for Bow River (Mr. Taylor)—Fitness and Amateur Sport—Reported importation of drugs by Soviet athletes.

GOVERNMENT ORDERS

[*Translation*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Stevens: That Bill C-15, an Act respecting investment in Canada, be read the second time and referred to the Standing Committee on Regional Development.

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I am pleased to speak on this Bill which, contrary to that party's commitments, is again intended to steal jobs from working men and women. Despite suggestions from some of the Progressive Conservative Members, nowhere does the legislation ensure that there will be more jobs in Canada. Despite suggestions from some of the Members, nowhere does it ensure that in any area, any province or any constituency there will be more jobs. But on the other hand, this legislation offers no guarantee that in any area or constituency there will be no loss of jobs. And I well understand why the Liberal Party, which forms the Official Opposition is not supporting the legislation as submitted. It is because when an American multinational corporation, as mentioned by the Prime Minister, decides to take over a number of small businesses, and there is a recession as has already occurred in some particular area of the economy, the decisions will be made in the United States rather than in Canada, and the financiers will decide to close down the Canadian subsidiaries in order to maintain production and employment in the United States, for which they are responsible. And in Canada, our companies will operate as mere warehouses and there will be lay-offs. There is no way the legislation can prevent that kind of situation.

Earlier this week, a Progressive Conservative Member wanted to know of instances where foreign corporations had come to Canada and had been badly served. Some people's memory must be short. One only has to mention Iron Ore. That company's representatives came here to develop resources in Quebec, and when they realized there was nothing left to do, you know what they did. They appointed a Canadian businessman as president to smooth things out, to close it down and lay off people.

Other Members will recall ITT. At one point they came to develop our natural resources in Quebec, with no thought whatsoever of reforestation, of the future. And when they were finished, when things were no longer profitable, they closed down and told Quebecers: You look after yourselves!

Mr. Speaker, it is important in my view that each Member in this House should make sure that the legislation is improved. I have no objection to investors from any country coming here in Canada to invest. But one thing must be ensured, namely that jobs are created and that economic and social policies in Canada do not end up being determined by foreign investors.

• (1630)

There is another ambiguity. If you read the speech the Prime Minister (Mr. Mulroney) delivered in New York and examine the bill, you realize there is a very serious problem with this government because the Prime Minister always says different things in different places and you never know when he speaks the truth.

On page 4 of his speech, the Prime Minister of Canada mentions that he went to meet the President of the United States. I am of the opinion that he went to take the President's orders.

And finally, he announced that the President of the United States would come and check in Canada whether the Prime Minister of our country has complied with his orders.

Not only does he provide the answer to establish good relations between Canada and the United States, he also asks that regular meetings be held between both levels, that is between the President and the Prime Minister and also at the ministerial level. With such an attitude, I wonder who will govern Canada. Will the ministers of the Canadian government have to adjust to the decisions taken by American governors?

It should not be forgotten that our friends and neighbours are an important power. I find it hard to imagine the Minister of Finance (Mr. Wilson) and some other ministers discussing with representatives of the American government. I rather suspect they will enter those meetings with set ideas, and come out sharing the American views. After 15 to 20 years of that kind of attitude, the Americans will dictate not only our economic fate but also our social policy.

I noted another part of his speech where he refers to the control of some foreign investments by large corporations. But when a foreigner invests in small or medium business, there is be no problem. Come right in that's for sale and there is no problem!

However the government has forgotten that American financiers will at first purchase a small Canadian business, then a second one and a third one and after a number of years, thousands of Canadian businesses will have been snatched as a result of the lack of regulations in the bill. They will be the ones making the decisions.

I wonder if it is not the American government or the big American financiers who demanded that the government defer the enforcement of the bill amending the Labour Code which was passed by this House.

I would like to know whether the Minister of Labour (Mr. McKnight) can assure us that no foreign interference influenced the government into denying the passage of a bill unanimously agreed to in this House following a debate in committee.

Energy is another crucial sector. And there I think that doors are wide open to the multinationals. I see my colleague from Duvernay (Mr. Della Noce) . . . I think I would invite the members and ministers opposite, those from Ontario and Western Canada to listen to their colleague from Duvernay. He knows what multinationals are all about. He knows what multinationals think of small businesses and consumers. I hope that you will hear him in caucus, because he went through all that and he will soon tell you about it. He knows what the interests of a multinational are. Certainly not the protection of the consumers or of the small businesses. He experienced the problem in Quebec with other small garage owners.

I urge the Members of this House, especially on the government side, from the West and other provinces to listen to the Hon. Member for Duvernay.

I know he could speak from his own experience. So I think it is very important to think twice before selling Canada off to foreign investors.

Canadair is another case in point. The Minister has told the House that Cabinet would decide if foreign investors ever decided to purchase Canadair. But how can we be sure about a Government that is as consistent as a weather vane? At least under the former Clark Government, they would say one thing in French and the opposite in English, but this Government says the opposite in both languages. It changes its tune every day. I think it is important for Members from the Montreal area and from Quebec in general to make sure that Canadair keeps its jobs and that its technology stays in Canada.

Mr. Speaker, from the way the Prime Minister and some Hon. Members have been speaking to this Bill, I get the impression that they want to go back to what the situation was 75 or 80 years ago—the law of the jungle. The previous speaker, in his answer to a question by the New Democratic Party Member, said that as far as private enterprise was concerned, he knew all there was to know, but he never answered the question about jobs lost in the private sector. He did not know what to say to that, Mr. Speaker.

I think most of my colleagues, and even some New Democratic Party Members, said that Hon. Members would have to think hard before adopting this Bill. They will have to propose substantial amendments, while both protecting Canadian investors and making it possible for foreign investors to settle or do business in Canada. Above all, we must ensure that no jobs will be lost, and our main challenge will be to ensure that new jobs are created.

Mr. Speaker, the Prime Minister said that if his Party came to power, it would increase business confidence, and unemployment would go down. We have had the figures: 50,000 more unemployed. CBC employees thought that with a new Government, things would be all right. The result: more than 1,100 people have lost their jobs, and this does not include jobs lost as a result of those lay-offs.

Mr. Speaker, I could give a long list, but only one item has remained the Government's top priority and that is spending $36 million to change the uniforms of our soldiers, which should come as no surprise with a Prime Minister who seems to like window-dressing. However, I do not think the Canadian military need uniforms. They have the qualifications and the skills, and I do not see how changing the colour of their uniforms will afford better protection against Cruise missiles.

Mr. Speaker, to get back to the legislation before the House, I believe, I hope and I am confident, as I said earlier and I see the Minister of Energy, Mines and Resources (Mrs. Carney), whom I would urge to listen to the Member for Duvernay (Mr. Della Noce) who has had experience with multinationals in the energy and oil sector. I expected him to be appointed Parliamentary Secretary, to have a balance with one defender of multinationals and one defender of medium- and low-income Canadians, but that was not to be. I urge Hon. Members to listen to him, and I trust that next week, the Government will bring in substantial amendments to protect the interests of Canadian workers. Otherwise, Mr. Speaker, the Official Opposition will do so.

The Acting Speaker (Mr. Paproski): Questions and comments. The Hon. Member for Saint-Michel-Ahuntsic (Mrs. Killens).

Mrs. Killens: Further to the comments made by my colleague for Montreal-Sainte-Marie (Mr. Malépart), I would like to ask him a question.

Could he assess the housing situation in his constituency as of today, as against the days when he was Parliamentary Secretary to the Minister responsible for housing?

The Acting Speaker (Mr. Paproski): The Hon. Member for Montreal-Sainte-Marie (Mr. Malépart).

• (1640)

Mr. Malépart: Mr. Speaker, I am pleased to provide the Hon. Member for Saint-Michel-Ahuntsic (Mrs. Killens) with this answer. I think Statistics Canada has shown us today what has happened since September 4, with respect to housing. Actual figures show that in urban areas, there is a 15 per cent drop in housing starts, with a 28 per cent decline in collective housing.

The Minister when sitting on the opposition side, not very far from here, never tired of asking the Government to inject money that would stimulate the building industry. As the saying goes, when the building industry is healthy, everything is healthy. But the fact is, Mr. Speaker, that there have been cuts—

[*English*]

Mr. McKnight: Mr. Speaker, I rise on a point of order. I would ask that the Hon. Member be more specific as to the time when I requested more influx of dollars to inflate the housing market artificially and allow those men and women who have been employed—

The Acting Speaker (Mr. Paproski): There is no point of order there, Mr. Minister.

[*Translation*]

Mr. Malépart: Mr. Speaker, I will have to repeat, because the Minister of Labour (Mr. McKnight), the Minister in charge of Housing, does not understand. It is therefore important to . . . I suppose he read the Canadian Mortgage and Housing Corporation's statistics showing the distressing housing situation. And, Mr. Speaker, not just housing starts but also rental accommodation are down, but the Minister recommended cuts in that area.

Mr. Grisé: Mr. Speaker, I did appreciate the comments of the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart); for a while there they almost sounded like his best wishes for the New Year. But he also said something about it being dangerous to have American investors or business owners. I am convinced that, even though it is not in his riding, the Member for Montreal-Sainte-Marie is fully aware of the existence of a company with head offices on the south shore, Pratt & Whitney Aircraft to be precise, and headquarters in Hartford, Connecticut.

The figures are there, Mr. Speaker, and they tell us that this company has been creating jobs for years on the south shore. Some of the Pratt & Whitney workers even come from Montreal. Perhaps some of them live in the Hon. Member's riding. So he might keep in mind that such investments do create jobs. That is the type of company which has been a boon to all regions of the country and primarily responsible for high technology development in Canada's aeronautical industry. Companies like that do not pack up and leave with millions of dollars every year, they do not bank all their profits in Hartford, because in the past 15 years that company has never stopped expanding, creating jobs and improving technology.

Mr. Malépart: Mr. Speaker, I am pleased to answer the Hon. Member for Chambly (Mr. Grisé). First of all, I think he picked the wrong example. As far as Pratt & Whitney is concerned, I did not say I was against attracting foreign investments. I said that we must make sure that foreign investments in Canada are used not to make us lose jobs, but rather to keep them or create more jobs.

He referred to Pratt & Whitney, but he should remember that it does not stand as an example, it is not a model company. Remember the 1972 labour troubles brought about by unionization! Remember how that American multinational company fought in Quebec to prevent male and female workers from joining the unions! As I recall, the National Assembly had to step in and legislate to force the company to let all its workers join the unions.

Still, I am glad the Hon. Member raised that point because it goes to show that American businesses and foreign investors alike must abide by the law. Recently, we heard about unions affiliated with American unions deciding to break all ties and join the Canadian labour movement. It proves that we do need strict rules to make sure that Canada is not directed from the outside.

The Acting Speaker (Mr. Paproski): The Hon. Member for Chambly (Mr. Grisé) for a supplementary.

Mr. Grisé: Mr. Speaker, I wonder a bit when I hear the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart) say that the company in question, Pratt & Whitney, was not a model company in our country, when his Government invested some $12 million in it in the last few years.

Mr. Malépart: Mr. Speaker, I regret that the Hon. Member . . . I do not know whether he is hard of hearing, but I said that it is a bad example as far as unionization is concerned. He surely remembers that at the time, when there was a dispute at United Aircraft, as it was then known, the company's name was held in such contempt that it had to be changed for the company to continue operating.

The Member has certainly not forgotten the 1972 labour troubles in Quebec about the unionization of that company's employees.

The Acting Speaker (Mr. Paproski): The period for questions and comments is now over—

Investment Canada Act

[*English*]

Mr. Tom Hockin (London West): Mr. Speaker, I rise in the House for the first time to speak extensively. I find it difficult to speak extensively when asking a question in this House so I will take the opportunity this afternoon to speak in this debate.

The Bill before us, Mr. Speaker, is a Bill which this House has debated in many forms over the past two decades without its necessarily being called Bill C-15. I support this piece of legislation for a number of reasons which are in direct contradiction with the views expressed in the last few days by members of the New Democratic and Liberal Parties. I want to make my comments under three headings. I believe these headings are the essence of the Opposition's arguments. The first argument is that most foreign countries have some sort of screening mechanism, some sort of "FIRA", and usually a much tougher FIRA or screening mechanism than we propose and, therefore, we are going to be exposing Canada to an investment climate which will be unusually demanding for Canada as compared to that in other countries in the world. This has been a major point in the argument of the Leader of the New Democratic Party and has been frequently alluded to by members of both opposition Parties.

In dealing with this argument I would like to quote from a report of the OECD on this particular subject. If you look at the way foreign countries deal with direct investment which comes into their country, Mr. Speaker, you will find some surprising facts. Canada's FIRA regulations in the past 10 to 12 years have been much more onerous and strenuous than those which exist as screening mechanisms in other countries. I will quote from a document entitled *Controls and Impediments Affecting Inward Direct Investment in OECD Member Countries*—which was published in 1982—under the heading, "Authorization Procedures, Regulations and Impediments of a General Nature". Germany: No authorization is needed. Greece: The importation of capital from abroad is not subject to authorization. Italy: Foreign direct investment does not require authorization and its screening mechanism is much weaker than FIRA was. For the Netherlands: Inward direct investment in the form of capital participation is not subject to authorization. Spain: As a general rule foreign investment in Spanish firms is free up to 50 per cent of the capital. Above 50 per cent the investor has to apply for an authorization which is granted in almost all cases. In the last two years, an average of 96 per cent of the total value of all applications submitted in Spain for authorization have been granted. Switzerland: No authorization is required for investment by non-residents or by established foreign-controlled enterprises, except for the acquisition of real estate which is subject to authorization and a couple of other limited industries. The United Kingdom: No authorization is required for investment by non-residents or established foreign-controlled enterprises. The United States, our neighbours, and I again quote from the OECD document as I have been all along: No authorization is required for investment by non-residents or by established foreign controlled enterprises. Some States of that Union prohibit or limit the ownership of land by non-resident foreigners or foreign corporations.

● (1650)

This is a very interesting document when one is trying to get a sense of where Canada fits in the context of over-all foreign investment in the world today. Why is this important? First of all it was raised by the Opposition. The truth is that Canada has constructed layer upon layer of deterrents through FIRA which are viewed as being psychological impediments by foreigners, which in their view is much more onerous than investment in other countries. If that is true, we have to come to terms with that reality.

I want to read from a recent book by Professor Edward Safarian of the University of Toronto. He looks at the flow of investment from 13 major countries in the last 20 years. From 1963 to 1968 Canada was the recipient of 16 per cent of the flow of investment from the 13 major investing countries in the world. From 1968 to 1973, it was 12 per cent. Then, when FIRA really moved into high gear from 1974 to 1979, it was 3 per cent; only 3 per cent of the total investment came to Canada, down from 16 per cent. We have to situate our screening mechanisms, whatever they are, in a world context. There is no better proof of that than the statistics that I have just read.

Of course, the most dramatic is the situation since 1980. From 1980 to 1982 our share of the flow of investment capital from these 13 major countries was negative. In other words, we were investing more abroad than was being invested here. We have to look at what Canada looks like abroad. We have to look at what our screening methods look like arrayed against the panoply of screening mechanisms in other countries. If you look at this you will find that FIRA was extremely dangerous for our economic development.

It is true that Sweden, Norway, Australia and Japan have screening mechanisms, but, by all objective views it is clear that they are much easier than FIRA. As a matter of fact, France is extremely open. It has an interdepartmental committee that looks at certain levels of foreign investment and it has a registry for foreign exchange investments, but it does not have strict criteria and its rejection rate has always been about 1 per cent, 2 per cent or 3 per cent a year of all foreign investment destined for that country. France, Australia, Scandinavia and Japan all have a very, very low rejection rate, Italy especially so.

We have to look at FIRA in this context. That is why FIRA, quite frankly, must go the way of the dodo bird. It is a mechanism which, if it ever was useful, is certainly no longer useful in the late 1970s let alone the 1980s.

The second major thrust I have found in this debate this afternoon as well as when the debate opened, is that there is somehow inherent in our Bill great danger to the survival of small firms. Of course, you can argue both positions on this subject with varying degrees of proof, but I would like to share with the House my thoughts on this very briefly.

I have a feeling that in Canada we have had a tendency, especially in the last 10 years, to produce small firms that grow to a certain stage but never grow to the second stage. That second stage is the ability to export abroad or even just to the United States, or to move to a technological stage whereby a company becomes a world-class firm. We have had a tendency in Canada of producing small firms which are then sold for the capital gain and the capital gain is used quite often to buy real estate, which is not particularly productive. We have to stop that. If we want our small firms to really develop, and this includes the Black and Deckers of the world, we have to find a way of getting them to that second stage where they can be truly an international presence. Small firms can be internationally strong as well as nationally strong. I believe the way to do that, Mr. Speaker, is by giving the kind of signals we are giving in this Bill.

I was told the other day by the president of one of the larger foreign-controlled firms in London that if this Bill is passed, he is thinking of buying two or three small firms in Canada and quadrupling their output. That company will export back into the U.S. from that base. It is going to quadruple its payroll and quadruple its labour. That is as a result of this Bill. In other words, small firms also are going to be resuscitated by this Bill. They are not just going to be threatened.

A number of firms who in fact find the competitive situation more difficult as a result of this Bill may find that their investment patterns would have been better in different directions anyway. We will have a more competitive situation which will drive down prices and force us to be more competitive and effective in the world economy. Hopefully, as a result, we can move to what I have referred to as the stage two of any business, which is able to be something more than a small national enterprise.

The third major argument we have been hearing is about the threat of foreign buyers moving into this country buying firms and closing them down. I think this was the burden of what we were hearing this afternoon. In that regard I would like to say that from all evidence we have seen in the last six or seven years, firms are not investing in Canada to shut down Canadian firms; they are not investing at all. Therefore, the essence of the opposition argument in this regard is really without any factual foundation.

I have heard arguments that if we have foreign ownership, we are going to change the production patterns of certain Canadian firms and so on. I would like to suggest, especially in the example brought up by the Hon. Member for Montreal-Sainte-Marie (Mr. Malépart), that foreign participation in Canadair or deHavilland might be an extremely good thing. What those firms have are magnificent facilities, magnificent skills, magnificent technological capabilities. What those firms need is foreign distribution, foreign marketing expertise and some foreign leverage. In fact, they might get it by having a foreign partner.

• (1700)

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

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

The Acting Speaker (Mr. Paproski): Shall all orders and items preceding No. 31 stand by unanimous consent?

Some Hon. Members: Agreed.

* * *

EXECUTION OF MASS MURDERERS ACT

MEASURE TO ENACT

Mr. Gordon Taylor (Bow River) moved that Bill C-209, an Act respecting the execution of mass murderers, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

He said: Mr. Speaker, I certainly hope that this Bill will pass second reading stage and go to committee. I believe it deserves that treatment.

This Bill is necessary because the Criminal Code of Canada fails to provide for the proper punishment of mass murderers, sometimes called serial murderers. The continued existence of mass murderers, or serial murderers, is a constant source of fear to Canadians in general and particularly to women and children.

The Bill provides for the execution of anyone who deliberately plans and kills 10 or more human beings and is found guilty beyond the shadow of a doubt.

One such murderer is Clifford Robert Olson. No one can deny that the murder of these girls and boys was not deliberately planned and carried out in cold blood. Let me outline this murder spree of Clifford Robert Olson. He had no conscience and killed simply for kicks. The first murder was that of Christine N. Weller. Olson took her to Richmond on November 17, 1980, and killed her with multiple stab wounds. Her murder, like that of all the others that followed, was planned and deliberate.

Five months later, Clifford Olson took Colleen Daignault to Surry and killed her. Her murder was also planned and deliberate. The cause of her death was skull fracture.

Five days later, Clifford Robert Olson took Daryn Todd Johnsrude to Deroche on April 21, 1981, and caused his unlawful death. The cause of death was skull fractures.

The fifth murder was that of Ada Anita Court, which took place just one month after the murder of Daryn. On June 21, 1981, Clifford Robert Olson took her to Agassiz and caused her death. The cause was strangulation.

Eleven days later, Clifford Robert Olson took Simon Patrick Partington, a nine-year old boy, to Richmond and killed him. The cause was strangulation.

The next murder took place 28 days later. Sandra Lynn Wolfsteiner disappeared on May 19, and finally Olson admitted that he killed her.

The next murder was seven days after that. Clifford Robert Olson took Judy Elizabeth Kozma to Agassiz on July 9 and caused her unawful death by multiple stab wounds.

Just two days later Clifford Robert Olson took Raymond Lawrence King to Agassiz. He killed him on July 23, 1981. The cause of death was skull fractures.

Again, just two days later, this man—if one can call him a man—took Sigrun Charlotte to Richmond and killed her on July 5. The cause of death was skull fractures. Just two days later, Clifford Robert Olson took Terri Lynn Carson to Agassiz and killed her by strangulation on July 27, 1981.

On July 21, just three days after the murder of Terri, he took Louise M. Chartrand to Whistler and killed her. The cause of her death was skull fractures.

Those are the 11 murders that this man carried out in that short period of time. In the month of July alone, he killed five people in cold blood. The evidence indicates that many of them were put through sordid degradation. The evidence is sufficient to indicate that at least some of these people faced sexual abuse and degradation before they were murdered.

I will deal with his sentence in a few moments. The first question I want to raise is whether Olson can be rehabilitated. In his 42 years of misspent life, Olson compiled a list of crimes which kept him behind the bars for the best part of 25 years. He committed one crime after another, and then capped it all with the murder spree of at least 11 young people. He now openly brags that he killed several others in the United States, for which he has not yet been convicted.

Perhaps the words of the wife of Olson can give an insight into the kind of man we are dealing with. She told the Supreme Court hearing that she was married to "an animal who terrorized me". She also told of nightmares that haunted her before her husband was caught in which the ghost of the murdered nine-year old boy, Simon Partington, begged her to help him. Whether it was a ghost or a dream, she sincerely felt that this young child was begging for help while her husband was brutalizing and killing him. She went on to say, "Oh, I hate him—I've hated him since the night he held a knife to my throat".

Robert Shantz, Olson's lawyer at one time, said that Clifford Olson is "conscienceless creep" who should be executed. He went on to say that, "There isn't anything that current medical science can do to change that fellow. You let him out and he is likely to have three more kids killed". This has been verified and confirmed by other highly trained psychologists. I ask the House: can he be rehabilitated?

First, Olson has no remorse for what he did. He laughed when he was collecting the money for the people he had murdered. Second, most experts say that, without a conscience, a serial killer cannot be reformed. Dr. Morrison, an American psychiatrist, said, "They are untreatable, unrehabilitatable, and uncontrollable". He went on to say that they can put on a good act but they cannot be reformed.

I submit that there is as much chance of Clifford Robert Olson being rehabilitated as the proverbial snowball staying a snowball in Hades.

Second, is it proper to try Olson a second time? This is an important question. Some people have raised the objection that this would be retroactive legislation which violates the fundamental principles of justice. Let me give you one or two instances. Adolf Eichmann was executed for crimes he committed prior to 1945 by laws which could not have been in existence prior to 1948 because Israel did not exist prior to 1948. The crimes he committed were so terrible there was no question that he should have been executed. He was. War criminals who were tried by army courts and who were not punished sufficiently were then tried by civilian courts and punished. Other war criminals were executed years after they had committed their crimes. There is an exception to every rule, and it is accepted generally by people around the world. When the reason is strong enough, the exception is made. Here we have a man who murdered 11 young people, laughs about it, and wants to profit by it. Twenty-five years in prison is not adequate. He has special guards, special protection, and special privileges. He watches television. He write letters, I do not know how many, with the dirtiest and most profane language I have ever read. The taxpayers of Canada are paying to keep a man like that alive.

• (1710)

Third, who will be responsible if Olson does escape or is eventually paroled? Not a boy or a girl on his street would be safe. He gets his kicks from killing boys and girls. Would those of you who think he should not be executed have him live beside your sons and daughters who have small children? Would you want him next door to you?

Retroactive legislation has beneficial side effects because if the possibility of retroactive legislation had been publicized, anyone who wanted to commit a murder today could no longer be absolutely certain that he will not be executed tomorrow. Who knows how many lives might have been saved from potential murderers because this Bill was on the Order Paper?

Next I want to look at the experience in one other country, namely, China. China, which we think is so primitive, established the death penalty for serious crimes. It included homicide, rape, robbery, explosions, and other activities. The report states that two months after taking this hard line, that is that people who committed crimes and were found guilty would be executed, crime fell to its lowest level in years, dropping 46.7 per cent one month and 11.5 per cent more the next month.

Death is a deterrent. Everybody wants to live. Very few want to die. Death is certainly a deterrent. It is certainly a deterrent when a man has committed a number of crimes and is then executed. He will not commit any more crimes. Had Clifford Olson been executed after he murdered the first girl, Christine Ann Weller, there would be ten fine young people alive today, but he was not executed.

I want to outline a few comments that I have in a thick file of letters from people all across Canada. One deals with the last point I want to make. People are urging that this Bill be passed. In the last session of Parliament I tabled more than 10,000 petitions from people across Canada who said that Clifford Robert Olson has no right to live. The punishment given to him is not adequate. Here are some comments. Here is what one person said, "It might be a good idea to let Olson mingle with the other prisoners". You know what would happen if they did that, Mr. Speaker? Why should the state make criminals carry out what is the state's duty? Other comments are: "Why should the taxpayer protect him? The children he killed were never given any protection and in a society where we thought they did not require it. Well, those children are rotting in their graves. Justice is a joke in Canada. A life sentence is a farce. These murderers are out in five years. He is dehumanized and should be treated in the same method given a mad dog suffering with rabies".

Fourth, execution works in other places as a deterrent. I have given the instance of China. By law, Olson's sentence means that no request for parole may be considered until he has served at least 25 years. The judge recommended that he not be permitted to have parole then, but strange things happen in our land. Olson escaped before from a maximum security prison. He may escape again. If he is executed, he will not be escaping or killing any more boys or girls. What if he does escape? I do not want the blood of the boys and girls on my coat-tails. I do not want the blood of the boys and girls he has already killed on my coat-tails. The man should be executed.

Some people have said to me that they do not believe in capital punishment because the wrong man may be executed. But there is no chance of the wrong man being executed in this case. It will be Clifford Robert Olson.

I want to close with a comment that came to me from somewhere in Canada, I forget where. The person said, "The man continues to make a mockery of our judicial system. He is still front page news because of our obsession with the money that was paid to him to uncover his victims, while his victims' ghosts are screaming in our apathetic ears for justice to be done". This person went on to say, "I hope they continue to scream. I hope they scream so loud that we are awakened from our self-serving lives determined to right the wrongs for which our neighbours' children have already suffered the consequences".

I have no hesitation whatsoever in moving that this Bill be read a second time and that Clifford Robert Olson be executed.

[*Translation*]

Mrs. Thérèse Killens (Saint-Michel-Ahuntsic): Mr. Speaker, the Hon. Member for Bow River (Mr. Taylor) has raised a very important question. However, Bill C-209 respecting the execution of mass murders only deals with part of the problem in my opinion. I think that its scope should be extended.

What I do not understand is that although our constituents have made this a priority issue the Government opposite is showing no leadership on the question of the death penalty. When I was elected in 1979, one of the first things I did was to ask my constituents this question in a householder mailing: Do you agree with a return of the death penalty? 85 per cent of them answered yes. This was the opinion of my constituents in 1979. They were for a return of the death penalty. Each week, I receive letters from people throughout the country. In nine out of ten cases, people favour a return of the death penalty.

In terms of human tragedy, we often forget those who are the real victims. It is not only the one who is killed whose rights are violated, but all those around him who love him, his father, his mother, his sons, his daughters, his brothers and his sisters, and the spouse who go through a very harrowing and even traumatic experience.

• (1720)

The major problem revolves around the application of the law. If our institutions are unable to keep convicts in jail and if the convicts continue to escape, our correctional system should be reformed. How many times do we read in the newspapers that people on parole have committed another crime? How many times do we hear that they have committed acts of violence and even murders? The Government should have the courage, first of all, to submit the issue of the death penalty to a free vote in this House, and second, to review our parole system.

Mr. Speaker, I know that other Members want to speak, but in closing, I could perhaps suggest that we consider having a national referendum on the death penalty. I often have the feeling that some Members in this House are saying that their constituents want the death penalty, but that they themselves are against it. Are we here to represent our constituents or not? For my part, I would vote for a return of the death penalty for first degree murder.

[*English*]

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, I should like to place a few remarks on the record concerning Bill C-209 in the name of the Hon. Member for Bow River (Mr. Taylor). The entire subject of capital punishment is a very emotional one, yet it is important to recognize, as did the Solicitor General (Mr. MacKay), that we have to deal with this matter in a reasonable manner, not simply be caught up in an emotional stampede. I am opposed to capital punishment in principle. I am not simply opposed to this Bill, but I am opposed to capital punishment for four reasons.

First, capital punishment tends to be class legislation. People who are well to do are able to afford lawyers. They can go the whole route in terms of postponing trials, obtaining extensions and appeals, and bringing in witnesses. The route is something which helps many more people with money to be acquitted than people who do not have money. In the end, people who do not have money are executed, and those who have money are acquitted much more often.

Second—and the Hon. Member referred to it in his speech—there is always the possibility of convicting the innocent. For example, Donald Marshall of Nova Scotia served 11 years in prison for a murder which he did not commit. If we are to be consistent, we have to recognize that if we apply capital punishment for any reason, there is always the possibility that the innocent will be convicted.

Third, capital punishment is not a deterrent. Studies have been conducted in States in the U.S. which have capital punishment and are adjacent to States where capital punishment does not exist. These studies have shown that the rate of murder does not vary significantly. In fact, violence begets violence. If we want to encourage a violent society, perhaps returning to capital punishment is one way of doing it.

The fourth reason is a very important one. Juries tend not to convict when they know that a human life depends upon their decision. When they know that what they decide will result in whether another human being lives or dies, they are very reluctant to convict someone.

A number of Private Members' Bills have been given first reading in this session. Of the bills submitted, I believe the present one is perhaps the most objectionable from a legal point of view because it attempts to apply capital punishment in a retroactive manner. It is specifically designed to deal with a single individual. I agree with the Hon. Member that Clifford Robert Olson is a most odious individual. There is no one in the House who would want to defend such a person. As a person who opposes capital punishment in principle, I would go as far as to say that if anyone has forfeited his or her right to life, it would be a person like Clifford Robert Olson. However, I do not think that this is any reason for us to provide a retroactive law applying capital punishment. It is a repugnant principle in law.

The Hon. Member is aware of the concerns within his Party about applying a retroactive 25 per cent back-in under the National Energy Program. In that instance we are talking about money, and they oppose it in principle. They find it most repugnant. However, the Hon. Member is willing to take a life by passing a retroactive law. I think that illustrates the legal fallacy and the objectionable legal quality of the Bill which he is proposing.

Perhaps capital punishment gives society the feeling that we are doing something about a problem when we are not, or that we are dealing adequately with the situation when we are not.

It was revealing that when the news of the Olson murders first broke several years ago, a psychologist pointed out that there were five or six young people, children, in British Columbia at that time who, he believed, had the potential to act in the same manner as Clifford Olson. He was saying this at the same time that British Columbia was shutting down facilities to help such children.

Why are we not demanding diagnostic or treatment facilities for children in crisis so that they have some possibility of growing up and living normal and decent lives? We have to attack this kind of problem at its roots instead of waiting until we have a crisis, saying that we will take the life of a person we all find objectionable and feeling that somehow we are dealing with the problem.

In conclusion, I find this Bill to be a most objectionable one. It is a subject with which all of us have a great deal of difficulty dealing. I do not believe the Hon. Member's measures will in any way deal with the matter in an adequate fashion. People such as Clifford Olson have to be kept in permanent confinement. There is no doubt about that. I agree with the Solicitor General that we have to deal with this subject in a reasonable way. We should not be following blind emotion.

Mr. Bill Vankoughnet (Hastings-Frontenac-Lennox and Addington): Mr. Speaker, I am pleased to be able to second this Bill. My colleague, the Hon. Member for Bow River (Mr. Taylor), has my support for the second reading of Bill C-209, an Act respecting the execution of mass murderers. I am pleased to have this opportunity to speak in favour of the Bill.

It is very important that we have a concrete definition of mass murderers before we begin to discuss the various concerns and solutions. According to the *Oxford Concise Dictionary*, murder is the unlawful killing of a human being with malice aforethought, that is premeditated and ill-meaning. Mass means relating to large numbers of persons or things or on a large scale. Therefore, we can safely say that a mass murderer is one who unlawfully kills a large number of human beings, having previously intended to do so.

• (1730)

In this category we must include not only those people who unlawfully kill a number of people at one time, but those who murder several people over a period of time. The latter is often called a serial murderer, and they definitely fall into the mass murder category because they are personally responsible for taking several lives.

At this time I would like to add that it is my opinion that one murder is one too many. Anyone responsible for the murder of two or more people is a mass murderer, in my judgment. I would like to point out that there is a very important distinction between those people who murder once and those who are responsible for several tragic deaths. While murder in any form is deplorable, the one-time murderer has often committed the crime in a moment of passion.

May I stress again that I do not condone that action. Murder is murder, no matter what the circumstances. My point is that the one-time murderer usually acts without malicious intent. It is in a moment of passion or emotion that

he or she decides to revenge or benefit himself or herself, or it may be a case of fear, fear of being caught in the act of committing another wrong. It is rarely an act that has been thought out and it is rarely repeated.

The mass murder or serial murder is a completely different case. If possible, it is even more deplorable. It is a repeated deliberate action not only to harm, but to destroy another life. This is the murderer who kills again and again and feels no remorse for his or her actions. It is carefully thought out and usually cleverly executed. A pattern develops and the murderer chooses similar circumstances and methods for each death.

What makes this type of murder absolutely unbearable is the complete lack of respect given to the life of others, not only once, but several times over. What words can we possibly use to explain how terrible this crime is? We need only look at the victims and their surviving families to come to a realization of the disaster and chaos such a murderer brings to our citizens. There is an added dimension of pain and heartbreak to the family of a victim of a mass murder. The knowledge that the person responsible for killing a loved one has done so before to other families, and may do so again, is especially frightening. We need only talk to family members who have had a mother, father, brother, sister or child callously murdered. The pain is doubled because you know you are not alone in your suffering. Other families are experiencing the same pain.

There may be strength in numbers, but this is a terrible bond to have with others. So they suffer and wonder why their family, why their daughter, son, sister, brother, mother or father? Why indeed. It is hard to understand how a mass murderer, or serial murderer, picks his victims. There is rarely any connection between the victims of a serial murderer. There is no logical process by which the murderer singles out his prey. In most murders of this kind the victims are vulnerable single people, children out alone, elderly people on their own, women out by themselves.

Another similarity is that the victims are nearly always strangers to the murderer. They have to be strangers because the murderer needs the thrill of the chase. He chooses someone, be it male or female, who can be caught alone. Sometimes the killer seeks to gain his victim's trust, only so he can monstrously betray it. Such murders are monstrous. The actual killing is often sadistic and the murderer thrives upon the terror he induces in his unfortunate victim.

The question is, what can we do to stop or prevent such horrible crimes like these from continuing? Can we deter people from considering and committing this sort of murder? I strongly believe that we can, and more, that we must. We have a responsibility to our citizens and ourselves to make sure that we do just that. We have the technology and know-how to do so many incredible things. Yet for too long we have not implemented the one sure way to prevent the massive loss of human lives that occurs when mass murder takes place.

I am referring to the deterrent of capital punishment. While many mass or serial murderers put little or no value on another's life, they are still very concerned with the preservation of their own. The knowledge that, by taking the lives of others, one may lose one's own life is definitely something that would make one stop and think. It would force the potential mass murderer to think twice, once about his own life and the second time about another person's life.

Most of us would never really consider taking someone else's life. If the possibility of losing our own life was a very real and probable result from taking another's life, I am confident that an individual would be deterred from murder the first time.

As I mentioned earlier, while murderers may have little or no concern for their victim's life, they are very protective of their own. Most actions are based on a strong desire to protect and affirm one's own self. In order to present the mass murderer with a very real deterrent, we must concentrate on the one aspect of his life that does mean something to him, that is his own life. I am not talking about a vengeful action in taking a murderer's life.

I would also like to mention that hanging is not the only method available for the implementation of capital punishment. I sincerely believe that we can be more humane in our methods. The purpose of capital punishment is not to take revenge. It is to be used as a deterrent to prevent a potential murderer from becoming an actual one. I am talking about giving a clear choice to the potential murderer. If an individual decides to kill, then he should be held responsible with his own life. We must ensure that that choice is made clear to the murderer. It is his choice.

We have a responsibility to uphold our end of the bargain. Our parents taught us values and the lessons of life by warning us of the consequences our actions would bring. We must ensure that potential murderers understand that they will be asked to atone for their actions.

I am not suggesting revenge for the dead victims. Revenue is not the basis of our judicial and correctional systems. Revenue does not bring the victims back. However, weither can we turn a blind eye to such horrible crimes. The numbers of mass or serial murders are growing. In the United States, over 120 serial murderers are now in prison. Many have killed hundreds of innocent people in the course of their lives. Yet they feel little or no remorse for the taking of another person's life.

The notorious Henry Lee Lucas from the State of Virginia, who claims to have murdered over 360 people in 32 years, says, "Once I've done a crime, I just forget it. I go from crime to crime". Lucas' partner, Otis Elwood Toole, also shows no remorse. "I think of killing like smoking a cigarette, like another habit", he said.

We have a responsibility to break that habit of our mass and serial murderers. It is a habit that knows no economic, social or geographical barriers. While the United States is particularly plagued by most of the known serial murderers, here in Canada we too have experienced the trauma and terror that these murderers induce.

• (1740)

Our nation's attention has been riveted to the Clifford Olson case. However, that is just one example. We do not want a

repeat of that horror to happen to any Canadians in the future. Those terrible events are ongoing in the hearts of the victims' families. Our main objective is to provide a deterrent to those considering murdering many times over.

In conclusion, Mr. Speaker, I would like to emphasize yet again that it is our responsibility to provide a measure which will give the potential mass murderer reason to re-think his proposed course of action. It is not a matter of revenge but a matter of being responsible and providing justice for our society. To provide for the capital punishment of murderers, I support this Bill.

[*Translation*]

Mr. Vincent Della Noce (Duvernay): Mr. Speaker, the Bill presented by my hon. friend from Bow River (Mr. Taylor) touches on a fundamental issue. However, I do not want to use the precious time of this House to discuss the basic issue of this Bill, which is an attempt to reintroduce capital punishment into the Canadian penal system. We are all aware of the significance of this matter and the interest it generates. I am convinced that my colleague is proposing this legislation with the conviction that capital punishment is necessary for the welfare of Canadians. I do not intend to discuss the logic of this conviction. However, I do have an opinion on the subject.

Like other Canadians, the events of the past months have made me reflect on the issue of capital punishment. The Prime Minister has already indicated there will be a debate on the subject at some time during this session. The debate, to be followed by a free vote by all Members of the House, makes us aware of the fundamental significance of our own individual opinions on the subject, but I do not intend to discuss with you my own opinion nor the arguments in favour or against reinstatement of capital punishment in Canada. I do not think this is the appropriate time to do so.

Mr. Speaker, I may have said this before, but in any case, the Prime Minister gave Canadians the assurance that this difficult subject would be debated in the House at some time during this session of Parliament. The debate will probably be long and heated, as were all debates on this issue, including the debate in July 1976, when capital punishment was removed from the Criminal Code of Canada. No doubt every aspect will be examined and analyzed in detail, with statistics attached. No doubt the results of this debate, whether to reinstate capital punishment or to maintain its removal from the Criminal Code, a will be milestone in the evolution of Canada's penal system. However, and that is where I object to the Bill presented by my hon. friend, all the aspects and implications of the issue of capital punishment should be studied and debated, not just one particular case to which it could be applied. In other words, we shall have to consider the humanitarian as well as the preventive or reparatory aspects of such punishment and the impact it will have on Canadian society and on Canada's image abroad.

I feel that because of its fragmentary and superficial nature, the Bill presented by my hon. friend does not lend itself to this kind of debate and is therefore inopportune.

Mr. Speaker, that is not my only objection to the Bill now before the House. I am also firmly opposed to the Bill on substantive grounds because I feel it is inadequate in what it is trying to accomplish. It is enough to analyze the Bill's various paragraphs to see what kind of problems it raises. Mr. Speaker, the Bill is inadequate throughout because it deals with the complex issue of capital punishment in a few minor considerations, a preamble and a few clauses that lack substance.

Let us look at the preamble. The Bill deals only with one specific aspect of the issue, namely the death penalty for mass murderers. In my opinion, the scope of the Bill is too narrow; it does not meet the stated purpose explicitly described in the whereas clauses of the preamble, which is to relieve Canadians of their fears in general, lessen the grief and remove the anguish of the families of the victims of such criminals.

Murderers convicted of killing at least 10 people certainly deserve a particularly severe penalty and unequivocal condemnation of their actions which I would describe as savage. There is no question about the panic caused by a series of murders in a community or the anguish suffered by the families of victims. However, by what logic would these murderers be condemned to death while others who have committed actions just as monstrous, such as nine murders, would be spared?

Mr. Speaker, the Hon. Member would probably reply that you have to start somewhere and that is not because it is impossible to condemn to death all murderers that none of them should be condemned. While I do not question his sincerity in the least, I must seriously wonder as to the timeliness of proceeding as he suggests by legislating on a piecemeal basis. By proceeding in specific cases, would we not be doing in a roundabout and virtually secret way what we have promised to debate publicly?

Mr. Speaker, in my opinion, if the death penalty must one day be reinstated in Canadian criminal law, this must be done following a comprehensive debate and discussion and not by what I would call a roundabout way. To do otherwise would be unworthy of this House, whatever the personal beliefs of every one of us on this matter. It would be unworthy because we would be depriving the Canadian people and ourselves of the comprehensive debate that the subject deserves, and also because, by acting in this way, we would risk developing a body of law without any guidelines, made up of individual cases and exceptions.

However, this is not the only problem with the Bill introduced by the Hon. Member. Indeed, clause 3 of this Bill sets deadlines for the execution of a mass murderer, which would be 90 days after the coming into effect of the legislation or 90 days after expiry of any time for appeal after the tenth guilty verdict is delivered, whether or not the murderer has exerciced his right to appeal or not. In other words, the Hon. Member

for Bow River (Mr. Taylor) is suggesting that the hanging take place before the appeal is heard. Let us hang him right away and we shall see later if he really murdered ten people! In my opinion, Mr. Speaker, he disregards the right of appeal, which is fundamental in our penal system and which can normally be exercised up to the highest Court in the land, that is the Supreme Court of Canada. Moreover, the Hon. Member is ignoring completely the historical right of all those condemned to death to petition for a reprieve or a commutation of sentence. During this week when we are celebrating the 36th anniversary of the International Bill of Rights, it is ironic that this House should be asked to consider a Bill which deliberately goes against some of the most basic rights guaranteed by this charter and by various other international instruments, including the International Covenant on Civil Political Rights.

• (1750)

I need not to remind this House that Canada has played an active role in the formulation and the adoption of these instruments. By passing such a Bill, we would be repudiating all the international commitments made by Canada in the field of human rights. For instance, as recently as last May, at a meeting of the Economic and Social Council of the United Nations, Canada approved a resolution containing provisions which reasserted the commitment already made in the International Bill of Rights and the Covenant. Anyone condemned to death has the right to petition for a reprieve or a commutation of sentence, and this can be granted to anyone condemned to death. The capital penalty will not be applied if there is an appeals procedure or any other procedure or power to obtain a reprieve or a commutation of a death sentence.

We are all aware that those provisions are not operative in Canada, but are we not morally required to honour our international commitments, inasmuch as Canada has for so long played the role of a supporter and promoter of human rights in the world?

Also, under our Common Law, anyone sentenced to death is entitled to clemency and pardon. Such executive clemency is a royal prerogative and an integral part of our Canadian judicial traditions that are confirmed in our Criminal Code.

Mr. Speaker, it is my view that the enactment of my hon. colleague's Bill would place Canada on an equal footing with some nations that ignore human rights and profess that international commitments are of no value, even moral even symbolic. Surely this House has no desire to opt for the road proposed by the Hon. Member for Bow River (Mr. Taylor).

To conclude, Mr. Speaker, it is Clause 5 of the legislation that I would like to discuss, the Clause under which my hon. colleague proposes to bypass the Canadian Charter of Rights and Freedoms enacted less than three years ago for the purpose of entrenching for Canadians, under the Constitution itself, the most basic rights, the most essential to the survival and growth of democracy.

My hon. colleague proposes to use the procedure provided for in Section 33 of the Canadian Charter of Rights and Freedoms, the "notwithstanding" Section under which the Parliament of Canada or a Legislative Assembly can specify that an Act shall operate notwithstanding the Charter. So my hon. colleague would have us bypass the Charter, ignore those basic guarantees that all Canadians are supposed to enjoy. But what are those specific guarantees he proposes to bypass? The one in Section 7, the right to life, liberty and security, not to be infringed upon except in accordance with the principles of fundamental justice? The one in Section 12, the protection against cruel and irrelevant treatment and penalties? And finally, the one in Section 11, the right to the benefits of the lesser punishment if the punishment has been changed between the time of commission and the time of the sentencing?

Mr. Speaker, there is no doubt in my mind that it is in all good faith and quite within the law that my hon. colleague, by way of Clause 5 of the Bill, tries to bypass those provisions of the Canadian Charter of Rights and Freedoms. But I have serious doubts as to whether we should do so. Since April 1982, when the Canadian Charter of Rights and Freedoms came into force, the Canadian people have been convinced that their rights are protected. They are assured that there is a mechanism which guarantees that their rights are safeguarded.

It is my view that it would be unworthy of the Parliament of Canada to use Section 33 in order to keep the Charter away from a debate in which its application is so basic. Bypassing the Canadian Charter under such circumstances would downgrade it to the level of an ordinary piece of legislation, rob it of all its character of a constitutional, basic and supreme statute.

I indicated earlier that this legislation was not appropriate by reason especially of the commitment made by our Leader to refer the question to the House for scrutiny and propose a free vote on it. The Prime Minister renewed that commitment in this House on December 3, in answer to the Hon. Member for Annapolis Valley-Hants (Mr. Nowlan). Is our Leader's commitment not enough for my colleague from Bow River (Mr. Taylor)?

Also, without being an expert on parliamentary procedure, I do not feel a Private Member's Bill is the right avenue for debating a matter of public interest, as it is in my view.

Indeed, it seems to me that the public interest is at stake here, and that the Hon. Member's Bill is not under the circumstances the most appropriate way of raising the issue of capital punishment.

Although we realize that capital punishment is of interest to the public, and that the Government is very sensitive to the expressed concerns of Canadians, it is therefore my view that introducing this legislation is not the proper procedure for debating the issue.

[*English*]

Mr. Roland de Corneille (Eglinton-Lawrence): Mr. Speaker, I deeply regret that the time left to debate Bill C-209 is so very short. I am sure that if the subject of the way to deal with those who commit capital offences is ever debated in the House, it will be debated at very great length because of the gravity and seriousness of the subject. Doubtless, many of us will want to scrutinize carefully every aspect of it because of its importance to us.

I would first like to express my appreciation to the Hon. Member for Cowichan-Malahat-The Islands (Mr. Manly) for the views which he expressed. I identify with those views. I would also like to express my appreciation to the Hon. Member for Duvernay (Mr. Della Noce) for his discussion of the specifics of this particular Bill, some of his concerns about it, and why it might not be the appropriate way in which to approach the much more complex and underlying issue of capital punishment.

I believe we must seriously address ourselves to the victims who suffer one murder, never mind the cases of the perpetrators of mass murders. What are we going to do to take care of the tremendous trauma, suffering and sorrow which takes place with the death of one person? I hope this Government will address itself in a better way than the previous Government might have addressed itself to this problem. We must address the concerns of the victims of crime. I know that the last Government began to address this problem, and I hope that trend will continue in the future.

I would also like to express my concern about the entire matter which deals with mass murderers, not only the mass murderers of individuals who are selected one by one, but the whole issue of terrorism. When this subject arises in the House again I would like to have the opportunity to speak about this tragic concern.

The Acting Speaker (Mr. Paproski): Order, please. The hour provided for Private Members' Business has now expired.

● (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

FISHERIES—GEORGES BANK BOUNDARY DECISION—POSSIBLE STATES REQUEST FOR MORATORIUM. (B) REQUEST THAT PRIME MINISTER NEGOTIATE MANAGEMENT AGREEMENT

Mr. George Henderson (Egmont): Mr. Speaker, during the past few days I have brought to the attention of the Prime Minister (Mr. Mulroney) and this House my concern regarding the successful implementation of the Georges Bank decision which has handed down by the World Court. The reasons for my concern were genuine because relations between Canadian and American fishermen have not always been good, and there has been no indication that those relations will improve with the Georges Bank decision. Because of the request made by the administration of the United States Government to have implementation of the decision delayed for a one-year moratorium, it has become even more important that negotiations on the decision be started immediately.

There is no doubt that the Prime Minister and Hon. Members of the House are aware of the long history of the Georges Bank dispute. Negotiations between the American and Canadian fishermen began in the early 1970s when a compromise on fishing rights was reached. However, eventually it was rejected by the New England fishermen. Canadian-American negotiations were continued through the late 1970s with Canada's Mr. Cadieux and the U.S. negotiator, Mr. Cutler, and an agreement was reached. But with the change of the American Government at that time, the agreement was not implemented. Therefore, when our countries could not come to any agreement, both countries agreed to put the case before the international Court of Justice. Although decisions made by the World Court are not binding, both countries agreed at that time that they would abide by the World Court decision.

As we are all now aware, the decision was reached and handed down. The decision did not give Canada everything she asked for, nor did it give the United States everything it asked for. However, I believe, and I feel most Canadians believe, that it was a good compromise because the smaller area which was given to Canada—about half of what was originally asked for—happens to be, a richer density of scallop fishery. I believe that Canadian fishermen can learn to live with that decision.

What is important now, however, Mr. Speaker, is the immediate implementation of that decision in order that Canadian fisheries management systems may go into effect, especially, of course, in the scallop beds, in order to ensure a healthy and productive fishery in the future.

Just the other day we had an official request by the American administration for the imposition of a moratorium. I posed the question the other day to the Minister and to the Secretary of State for External Affairs (Mr. Clark), and I was pleased with the reply of the Secretary of State for External Affairs that they were not interested in a moratorium. This is something about which we should all be extremely concerned because it is time we get on with the job of good solid fisheries management of the Georges Bank, which will not only benefit Canadian fishermen, but will also benefit American fishermen.

The Canadian record of fisheries management has been very good in the context of world management of fisheries. Our biologists and scientists recognize the need for quality improvement to enhance the species. We cannot take everything; there has to be some stock left so the species will continue to thrive and be economically feasible for fishing. Of course we use the basic principle of size limits on shellfish and

age limits for groundfish and the pelagic species. That is basically good solid management.

• (1805)

I am also concerned, Mr. Speaker, that just lately the International Trade Commission fact finding report, concluded on Wednesday, fully supports the U.S. claims that Canadian fish imports are injuring the New England markets. I am a little bit skeptical of that because it seems to be a lever over the heads of Canadians. I hope the Secretary of State for External Affairs, the Minister of Fisheries and Oceans (Mr. Fraser) and the Prime Minister—at the highest levels, that is my concern—assure Canadian fishermen that they get their rightful share and proper management. Unfortunately groundfish and pelagic fish will not fly the flags of Canada nor the flags of the United States; they are trans-boundary.

Mr. Stewart McInnes (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I should like to thank the Hon. Member for Egmont (Mr. Henderson) for raising this matter. The Government does not significantly differ from the position he stated, but for the record I think it would be appropriate that I review the history of this situation.

On October 12, the International Court of Justice established the Maritime boundary in the Gulf of Maine. That is the boundary, it is final and not in dispute. Indeed, in this House On December 5, in response to a question from the Hon. Member, the Secretary of State for External Affairs (Mr. Clark) put the position of the Government of Canada very clearly.

Before going to the International Court of Justice, you will recall, Mr. Speaker, that Canada had negotiated and signed a treaty with the Americans which would have provided for reciprocal fishing rights and joint management of certain Gulf of Maine stocks, so that both countries would have experienced minimum changes to their established fishing patterns wherever the International Court of Justice might place the Maritime boundary between them. In the end this agreement was rejected by the U.S. Senate. The Americans have now proposed that both countries continue fishing as before in the former disputed area for a period of one year while they assess the implications of the decision and develop their position for such further negotiations as might be necessary in respect of East Coast fishery resources.

An official proposal on these lines was received from the U.S. Government on December 7. It acknowledges the final and binding character of the boundary fixed by the International Court of Justice. The Ministers concerned have not yet had an opportunity to finalize a formal response. However, the Secretary of State for External Affairs has stated publicly that we do not envision agreeing to the proposal. We have serious doubts about it.

One of our concerns is to avoid a return, however temporary, to a situation where unrestrained fishing might again threaten the living resources of the Gulf of Maine area. Our primary objective is to get on with managing the resource in a manner that will maintain it and, if possible, let it return to previous levels so that we can protect the jobs of Canadians involved in the fishing industry.

The Department of Fisheries and Oceans scientists are working on an analysis of the resources in the Canadian zone in close consultation with the industry. When this analysis is completed, and only then, will we be in a position to determine precisely what we need to do to manage our resources and what we need in the way of co-operation from the Americans.

• (1810)

EMPLOYMENT—PROVISION OF FUNDS TO CREATE JOBS. (B) SOURCE OF FUNDING

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, I rise today as a result of a question I put to the Prime Minister (Mr. Mulroney) on November 29 with regard to certain statements, or musings perhaps, by the Minister of Employment and Immigration (Miss MacDonald) about the money allocated for job creation.

In committee, the Minister indicated that this was not new money. The $1 billion which the Government so flagrantly used in debate and in the scrums with the various press people was implied to be new money for job creation programs. Unfortunately, on questioning the Prime Minister he seemed to indicate that he was not at all certain. That is how it appeared to me. The Government, in its economic statement, released by the Minister of Finance (Mr. Wilson), said there is a $1 billion budgetary allocation for job creation programs in Canada. The Minister of Employment and Immigration has now reneged and said that it is not new money but reallocated money. Therefore there are no new funds for direct job creation programs by the Government of Canada.

Much more important, the Government, which was elected with a massive majority on September 4, has reneged on its promises to the Canadian people. It has refused young people an opportunity to enjoy a meaningful life in the years ahead as a result of reneging on its promises. It has disallowed certain moneys under unemployment insurance. It has disallowed the entitlements that older workers in this country possessed up until this time, by cutting them off as well.

When it comes to direct job creation programs, the Conservative Party and its caucus of sheep have done absolutely nothing. They have reneged in the face of concrete fact which suggests beyond a shadow of a doubt that there is need in this country for moneys coming from the Government of Canada to create jobs.

What better example than the Canada Winter Works Program. There is $250 million budgeted for 1984-85. But what is the demand on that money? The demands are unequivocally six times that amount of money.

What do we get from the Prime Minister—this jokester, this man who stands in the House of Commons and laughs at the unemployment in this country? We have nothing but platitudes from him and from the Minister. The Minister of Regional Industrial Expansion (Mr. Stevens) is the real culprit

in this. In fact, he is the minister of finance and the one who is setting the policies for the Government.

There is no new money for the unemployed in this country. Not only am I ashamed of the Government, I am ashamed of the caucus Members, those sheep over there and on the ends over here who have done nothing other than quote the Conservative rhetoric that emanates from the United States. They say that foreign investment will be the cure; foreign investment will be the cure for job creation in Canada. But the Minister responsible and the Minister of Employment and Immigration have refused to place on the table in the House of Commons the impact studies which will indicate to Canadians as well as the House how many jobs will be lost as a result of Investment Canada.

The Government is bankrupt of ideas. It is turning back the clock in regard to job opportunities for young people. There are 900,000 young Canadians without employment. What does the Government do? We not only get platitudes from the Prime Minister but from all the front benches.

The Minister of Finance (Mr. Wilson) has echoed in the Chamber and outside the Chamber that the unemployed are not looking hard enough for jobs. Where are the jobs, I ask the Parliamentary Secretary. Why are you not putting more money into Canada Works? Why are you not putting more money in a first chance program for young people? Why are you singling out the unemployed in this country to decrease the deficit of this country? Where is the compassion that you promised during the election campaign?

• (1815)

With great respect, I suggest that this Government is a vaudeville act. Act one was during the election. Now we are into act two. Scene three, if I may add, Mr. Speaker, will come when the Minister of Finance places before this House a budget which I suggest, if it does not address the problems of the unemployed, we in this Party will fight tooth and nail to make sure that the unemployed workers, the young people, will have an opportunity that they deserve. They deserve to have a meaningful life in this century.

This Government is bankrupt of ideas. Its cure is to throw rhetoric at the problems. I for one will not stand in this Chamber and take it sitting down. It is time for the Parliamentary Secretary or the spokesperson for the Conservative Party to stand in his place and tell Canadians just how wrong the Minister of Regional Industrial Expansion is, how wrong the real culprit is, the Minister of Finance, and how wrong the Prime Minister is. They have to do something and they ought to do it now for those individuals who are unemployed.

Finally, if I can conclude with a brief remark, Mr. Speaker, this Govenrment has singled out the older workers. Not only has it done nothing for the younger workers and the unemployed, but it has done nothing for the older workers who are ready for retirement and who will be slashed by this ruthless Government. Shame on this Government.

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member but his time has expired.

[*Translation*]

Mrs. Monique Landry (Parliamentary Secretary to Secretary of State): Mr. Speaker, in the absence of the Parliamentary Secretary to the Minister of Employment and Immigration (Mr. Hudon), I am pleased to enlighten and reassure the Hon. Member for Cape Breton-East Richmond (Mr. Dingwall). I should imagine that, in the mind of the Hon. Member of the Official Opposition, there would be only one way to solve the problem—higher taxes or a larger deficit. That is certainly not how this government sees it.

As the Hon. Member probably knows, a special budget allocation of $1 billion in 1985-86 will go a long way towards opening new employment opportunities as a result of the Expenditure and Program Review tabled by the President of the Treasury Board (Mr. de Cotret) at the same time as the economic statement. This review enabled us to recoup $4.2 billion through lower expenditures or higher revenues. Some of these funds are used to reduce the government's over-all deficit, and $1 billion has been set aside to create jobs and develop human resources.

The cut-backs mentioned in the Expenditure and Program Review affect all government programs, including of course those of Employment and Immigration Canada. However, I might stress that the $1 billion earmarked for new job creation programs is not money coming from 1985-86 budgets cuts in existing job creation programs. The new programs will be the subject of wide-ranging consultations between the various levels of government and with the parties involved in the private sector, that is management and unions. With these new initiatives, the unemployed will be offered many real opportunities to make a useful and productive contribution to Canadian society.

Mr. Speaker, I want to emphasize as well that the Minister looks upon those future consultations as a process designed to promote co-operation by all sectors—federal and provincial governments, management and unions—so as to eliminate duplication and make the best of our limited resources. We will create as many openings as possible with these funds, and that is the commitment made by the government to all Canadians.

• (1820)

[*English*]

FITNESS AND AMATEUR SPORT—REPORTED IMPORTATION OF DRUGS BY SOVIET ATHLETES

Mr. Gordon Taylor (Bow River): Mr. Speaker, on Friday December 7, I asked the Minister of State for Fitness and Amateur Sport (Mr. Jelenik) the following question:

Will the Hon. Minister either confirm or deny that three Soviet athletes have been charged with bringing drugs into the country?

The Hon. Minister replied as follows:

Mr. Speaker, I thank the Hon. Member for his question. I have been informed that three Soviet weightlifters were indeed detained at Mirabel International Airport last evening. They were found to have in their possession restricted drugs, contrary to the provisions of the Canadian Food and Drugs Act. The matter is now in the hands of the Royal Canadian Mounted Police and, therefore, I am not in a position to make any further statements.

I have been advised that the three Soviets have been charged with bringing into Canada drugs which are illegal under the Food and Drugs Act. Of course the court will deal with the charges in due course.

I am concerned about the matter because it is illegal. People coming into Canada who bring in illegal drugs are not only breaking the laws of our land but are showing a disrespect for our laws and our traditions. In sport there have been times when people have drugged themselves in order to be more alert or to build bigger muscles. Others have given drugs to opponents in order to slow them down or dull their senses. The use of drugs in sport is completely contrary to the high ideals we Canadians place on athletic competition.

Probably the worst aspect of this whole deal is the example which is being given to the boys and girls and the young men and women who are athletically inclined in Canada. We hold our sportsmen in high repute. We pay large salaries to our baseball players, our hockey players, et cetera; sometimes even larger than is paid to the Prime Minister of Canada. We honour these athletes. Boys and girls look up to them. When athletes come into a country, they come as honoured guests to take part in tournaments or contests. Our athletes have a tremendous responsibility to make sure that they build their bodies with good food, not drugs; that they get proper sleep; that they get proper exercise; that they set an example of wholesome living, because what they do will have a very real effect upon hundreds of boys and girls who are growing up.

Drugs have many uses. There are drugs which relieve pain. At this very moment we have a Bill before the House which, if passed, will permit the use of heroine to relieve the tremendous pain that is suffered by those with cancer. In my view this is a proper use of drugs. We have drugs which are used for so-called recreational purposes, to take people on a "trip" to make them forget their troubles. Hon. Members will recall that the LeDain commission in 1972, which was commissioned to inquire into the non-medical use of drugs, concluded that "there is as yet no evidence of serious long-term effects from use at current levels of consumption of this drug in North America".

That was in 1972, but by 1981 many prominent authorities on the subject deemed that such an opinion was wrong. Dr. Powelson said in 1967 that "this particular drug is harmless", but by 1974 the same doctor admitted the following:

—in five years I knew I was totally wrong . . . medical research groups, after a generation of neglect, began to attribute long-range ill effects to the use of this particular drug.

There are those today who are advocating the use of drugs for relaxation, so-called "trips". When athletes use such drugs, they are betraying the young people who look up to them, and are gradually reducing their own stamina and strength.

There are other drugs which are used to relax muscles or to build muscles or to slow muscles down. Such drugs may be used before a contest so a fighter will not feel pain. Other drugs may be used to superficially keep him alert. Or, such drugs may be used for ulterior purposes by giving them to others to slow them down, to tighten up their muscles, et cetera. There is one good rule to follow; athletes do not need a crutch, and drugs are crutches. They do not need a crutch to build strong bodies. They need good food, good sleep, sound living, wholesome exercise.

I view with disdain the fact that athletes from Russia had the gall to come into Canada and bring with them drugs which they knew to be illegal under the laws of our country.

● (1825)

Hon. Otto Jelinek (Minister of State (Fitness and Amateur Sport)): Mr. Speaker, I am pleased to have the opportunity to rise in the House today to elaborate on the matter raised by my friend, the Hon. Member for Bow River (Mr. Taylor), regarding the infraction committed by not three but two Soviet athletes upon their arrival in Canada last week. I congratulate the Hon. Member for bringing this very important subject matter to the attention of the House.

The athletes were indeed charged under Article 15 of the Food and Drug Act after tests of the capsules identified their substance as illegal under the Act. I must state that I am satisfied that the laws of Canada were dealt with efficiently and fairly at that time from a legal standpoint. However, as Minister of State for Fitness and Amateur Sport, I cannot and will not condone such an obvious violation, not only in respect of the laws of our country, but the rules of sport and the spirit of fair competition.

On the premise that the use of drugs which artificially enhance performance is harmful to health, ethically wrong and ultimately a threat to high performance sport, Sport Canada has shown initiative in developing a policy to eradicate the use of such drugs.

The competition in question, however, was conducted under the rules and regulations of the International Weightlifting Federation which does not have in its regulations any sanctions or penalties for the possession of a banned doping substance. As a result, the two athletes in question could not be prohibited from competing, as would have been my hope.

Notwithstanding these circumstances, I initiated discussions with Mr. Gotfield Schodl, President, and Dr. Tamas Ajan, General Secretary, of the IWF. I am pleased to announce that I received assurances from both of these officials that they will undertake the following action. First, the IWF will address the specifics of this incident at the earliest opportunity. Second, a one year suspension against the two weightlifters will be recommended by the officials. Third, the IWF will discuss the adoption of sanctions and penalties for the possession of banned doping substances as well as the use of them. I further requested that Canada be permitted to conduct dope testing at this competition using our International Olympic Committee's accredited laboratory in Montreal.

Once again, I must state that this Government is unequivocally opposed to drug use in sport. To this end, our policy mandates every national sport organization to develop a plan to eradicate improper drug use, as well as suspensions for any athlete who uses, possesses or has been convicted of a drug offence in this country or elsewhere. We cannot achieve this in isolation. I am therefore committed to initiating international co-operation to solve this important problem. To this end, I am contacting my international counterparts with a view to eventually abolishing the use of drugs in amateur sport, not only in Canada, but around the world.

[*Translation*]

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

At 6.28 p.m. the House adjourned.

HOUSE OF COMMONS

Friday, December 14, 1984

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

GOVERNMENT ADMINISTRATION

ASPIRATIONS OF CANADIANS

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, the people of Glengarry-Prescott-Russell have spoken. Yesterday, voters said they were fed up with promises and wanted no part of unilateral cutbacks. They want to keep their jobs, and they want the universality of social programs to be maintained. The message they gave applies to all Conservatives. Last night, the Tories went down to a crushing defeat in the riding of Prescott and Russell. The honeymoon is over. If the people of Ontario or voters across the country were called to the polls today, the results would be vastly different from what they were on September 4 of this year. The Liberal Party is vibrant and dynamic, both nationally and at the provincial level, and we shall continue to express the aspirations of all Canadians.

Voters are wary customers, Mr. Speaker. They realize that the provincial cousins of the Tories across the way are tarred with the same brush. The people of Prescott and Russell were not up for sale. The cheques, the promises and the big Tory guns were a complete failure, Mr. Speaker.

* * *

[*English*]

VOLUNTARY ORGANIZATIONS

TAXATION STATUS—CALL FOR AMENDMENT

Mr. David Daubney (Ottawa West): Mr. Speaker, the attention of Members of this House and of Canadians everywhere has been drawn in recent weeks to the famine in Africa. The Canadian Government has responded to that crisis, but the real measure of our concern as a nation has been the outpouring of contributions by individual Canadians to non-government organizations.

The voluntary sector has shown, in this and other crises, that it can respond quickly and effectively to the problems of Canada and the world. This Government has made clear its commitment to the principle of voluntary action, and has identified the voluntary sector as an equal partner with government in meeting the economic and social needs of Canadians.

For seven years the National Voluntary Organizations Coalition has been asking the Government to change the tax laws, to replace the existing tax deduction for charitable donations with a 50 per cent tax credit. The previous Government was consistently unresponsive to this proposal. It is my hope that this Government, clearly committed to voluntary action, will meet its pledges with action by implementing these changes to the Income Tax Act. If we are genuinely committed to the role of non-government agencies in the fight for social and economic development in Canada and abroad, there is no better path we could follow.

* * *

NORTH ATLANTIC TREATY ORGANIZATION

USE OF NORTHERN AREAS FOR MILITARY TESTING PURPOSES

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I rise to call on the Government to rethink the cavalier way in which it agrees to the testing of various military equipment over native homelands which have never been ceded to the Government by treaty. These lands, contrary to official perceptions, are not uninhabited and therefore suitable for testing.

They are the traditional homelands of the Innu people of Labrador and the North Shore of Quebec who have been subjected to low level highspeed test flying by West German fighter planes, putting at risk wildlife patterns that they depend upon, and terrorizing their camps. Or they are the traditional lands of the Dene in northern Alberta and Saskatchewan where the Cruise missile is tested without their permission.

The increasing use of so-called "unoccupied" territory for military purposes should be stopped if native people are to believe that Canadians and their Government really take seriously concepts like Indian nationhood, aboriginal rights and title.

These lands are the collective backyards of real people and real communities whose rights are recognized in the Canadian Constitution. Let the Progressive Conservatives, who are so fond of talking about property rights, ask themselves how they would appreciate analogous testing in their suburban backyards on the grounds that over significant periods of time they appear to be "unoccupied".

S.O. 21

VETERANS AFFAIRS

INTERPRETATION OF MEDICAL NEGLIGENCE

Mr. Bill Gottselig (Moose Jaw): Mr. Speaker, I rise today to bring to the attention of this House an urgent matter that affects many veterans in Canada. A constituent of mine has been having a problem in getting an interpretation with respect to sub-section 12(2) of the Pension Act as it relates to the possibility of medical negligence on the part of Canadian Armed Forces doctors.

My constituent had 30 years of service to our country and was released from the Armed Services for medical reasons in 1976. He has since been advised by medical authorities that there is a good possibility his condition was not diagnosed or treated correctly. He was advised by the Pensions Advocate in January, 1984, that all the documentation necessary to proceed with his appeal had been received.

I have been advised by officials of the Royal Canadian Legion that there are over 100 cases of a similar nature awaiting the interpretation of this section of the Act.

I would urge the Minister of Veterans Affairs (Mr. Hees) to instruct his officials to put this matter on an urgent priority basis in order to receive a ruling at an early date.

Veterans who have given many years of service to our country are entitled to better treatment than that which was provided by the previous Liberal administration.

* * *

SOCIAL SECURITY

CRITICISM OF GOVERNMENT POLICY

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, in July, 1982, a story in *Maclean's* magazine by the now Director of Communications for the Progressive Conservative Party, quoted the present Minister of Justice (Mr. Crosbie) as saying: "If I told you what we (the Conservatives) would do, we'd never get elected".

Earlier this week the Minister of Finance (Mr. Wilson) followed in the same vein as his colleague. He told reporters that people earning more than the national average should no longer expect full benefits from social programs. Yet the Prime Minister (Mr. Mulroney) has contradicted his Finance Minister by denying that his Government plans to cut social programs. He still insists that social programs are a "sacred trust".

Who are the Canadian people supposed to believe, Mr. Speaker? Is this part of the Tories' hidden agenda?

The Canadian people are beginning to see this Government in a new light. They promised jobs and a new day for Canada. But instead they have thrown thousands of people out of work with no hope of future employment. And they have plans to reduce and restrict access to unemployment insurance benefits. Having created more unemployment they now turn their backs on the problem and cut off one of the few means people have to support themselves.

The people of Canada want to know, Mr. Speaker, if this is another item on the Tories' hidden agenda?

Our Prime Minister says that he does not believe a bank president is entitled to the same benefits as the needy in this country. But it is not the bank presidents who are going to suffer from the devastating actions of this Government. It is the majority of Canadians, in the low income groups and the middle class, who are going to suffer tremendously from the actions of the Government.

* * *

• (1110)

[*Translation*]

FINANCE

AUDITOR GENERAL'S REPORT—GOVERNMENT POSITION

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, since the report of the Auditor General of Canada was tabled on December 11th of this year, Canadians have seen with considerable concern the irresponsible way in which the Liberal Government has administered public funds, and not one Liberal Member has apologized for this to the people of Canada.

Here are a few examples of bad management. The CF-18 fighter aircraft will cost at least $3.5 billion more than projected. VIA Rail omitted to pay back $74 million in surplus funds. The Department of Indian Affairs and Northern Development neglected to account for the way a $500 million grant was spent. The Department of Public Works, after signing eight major lease-purchase agreements totalling $1.9 billion, failed to advise Parliament of its acquisitions. Seven harbour commissions have been keeping annual gains of $79 million without the Minister's authority. Federal real estate has not been managed in line with its value. The Government's banking transactions were poorly administered and have resulted in an annual loss of at least $95 million over the last five years alone.

Mr. Speaker, since the Liberals do not intend to apologize, I want to give Canadians the assurance that the 211 Progressive Conservative Members are going to clean up the Government's finances.

* * *

[*English*]

EDUCATION

UNIVERSITY OF SASKATCHEWAN—CHAIR IN WOMEN'S STUDIES

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, the previous Government announced that it would sponsor five chairs in women's studies at Canadian universities. We understand that the present Government is following through with

these placements but has yet to allocate chairs to Quebec and the Prairies. The University of Saskatchewan has proposed a prairie regional chair in women's studies to be located there. This chair would have a special focus on native and rural women. The Provincial Council of Women of Saskatchewan fully supports this action. I urge the Government to place a chair in women's studies at the University of Saskatchewan.

There is a dire need for research programs in areas affecting women—in law, economics, agriculture, commerce, education, and health, particularly as they relate to rural women. Because of their unique situation, rural and native women have not experienced the benefits of many policy changes and social programs which have benefited urban women.

We believe that a special focus on rural and native women is long overdue. Because of its historical involvement with rural women, because of its strong commitment to native programs, and because it is located in a province with a high percentage of native and rural women, the University of Saskatchewan is particularly well suited. I urge the Government to take such action immediately.

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[*Translation*]

CULTURAL AFFAIRS

REQUEST THAT MINISTER OF COMMUNICATIONS GIVE INSTRUCTIONS TO CBC PRESIDENT

Mr. Édouard Desrosiers (Hochelaga-Maisonneuve): Mr. Speaker, I should like to commend the Minister of Communications (Mr. Masse) for his outstanding work in respect of the CBC.

However, I would draw your attention to the fact that 3,700 francophone artists have been penalized by the CBC for over twenty years, no less. Canadians throughout the country watch CBC programs eager to see the same people, the same individuals. Our old artists no longer work, our young musicians and artists are never seen on the CBC network, yet the mandate of the CBC is to promote our culture from sea to sea.

Mr. Speaker, I think that four individuals have been controlling CBC programs for many years, and I would urge the Minister of Communications to give the necessary instructions to the CBC president with a view to giving our musicians and artists, young and old alike, an opportunity to display their talent on the CBC network—

Mr. Speaker: I regret to interrupt the Hon. Member.

S.O. 21

[*English*]

AGRICULTURE

FINANCIAL PLIGHT OF YOUNG FARMERS

Mr. Maurice Foster (Algoma): Mr. Speaker, Canadian agriculture is facing the worst debt crisis since the 1930s. A combination of continued low commodity prices, increased input costs, including high interest rates, and a sudden decline in farm land values during the last few years has placed many family farms in jeopardy.

A recent Farm Credit Corporation survey revealed that 39,000 farmers were experiencing severe financial stress and that 1,700 were actually facing financial collapse and bankruptcy. The tragedy of these figures is that the farmers in the worst financial shape are the youngest farmers in Canada today. They are the most productive, and they account for one-half of all of Canada's food production.

The second tragedy is that this Conservative Government has not taken any substantial action to save these vital young farmers from financial collapse. For example, in November the Minister of Agriculture (Mr. Wise) put a moratorium on foreclosures of FCC loans until January 15, 1985, and promised to take action to help these young efficient farmers to survive. However, no effective action has been taken and none is planned, because there is no farm legislation on the Order Paper of the House to date. I call upon the Minister of Agriculture to stop this pussyfooting around and to take decisive action to avoid this impending calamity for thousands of young Canadian farmers.

* * *

● (1115)

VETERANS AFFAIRS

ANNOUNCED INCREASE IN PENSIONS AND BENEFITS

Mr. Bill Tupper (Nepean-Carleton): Mr. Speaker, Canadians heard all about the spending cuts in the economic statement, but how many realize that that same statement brought long awaited good news for over 140,000 war veterans and their survivors?

Veterans have been promised an enhanced indexation formula for war disability pensions for many years. The enhancement was to ensure parity with the average wage of five representative categories of public servants. For just as many years, the veteran has been disappointed and has, in fact, seen his or her pension fall behind the average composite wage as a result.

The Minister of Veterans Affairs (Mr. Hees) announced, pursuant to the economic statement, that the disparity and the disappointment would be brought to an end. The basic rate is to be raised to reflect parity, and the indexation formula is to be improved to ensure that the disability pensioner never again falls behind. Measures were also announced which will provide for the payment of the married rate pension and, where applicable, the exceptional incapacity allowance and the

attendance allowance for the full year following a veteran's death. These benefits are currently reduced or eliminated within a month of a veteran's death.

Veterans in Nepean-Carleton and all across Canada will be delighted by these changes. For this reason, I urge the Minister of Veterans Affairs to proceed with all possible haste to bring the necessary legislation before Parliament. Canada's war veterans have been patient long enough.

ORAL QUESTION PERIOD

[*English*]

SOCIAL SECURITY

STATEMENTS ATTRIBUTED TO MINISTER OF FINANCE

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my question is for the Prime Minister. I will quote, so that I do not make any mistakes in the quotation. Yesterday the Minister of Finance was quoted as having said that the politics of fear forced the Conservatives to hide their plans during the election campaign from the Canadian public to cut spending and review social programs.

Instead, we have ended up with the Conservatives playing politics of deception, politics of duplicity, and politics of dishonesty. Yesterday I asked the Prime Minister if middle income Canadians could expect cuts in their Old Age Security and in their family allowance benefits, and he replied no. While he was saying that here in the House, his Finance Minister was indicating that social programs for middle income families cannot be afforded today. Canadian families are confused, and are fed up with the Prime Minister saying one thing to this House and the Finance Minister saying something totally opposite. Who is speaking for the Government?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend said that he was going to quote textually. He may have quoted textually from a press report. He did not quote textually from the transcript of the statement of the Minister of Finance, who never said any such thing. The transcript reveals that.

When he used the term "the politics of fear", he was referring to politics as practised by the Liberal Party over many years which consistently distorted the positions of the Conservatives and the NDP during election campaign. That is what he was referring to. He has made no change. That is best exemplified by the Member for Île-Jésus who, during the election campaign, said that the Leader of the Conservative Party was leading a bunch of Orangemen. That is the politics of fear and distortion, and that is why they were repudiated. That is the politics of fear as practised by the Liberal Party, the politics of division over so many years.

What the Minister of Finance said was entirely consistent with his earlier statement, and consistent with the views as expressed in this House, that there is a legitimate question to be asked as to whether we are making the best possible use of scarce resources on behalf of those in our society who need it most. That is the position that he is trying to have debated. I hope that my hon. friend, who does it very well, will engage in that kind of thoughtful debate of which he is, from time to time, capable.

REVIEW OF FAMILY ALLOWANCES

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, the Conservatives have deceived the Canadian public more in the first three months in office than we did in 75 years. The Finance Minister is quoted as having said in that same interview that his mind is already made up with respect to the review of family allowances. If that is the case, why are we going to go through the charade of the issuance of a white paper and the so-called consultative process with the Canadian public, if the Government has already made up its mind on what cuts will take place and when?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member belongs to a political party whose Leader campaigned in 1974 opposing wage and price controls and then introduced them, and who in 1979 participated in defeating a Government by saying 18 cents a gallon was too much. The Hon. Member for Windsor said that if gas went above 18 cents a gallon, he would resign.

• (1120)

Mr. Nielsen: And interest rates.

Mr. Mulroney: And interest rates as well. What we have done is consistent with what we have indicated.

If I may, Mr. Speaker, as I referred to earlier today at a press conference, in a speech to the Publishers' Association of Canada in April of last year I indicated that if we were elected we would invite Canadians, via discussion papers and this kind of exchange, of course, to examine, through the tax system as well, the best utilization we could make of these scarce resources.

If the impression conveyed by the press was that the Minister of Finance has come into this with a closed mind, I want to assure my hon. friend that that is not the case. He has an open mind on the subject and he looks forward to hearing from you as soon as he returns to the House.

POSITION OF MINISTER OF FINANCE

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, my last question is very simple. It has now been admitted by the Minister of Finance that there was a hidden agenda. Why did the Prime Minister not tell the truth to Canadians during the election campaign and, instead, wait until after the September

4 mandate to come good to the Canadian public with his actual intentions?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think I have already answered that. I know that my hon. friend would not disagree with me when I say that the Minister of Finance is well known as a man of tremendous integrity and honesty. He speaks the truth at all times. He consults openly and widely, and I know that my hon. friend will want to applaud that statement because it is absolutely true.

[*Translation*]

REQUEST THAT GOVERNMENT DEFINE "AVERAGE INCOME"

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, I am sure you will agree that clarifying the statements of the Minister of Finance and the Prime Minister is no easy task. In a press interview, and I have the transcript by the way, the Minister of Finance said that social programs, and specifically family allowance and old age security pensions, would have to be cut because the Government no longer could afford them. According to the tax figures published in 1983, only 9.1 per cent of personal income tax returns declared incomes above $35,000. I would therefore ask the Prime Minister for the Government's definition of an average income. Is it $35,000, $34,000, $25,000, $40,000? Could he inform the House of this definition, so that people will not panic because of these family allowance cuts?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I feel that the Minister of Finance was trying to open up a dialogue and debate on this important issue, and I am referring to the sensible utilization of the public funds at our disposal, for the benefit of the neediest in our society. I think I must congratulate my hon. friend who, after listening to the Minister of Finance on November 8, applauded his courage, since basically, he agreed with his message. I want to congratulate him because he was quite right to do so.

Mr. Garneau: Mr. Speaker, for someone who has just accused my colleage of reading only part of the statements, the Right Hon. Prime Minister is not doing very well. He should have read the rest of my remarks.

The purpose of my question is to prevent any misunderstanding, since there are people among the general public who are wondering whether they are going to lose their family allowance or their old age security pensions. Mr. Speaker, 9.1 per cent of Canadian taxpayers have incomes over $35,000. Could the Prime Minister inform the House at what level old age security pensions and family allowance will be cut off and how his Government is going to establish that level? Are we going to have an army of investigators? How is it going to work?

Mr. Mulroney: Mr. Speaker, first of all, my hon. friend's question ignores the context of the statements made by the Minister of Finance. There will be a dialogue, and I hope it will be a two-way street.

Proposals and study documents will be tabled in the House and there will be discussions at the national level. What we are trying to do, and perhaps we are too optimistic, is to see whether we can obtain the objective participation of Opposition Members. We know we are going to get that participation from Canadians in April, which will help us make value judgments on very important issues, on what to do about an economy that was left in a terrible state, where we have a large number of our fellow citizens who urgently need public funds, those who are the neediest in our society. We want to help them instead of bank presidents earning $500,000 per year. That is what we want to do.

● (1125)

[*English*]

Mr. Speaker: I rise with great respect. Order, please.

UNIVERSALITY—PRIME MINISTER'S STATEMENT

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Prime Minister. Does he still stand by the statement which he made on March 7 when he said: "We are not going to tolerate distortions of our position. We are in favour of universality of social programs and it shall not be touched"?

Right Hon. Brian Mulroney (Prime Minister): Yes, Mr. Speaker, I stand by that position.

Some Hon. Members: Hear, hear!

Ms. Mitchell: I hope, in saying that, the Prime Minister realizes that universality means that benefits go to all Canadians.

STATEMENT ATTRIBUTED TO MINISTER OF FINANCE

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, is the Prime Minister aware that in a taped interview yesterday the Minister of Finance said: "Upper and middle income social programs cannot be afforded today"? Does this reflect the Prime Minister's position and the Government's position on universality?

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

REQUEST FOR REFORM OF TAX SYSTEM

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, it is obvious that the Prime Minister is refuting what the Minister of Finance said. Why does the Prime Minister not stop

using universality as a red herring? I would like to return to the bank manager whom he mentioned yesterday—

Mr. Hnatyshyn: Question.

Mr. Speaker: Order.

Ms. Mitchell: Is the Prime Minister really interested in fairness? If so, why does he not reform the tax system so that the bank president pays a handsome amount of income tax to help pay for all social programs?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think my hon. friend would agree that it would be very unfair on a matter of this importance to segregate one part of a sentence and try to imply that that is government policy. I think if my hon. friend looked at—

Ms. Mitchell: I asked you.

Mr. Mulroney: I tried to respond to your question.

Ms. Mitchell: Answer it now.

Mr. Mulroney: If you would allow me, I would be happy to proceed. I indicated in a speech in April of last year, before the Association of Canadian Publishers, that indeed the tax system would be an important instrument in seeking fairness with regard to social programs. I hope my hon. friend would agree that when you have a deficit in excess of $37 billion or $38 billion, and when you are borrowing to pay the interest on the debt, what you are doing is diminishing opportunities for those in our society who need it most.

What we are trying to do is ask whether the Opposition is mature enough to participate in a debate which will help those in Canada who need it most. That is what it is all about.

Some Hon. Members: Hear, hear!

USE OF POSSIBLE SAVINGS

Hon. Herb Gray (Windsor West): Mr. Speaker, the Prime Minister, in his November interview with *The Toronto Star*, said any money saved from social programs would not be used to reduce the deficit. Can he explain why the Minister of Finance, in his taped interview with the Canadian Press yesterday, said that is exactly what the Government intends to do? And if there is any doubt about that, could ne explain why he said a moment ago that is what he intends to do—to use saved from social programs to reduce the deficit?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I know my hon. friend is a man of such consistency that he is here notwithstanding a formal promise to resign because of a clear violation of the most important promise to Canadian people—two of them—one in regard to gas prices and the other in regard to interest rates. I hope he will submit his resignation after the next question.

My hon. friend knows full well that, having inherited an economic mess which is without precedent, and which was left by his Government, we are trying to restore a degree of sanity to the finances of Canada in order to have a favourable impact on interest rates and to participate in the job-creation process which is required. Concomitant with that is our obligation to examine, with you and with your help, those scarce resources to ensure, if we can, that those in our society—the dispossessed, the underprivileged, and the poor—receive a better share of the resources than those who are wealthy.

● (1130)

I wish you would stop defending the wealthy in this country because it is those in need we should be looking after, and that is what we are trying to do.

Mr. Gray (Windsor West): Mr. Speaker, the Prime Minister has just confirmed that he and his Government intend to use money saved on social programs to reduce the deficit.

Some Hon. Members: Oh, oh!

ELECTION CAMPAIGN POLICY

Hon. Herb Gray (Windsor West): Further, Mr. Speaker, I want to ask the Prime Minister if this is correct, that he said in his press conference earlier today the Conservatives had to be "prudent" in putting out policy decisions during the summer elections? Is he not, therefore, confirming that during the election campaign the Conservatives did not tell the full story of what they intended to do, not to a handful of bank presidents but to millions of ordinary Canadians? Is that not why the Minister of Justice said before the election campaign that if the public knew what the Conservatives were going to do, they would never get elected?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I suppose my hon. friend cannot have it both ways. The fact of the matter is that the word "prudence" was used. You are quite right, I did use that word, and we did proceed prudently, because we witnessed the volte-face, the turnabouts, and the rejection of principles as established by the Liberal Party. You campaigned on direct policies and you repudiated them as soon as you got back into office. The Canadian people have had enough of that. We have been consistent from beginning to end, and we are delivering on promises—

Some Hon. Members: Oh, oh!

Mr. Mulroney: —designed to help ordinary Canadians and those in need. We are trying to create jobs and get the economy going again.

Some Hon. Members: Hear, hear!

FAMILY ALLOWANCES AND PENSIONS

Mr. Neil Young (Beaches): Mr. Speaker, my question is also directed to the Prime Minister and is fairly straightforward, I believe. With respect to family allowances and pensions, does it continue to be the principle of this Government to

observe universality in payments to both of those groups who are recipients? If it is, and if, as the Prime Minister has said, the Minister of Finance is announcing policy which is not a part of government policy, why is the Minister of Finance being allowed to make these statements?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Minister of Finance has not announced policies in any way counter to—

Mr. Blaikie: He is babbling.

Mr. Mulroney: —what we have discussed in the House. Any Hon. Member of this House, including, I assume, my hon. friend, has from time to time had his phrases unintentionally distorted by the media—

Mr. Deans: Come on!

Mr. Mulroney: In point of fact, the Minister of Finance has been thoroughly consistent—

Mr. Deans: That won't wash, not this time.

Mr. Mulroney: We would hope, given the calamitous economic situation which we inherited, that there would be a degree of maturity and co-operation from the Opposition to help the Government and to help the country through a difficult period, as opposed to the distortions and nit picking which we see coming from the other side of the House.

We are inviting your co-operation and your understanding of the new way of consultation so that we can bring about economic growth and prosperity.

RECORDING OF MINISTER'S WORDS

Mr. Neil Young (Beaches): My supplementary question is also directed to the Prime Minister, Mr. Speaker. What we have here is government by a wink and a nod. I listened to the tape as well as the Prime Minister did. Is the Prime Minister suggesting to this House that the Canadian Press reporter played around with that tape and actually falsified the tape? I heard the tape. What the Minister of Finance said is exactly what is being said by other Hon. Members in this House.

Right Hon. Brian Mulroney (Prime Minister): I am making no such suggestion at all. The Canadian Press reporters involved, I understand, are extremely competent people and are held in high regard for that reason. All I am saying is that the manner in which the statement appeared in some newspapers was not at all consistent with what the Minister of Finance was saying.

Ms. Mitchell: What about the tape?

Mr. Mulroney: I can assure you that what the Minister of Finance was saying was consistent with our desire to improve the economic situation of the country and does in no way—in no way—take positions which do violence to honourable Canadian customs.

[*Translation*]

LEVEL OF REVENUE AFFECTED BY BUDGETARY CUT-BACKS

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Through you, Mr. Speaker, I should like to direct my question to the Prime Minister and afford him an opportunity to explain himself.

Mr. Prime Minister, there is a contradiction in this government. The media and the Canadian people have their own perceptions concerning your position and that of your Minister of Finance. Let us try to see through the smokescreen of verbiage which befogs the whole issue.

Can you tell us, and this relates to the question of the Hon. Member for Laval-des-Rapides . . . Over 13 million tax returns fall below the $35,000 mark.

At what income level will your cut-backs in social programs—such as family allowances and old age pensions—become operative?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, that is the purpose of the consultation process, the purpose of the dialogue with Members of the Opposition, the unions and the private sector. That is the purpose of the economic summit, of the First Ministers' conference scheduled for February 14 and 15.

Considering the pitiful inheritance we were left with, what can be done to bring relief to those Canadians who need the help of the federal machinery?

We want to try to bring help to needy Canadians, and that is the explanation. No decision has been made, as my colleague would know, and we urge him to enlighten us and co-operate with us in the preparation of more generous policies towards our destitute fellow Canadians.

BUDGETARY CUT-BACKS—POSITION OF BAIE-COMEAU RESIDENTS

Mr. Jean-Robert Gauthier (Ottawa-Vanier): A supplementary, Mr. Speaker.

If I understood correctly, the Prime Minister has just confessed that his mind is made up. He consults, then confirms.

May I ask the Prime Minister if people in his riding—Baie-Comeau, for example—will accept that their family allowances and their old age security benefits be reduced without having been consulted about it? I am sorry, but the Prime Minister did not have a mandate to reduce old age security benefits.

Right Hon. Brian Mulroney (Prime Minister): The people of Baie-Comeau who are watching us will say: Here is the Member for Vanier trying to misrepresent the position of our dear Member, for that is exactly what you are doing.

The Hon. Member knows very well that I never said that, that the Minister of Finance never said that, but honest

dialogue is such a novel exercise for you that you do not accept it. We are seeking your co-operation, a national dialogue, so as to be able to give Canadians as much money as we can in the most productive manner possible.

[*English*]

MIDDLE-INCOME SOCIAL PROGRAMS—STATEMENT ATTRIBUTED TO MINISTER

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is also directed to the Prime Minister. The Prime Minister now knows that the interview which is being discussed here during Question Period is a taped interview. The Minister of Finance was heard to say quite clearly that middle-income social programs cannot be affforded today. Is the Prime Minister saying that the Minister of Finance is wrong?

Right Hon. Brian Mulroney (Prime Minister): I am saying that the Minister of Finance, as my hon. friend has done from time to time, introduced subjects to invite debate and discussion. That is the object of the entire exercise.

Some Hon. Members: Oh, oh!

Mr. Mulroney: We have entered into this debate with open minds and with honest positions. We are trying to seek participation from my hon. friend. I hope there will be no disagreement from my hon. friend, who blinks and nods so disapprovingly—

Mr. Deans: Because you are not telling the truth.

Mr. Mulroney: —that, when we have inherited an almost bankrupt situation, we have a moral imperative to try to provide help to those in Canada who need it most, the widows, the dispossessed, and the underprivileged. And we are going to do it with or without your help. That is what we are going to do.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. Could we return to the idea that we listen to questions and listen to answers civilly on both sides of the House, please.

GOVERNMENT POLICY

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I want to go back to the Prime Minister, notwithstanding all of his idle, useless rhetoric. Given that the statement of the Minister of Finance is absolutely clear, is the Prime Minister saying now that the Minister of Finance is wrong in his statement that the Government of Canada, and the people of Canada, cannot afford to continue with the social programs which are presently in place for those who are deemed to be middle-income Canadians?

Right Hon. Brian Mulroney (Prime Minister): I am not saying that the Minister of Finance is wrong. I am saying that, as usual, the Hon. Member chooses to place a wrong interpretation on what the Minister of Finance said.

Some Hon. Members: Hear, hear!

Mr. Mulroney: You have made a career out of it. You should change.

Mr. Speaker: The Hon. Member for Winnipeg-Fort Garry.

Mr. Deans: Some day we will have a real debate.

Mr. Mulroney: You won't be there.

Mr. Deans: Then you pick the place.

Mr. Speaker: Order, please.

• (1140)

AFFORDABILITY OF UNIVERSAL PROGRAMS

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I think the Prime Minister recognizes by this time that this is a matter of great seriousness. There are a number of people, not only in the Chamber but throughout the country, who want some answers to this very important issue. You say that the Government is interested in those in need. I presume that includes women who, even though they may be in a middle income family, receive family allowance and need it to supply certain provisions for their children. The same is true with senior citizens.

We are talking about the Minister of Finance who is the senior economic Minister in the Government. He has said that these programs can no longer be afforded. Is that a clear statement on behalf of the Minister of Finance, representing the Government, that the Government no longer believes that we can afford universal programs for those in middle and upper middle income categories?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, when I came into the House a year ago I was warned to pay particular attention to the Member for Winnipeg-Fort Garry when he was maudlin. This is the case today. You have wilfully distorted a position of the Minister of Finance. I think it is unbecoming that on a matter so sensitive and so important you would attempt to sow fear and concern among Canadians when you know full well, because of the repeated statements of the Government and the Prime Minister of Canada, that our only intention in initiating this debate is an attempt to help those in our society who need it most, including the people to whom you refer.

As proof of our bona fide, notwithstanding the horrendous economic situation that we inherited, we provided more money to widows and to veterans who defended Canada and who needed it. That is the object of the entire exercise.

Some Hon. Members: Hear, hear!

Mr. Axworthy: Mr. Speaker, I think the Canadian people will judge who is being maudlin at this point in time.

GOVERNMENT POSITION

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, the Minister of Finance is quoted directly as saying: "What we're saying is that there are people who don't need it. Upper and middle income social programs cannot be afforded today." Those are not my words; those are his words.

Is that a clear statement of a position taken by your Government that you believe that these programs, which affect over 13 million Canadians, can no longer be afforded? Is that the proposition that you are going to be putting forward in the release of your social papers?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend knows full well that his statement is fundamentally vexatious. My hon. friend has chosen to segregate one part of a sentence from a lengthy interview.

While my hon. friend was a member of the ministry he resorted to the same notion of inviting discussion on serious matters, through white papers or other means. The Minister of Finance is attempting to initiate discussion across the country to get views that might help us in our desire to deliver services more efficiently to those who need them most. I think my hon. friend would agree with that, because I think it is a proper and reasonable course to follow, particularly when we are burdened with such an enormous federal debt.

PROGRAMS REFERRED TO BY MINISTER

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, my question is for the Prime Minister. Would the Prime Minister be willing to tell the House what programs he thinks the Minister of Finance was referring to in the statement? Surely that could be answered without any accusations of things being distorted or taken out of context. If the Minister of Finance was trying to stimulate discussion, perhaps the Prime Minister could tell us what middle income social programs the Minister of Finance had in mind.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, perhaps once my hon. friend has had a chance to read the interview fully, and place it in its proper context, he will see, as I think any objective observer would, that the object of the exercise was precisely to invite reasonable dialogue and to avoid, to the extent humanly possible, supercilious questioning. I see we have not been fully successful.

Mr. Blaikie: Mr. Speaker, it does not seem supercilious to me to ask a specific question if the Prime Minister is interested in dialogue. We cannot talk about things of which we know not.

PROGRAMS QUERY

Mr. Bill Blaikie (Winnipeg-Birds Hill): Will the Prime Minister tell lus what programs the Minister of Finance was referring to so that we can respond to the invitation which the Prime Minister has extended, without any detail or substance, time after time today?

Right Hon. Brian Mulroney (Prime Minister): Given the clarity of the question, I think I can fairly say, and I hope my hon. friend will agree with this, that when he takes the time to read the full interview, I genuinely believe he will find that it is not a substantial variance from the statement set out by my hon. friend, the Minister of Finance, on November 8. There is a genuine desire to invite mature and reasonable dialogue on a vital question. I look forward to my hon. friend participating in that in a very productive way.

* * *

[*Translation*]

SCIENCE AND TECHNOLOGY

ESTABLISHMENT OF GATIQ—GOVERNMENT POSITION

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, my question is directed to the Minister of State for Science and Technology.

The Minister is probably already aware of the existence of a well structured action group in the riding of Louis-Hébert. The purpose of this group, which calls itself the GATIQ, is to promote the establishment of hi-tech industry in the Ste. Foy-Quebec City area. I intend to work along the same lines as the group, and I support its goals without reservation. I would like to know whether the Minister could inform the House of the measures he has taken and intends to take in this respect.

Hon. Thomas Siddon (Minister of State for Science and Technology): Mr. Speaker, I shall be delighted to answer the Hon. Member's question.

[*English*]

I would like to inform the Hon. Member that it has been my pleasure to visit Quebec on two occasions to visit officials at Laval University and the optics laboratory there, and to meet with the group of which the Member speaks—

[*Translation*]

—GATIQ, the Groupe d'action technologique industrielle de Québec.

[*English*]

We are favourably inclined toward the proposal to establish a technological industrial park in Quebec along the lines of the proposals that we have been receiving. In a short period of time we will be announcing a decision as to the location of that industrial park and the optics laboratory to be contained therein.

Oral Questions

POLITICAL PARTIES

TORONTO ELECTION CAMPAIGNS—STATEMENT ATTRIBUTED TO MINISTER OF FINANCE

Mr. Sergio Marchi (York West): Mr. Speaker, I would like to get back to the real debate and ask the Prime Minister a question. His Finance Minister was also quoted in this famous interview as saying that "the election campaigns that we fight in downtown Toronto are don't vote for the Tories or they are going to send you back to Italy." As an Italian Canadian I was profoundly shocked that the Minister would insult the intelligence and integrity of this proud, hard-working community. *Questo governo è propio ignorante!*

Can the Prime Minister provide the House with evidence that would support this disturbing allegation, and does he share his Minister's observations about Italians' understanding of the Canadian political system?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I thank my hon. friend for his observation. For my part, and that of my Party, we have been honoured by the support that we have received from the Italian community in Canada which made such an outstanding contribution to our national life. We are deeply honoured because of the growing support that we receive from that community.

During election campaigns, from time to time, tactics have been used by the Liberal Party. I don't think you would be unfamiliar with them. In fact the Member sitting near you went to Quebec City and said that Brian Mulroney is leading a party of Orangemen.

● (1150)

An Hon. Member: It's true.

Mr. Mulroney: He says that is true. In point of fact, I am leading the Orangemen, the Knights of Columbus—

[*Translation*]

—the Chamber of Commerce, the Knights of Columbus, the Dames de Sainte-Anne, the Filles d'Isabelle—

[*English*]

—and the Italians.

Mr. Marchi: It is exactly statements like that are why your Party has not got the support from the Italian community, and never will.

Mr. Speaker: Order. I don't know what is happening here today. It is getting quite out of hand. Wednesday becomes Friday, and Friday becomes Tuesday.

A supplementary question.

REQUEST FOR APOLOGY

Mr. Sergio Marchi (York West): Mr. Speaker, I ask my supplementary in all seriousness, and I hope he answers the question. In light of the insulting and derogatory nature of your Finance Minister's question, will you, as Leader of the Government, and the Finance Minister, issue immediately in the House a formal apology to the Canadian Italian community? Will he do that to show that he has credibility to back up his words?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I can tell my hon. friend that I and my Party are delighted and honoured by the support, and growing support, we receive from the Italian Canadian community which has done so much to build a magnificent Canada. The only unfortunate racist statement was made by the Hon. Member—

Mr. Marchi: Answer the question.

Mr. Mulroney: —who tried to introduce an old canard into Canadian politics. It was for that reason that the Liberal Party was so resoundingly rejected across the country. That is why.

Mr. Speaker: The Hon. Member for Essex-Windsor.

Mr. Beatty: Can all the rest of us go home, Mr. Speaker?

Some Hon. Members: Oh, oh!

* * *

SOCIAL SECURITY

MIDDLE-INCOME SOCIAL PROGRAMS—STATEMENT ATTRIBUTED TO MINISTER OF FINANCE

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is directed to the Prime Minister. It is a very serious and deeply felt question. When the Minister of Finance of this country says that we cannot afford social programs for middle income Canadians, is the Prime Minister saying that the Finance Minister is wrong?

Right Hon. Brian Mulroney (Prime Minister): I am saying that the Finance Minister never said that.

Mr. Deans: He did.

Mr. Mulroney: I am saying—

Mr. Deans: Why don't you answer the question? He did say it.

Mr. Mulroney: I want my hon. friend from Hamilton Mountain—

Mr. Deans: You can't get away with all that.

Mr. Mulroney: —to save his energy for Christmas. It is coming.

Mr. Deans: Are you going to allow Christmas this year, Sir?

Mr. Mulroney: I am saying to my hon. friend who, since coming to the House, has demonstrated a degree of leadership not yet seen in the front benches of his Party, that he would recognize that this statement must be read in its complete context. I am satisfied that a proper reading of that will

indicate that what the Minister was attempting to do was to engender thoughtful debate on an important matter.

GOVERNMENT POLICY

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, in view of the fact that the economy of this country is desperately in need of clear signals, will the Prime Minister now publicly state that that position attributed to the Minister of Finance, rightly or wrongly, is not the policy of the Government?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the policy of the Government is that which was articulated so well by the Minister of Finance on November 8. It is clear, and speaks to the serious nature of the problems confronting the country.

Mr. Rodriguez: Answer his question.

Mr. Mulroney: It invites substantial discussion and participation. I know that you will want to participate in the debate. The Minister has spoken to it, and I have spoken to it. I hope, when placed in context, that my hon. friend will agree that the manner in which we have done it is not unreasonable.

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CANADA WORKS PROGRAM

REQUEST THAT FUNDING BE TARGETED TO SMALL BUSINESS SECTOR

Mr. Jim Jepson (London East): Mr. Speaker, in the absence of the Minister of Employment and Immigration my question is directed to the Deputy Prime Minister. In light of the fact that small business creates between 70 per cent and 80 per cent of all new jobs, and that these are permanent jobs connected to real economic growth, will the Minister consider trying to target the funding of the Canada Works Program toward the small business sector, replacing the currently existing focus on the activities of social agencies which although deserving, should be considered under other programs?

Mr. Axworthy: Here we go again.

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): Mr. Speaker, in the absence of the Minister I will take notice of the Hon. Member's question and ensure that his very interesting contribution to the debate is brought to her attention.

* * *

SOCIAL SECURITY

NEWFOUNDLAND—STATEMENTS ATTRIBUTED TO MINISTER OF FINANCE

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, my question is directed to the Prime Minister and it concerns the same Canadian Press interview. Earlier, in his economic statement, the Minister of Finance inferred that Newfoundlanders were lazy because they preferred unemployment insurance to jobs.

Some Hon. Members: Oh, oh!

Mr. Rompkey: As I read the Canadian Press interview, now he infers that they were too stupid to understand cut-backs in IRDP and family allowances if the Tories had discussed that during the election campaign. In light of these statements by the Minister of Finance, how many more put-downs must Newfoundlanders suffer at the hands of the Minister of Finance? When will the Minister of Finance rid himself of the stereotype image of Newfoundlanders as quaint but inferior Canadians?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, may I say, with respect to my hon. friend, that I thought that that kind of distortion went out of our political life quite some time ago. The Hon. Member knows full well that the Minister of Finance is a man of uncommon honour and probity.

He has participated in a very substantial way with my brilliant friend, the Minister of Energy, Mines and Resources, in bringing about an energy offshore agreement in Newfoundland which will bring honour, and prosperity, and new opportunities to Newfoundlanders, the likes of which they have not seen since they joined Confederation. I think it is a good day for Newfoundland, and a good day for Canada.

Mr. Rompkey: That untold wealth may come by the end of the decade. In the meantime, the assessment of Bill Davis is that we are poor Canadians.

MINISTERIAL TREATMENT

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, will the Prime Minister move to stop this cavalier condescension on the part of Upper Canadian Tories? If his Ministers do not understand us, would they at least treat us with respect and dignity?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think my hon. friend knows that he is held in the highest regard and treated with great dignity, certainly by members of my Party and I know by all Members of the House. He has made a splendid contribution to Canada in his time here, and I salute him for it.

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CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION

SUSPENSION OF CALGARY CABLE STATION

Mr. Gordon Taylor (Bow River): Mr. Speaker, my question is directed to the Acting Minister of Communications, or the Parliamentary Secretary. The CRTC believes the Liberals are

still in power. It has suspended a cable station in Calgary allegedly because it played Christian music. Will the Minister look into this and ascertain why the CRTC is so opposed to Christian programs and Christian music?

Hon. Walter McLean (Secretary of State): Mr. Speaker, in the absence of the Minister of Communications I will take the question as notice. I can assure my hon. colleague that I will raise this matter with him personally as I have a special interest in that subject.

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FISHERIES

WEST COAST TRAGEDY INQUIRY—WEATHER SERVICE RECOMMENDATION

Mr. Jim Fulton (Skeena): Mr. Speaker, my question is directed to the Prime Minister. Last night we learned that the investigation into the tragic loss of life on the B.C. coast on October 11 concluded that the federal Government weather services on the coast of British Columbia are inadequate. Will the Prime Minister give his commitment that the necessary funds and personnel to implement the recommendations made in that report will be forthcoming immediately?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, this is a case in which the Hon. Member has more than one Minister who is quite prepared to deal with the question. It is part of the openness of this Government.

I can answer the Hon. Member. I have read the report. As he knows, I made that report available to him yesterday. I know of his concern.

● (1200)

I made it quite clear yesterday in this House, and to the media afterwards, that there would be no cut of expenditures that would impair the efficiency of weather reporting. The recommendations in that report will be studied, and where there has to be improvement, funds will be found. There is nothing more important to this Government than the safety of the people on the ships and the boats on the west coast of British Columbia.

PERSONNEL AND FUNDING

Mr. Jim Fulton (Skeena): Mr. Speaker, I have a supplementary question for the Prime Minister. It is quite clear what the Minister of Fisheries is saying. It is very nice that there will be no cuts. But what the report concludes is that weather services in British Columbia are inadequate. We are talking about a question of life and death.

Mr. Speaker: What is the question, please?

Mr. Fulton: Will the Prime Minister give his personal commitment that the necessary personnel and funds will be made available immediately so that more lives are not lost off the coast of British Columbia?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I will make this clear statement. Obviously the health and safety of people take precedence over everything else. In the light of that, I will be happy to meet with my colleagues in Transport and Fisheries in an attempt to resolve the matter, and respond favourably to my hon. friend as soon as I can.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please. Before I have a couple of other things to say, might I remind the House—I did not want to interrupt Question Period today to do it—that it is a tradition, and in fact a rule, of the House that questions be put and answered through the Chair. We are getting a long way away from that practice. I just want to remind Members that that is the rule of the House.

* * *

FINANCE, TRADE AND ECONOMIC AFFAIRS

SECOND REPORT OF STANDING COMMITTEE RULED OUT OF ORDER

Mr. Speaker: Yesterday the Standing Committee on Finance, Trade and Economic Affairs presented its second report. It is recorded in the *Votes and Proceedings* as Sessional Paper No. 331-8/4. The operative paragraph, after the Committee explains that while it was studying the Annual Report of the Economic Council of Canada, reads as follows:

> During its consideration of this Order of Reference, your Committee discussed the issues relating to the television and radio broadcasting of its proceedings and has agreed to recommend that the Special Committee on the Reform of the House of Commons be instructed by the House to examine in detail the matter of radio and television broadcasting of the proceedings of all standing and special committees of the House of Commons.

Standing Order 69 lists the standing committees of the House and sets out their powers. These powers are generally discussed in citations 620 and 621 of Beauchesne's Fifth Edition. There it is pointed out that committees often have to report to the House to seek the widening of an order of reference or to ask for some additional authority. It is also pointed out in Beauchesne's Fifth Edition, Citation 621, that a committee "... can only consider those matters which have been committed to it by the House." There are numerous rulings on this subject by my predecessors, and Bourinot's Fourth Edition at page 469 is to the point:

> A committee is bound by, and is not at liberty to depart from, the Order of Reference.

On June 13, 1984, Mr. Speaker Francis made exactly the same point, as did also Madam Speaker Sauvé on June 29, 1983. May's Twentieth Edition at page 644 is no less clear.

In the present case the Finance Committee recommends that another committee be instructed to do something, namely to study the radio and television broadcasting of the committees of the House. It is certain that the Finance Committee is

not empowered to consider that question. The relevance of this question to the Annual Report of the Economic Council of Canada is not established in the second report of the Committee, and in my opinion it could not be.

For good and obvious reasons, one committee cannot direct another, not even indirectly, as committees are creatures of the House and can only do what the House orders or directs. They have no relation one to another.

Therefore, I have to rule that the second report of the Standing Committee on Finance, Trade and Economic Affairs is out of order and tha the *Votes and Proceedings* will reflect this fact.

At this point, I might also mention that the matter of broadcasting of committee proceedings seems to be occupying more than one standing committee of this House. In this connection I have already written to all committee chairmen. Committees, it is clear, are masters of their own procedure, but it is also clear that they must act only within the scope of the powers given to them by the House as they are but creatures of the House. The issue of broadcasting is one that rests currently with the House. It is a complex one and has been a subject of discussion from time to time. But as Speaker it is my duty to ensure that any initiative on such a matter remains the prerogative of the House until the House chooses otherwise.

The Hon. Member for Vancouver-Kingsway (Mr. Waddell) is rising on a point of order?

Mr. Waddell: A clarification if I might, Mr. Speaker. I have been in the House six years—

Mr. Speaker: With great respect, does the Hon. Member have a point of order?

Mr. Waddell: Mr. Speaker, it seems to me there are certain prerogatives that remain with Mr. Speaker himself, including examples of broadcasting—

Mr. Speaker: The Member's point of order, please? Does the Hon. Member have a point of order?

Mr. Waddell: My point of order is that I think the Speaker should use these prerogatives to have influence in bringing the House of Commons up to date technologically, including—

Mr. Speaker: I take it the Member wishes to make an intervention on the question of broadcasting. That is not a point of order. The Member has other routes through his own House Leader as to whether he wishes a committee of the House struck again. That is hardly a point of order. In fact, it is not a point of order.

CLERK OF PETITIONS' REPORT

CALL FOR REINSTATEMENT OF CAPITAL PUNISHMENT

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Parry Sound-Muskoka (Mr. Darling) on Thursday, December 13, 1984, meets the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, the following questions will be answered today: Nos, 31, 49, 50, and 75.

[*Text*]

PRODUCTIONS OF THE NATIONAL FILM BOARD

Question No. 31—**Mr. Howie:**

Is there any mechanism for the government to express its attitude toward specific productions of the National Film Board and, if so (a) what is it (b) did the government make use of the mechanism with respect to the Board's production "The Kid who Couldn't Miss"?

Hon. Marcel Masse (Minister of Communications): The NFB is one of the agencies within my portfolio but decisions on questions of production are the responsibility of the Board itself.

Each agency has a selected board and a management whose role it is to make artistic and content decisions. The government will not intervene in the internal matters of the NFB as this would only serve to restrict the ability of the NFB to explore the types of social and cultural issues and concerns that serve to shape our lives.

The NFB has informed me that it has conducted an internal review of some of the criticisms raised against the film and concluded that the director, Paul Cowan, was scrupulous in his research and fair in his presentation of the exploits of Billy Bishop in the film.

There is a well established precedent, recognized through successive governments, which constrains the politicians responsible for Canada's cultural agencies, such as the NFB and the CBC, from intervening in the artistic and content decisions which must be made by these agencies. The government is committed to this precedent.

Some objections were raised concerning the depiction of Billy Bishop in this film. Notably, A. J. Bauer, Chairman of Billy Bishop Heritage, wrote to the NFB in March, 1984, outlining at least 15 historical and factual errors in this film, pertaining to the exploits of Billy Bishop. The NFB then asked the director to review and justify his research material. On

Order Paper Questions

August 16, 1984 François Macerola wrote to Mr. Bauer, that, as a result of the NFB's internal review, he was satisfied with the director's interpretation and that he would not withdraw or revise the film, as requested by Mr. Bauer. The film was not seen as denying the truth of the legend and Billy Bishop's heroism, but merely raised the possibility of some myth.

SUPERANNUATION ACCOUNTS—INTEREST EARNED AND EMPLOYEE CONTRIBUTIONS

Question No. 49—**Mr. Howie:**

In each of the past three fiscal years, what was the amount of (a) interest earned by the (b) employee contributions to (c) employer contributions to the (i) Canadian Forces Superannuation Account (ii) Public Service Superannuation Account (iii) Royal Canadian Mounted Police Superannuation Account and, in each case, what total amount was paid for disability, survivor and retirement pensions?

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board):

PUBLIC SERVICE SUPERANNUATION ACCOUNT
(000,000's)

	(a) Interest Credited	Additional Interest Earned	(b) Employee Contributions	(c) Employer Contributions	(d) Pension Payments
1981-82	837.3	355.0	403.4	606.1	459.6
1982-83	980.9	544.1	467.4	478.3	515.9
1983-84	1,260.7	481.7	494.3	467.3	567.8

CANADIAN FORCES SUPERANNUATION ACCOUNT
(000,000's)

	(a) Interest Credited	Additional Interest Earned	(b) Employee Contributions	(c) Employer Contributions	(d) Pension Payments
1981-82	618.0	262.0	91.3	198.9	291.5
1982-83	754.4	307.0	104.3	183.2	315.2
1983-84	932.6	259.2	113.3	200.2	335.9

ROYAL CANADIAN MOUNTED POLICE SUPERANNUATION ACCOUNT
(000,000's)

1981-82	68.0	28.9	26.8	53.2	15.9
1982-83	102.5	21.8	31.4	60.7	18.5
1983-84	127.5	21.6	33.8	64.7	20.8

Note: The accounts earn interest quarterly at a rate determined as if the excess of receipts over disbursements each quarter since the accounts were established had been invested in Government of Canada 20 year bonds. In effect, the quarterly rate is based on the weighted average yield of all investments over the previous 20 year period.

Some interest earnings in excess of the rate used in the most recent actuarial reports on the accounts (6.5% per annum) have not been credited to the accounts, but rather have been used to offset the cost of amortizing actuarial deficiencies that arise mainly as a result of annual salary increases. The above employer contributions include the net cost of amortizing actuarial deficiencies after the application of interest earnings of the accounts which were in excess of the rate assumed by the actuary.

FAMILY PLANNING DIVISION

Question No. 50—**Mr. Howie:**

Was the family planning division of the Department of National Health and Welfare dismantled or substantially reduced and, if so, for what reason?

Hon. Jake Epp (Minister of National Health and Welfare): The Family Planning Division of the Department of National Health and Welfare has not been dismantled. In the context of governmentwide expenditure restraint, the Family Planning Grants, a funding program administered by the Family Planning Division, was reduced by $700,000 in each of 1983-84 and 1984-85 for a total of $1.4 million. The manpower and operating budgets of the Division were not affected.

The Family Planning Grants program included project funding and sustaining funding (to national family planning voluntary organizations). During 1983-84, the responsibility for the sustaining funding was transferred to the Sustaining Grants Program for National Voluntary Health Organizations. This program received a substantial injection of new funds in 1983-84 and as a result of this, the family planning organizations whose funding had been reduced by the above-mentioned expenditure restraint, received new funds which essentially brought them back to the levels of funding previously planned.

ATTEMPTED SUICIDES AND SUICIDES

Question No. 75—**Mr. Nunziata:**

In the past five years, how many inmates of federal correctional institutions have (a) attempted (b) committed suicide?

Hon. Elmer M. MacKay (Solicitor General of Canada): In so far as the Correctional Service of Canada is concerned:

	1980	1981	1982	1983	1984 (January to November 14, 1984)
(a) Attempted suicides	46	69	65	52	57
(b) Suicides	10	12	11	19	16

[*English*]

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

Mr. Althouse: Mr. Speaker, could I ask the Parliamentary Secretary, in light of the fact that almost half of the questions on the Order Paper are from opposition parties, whether he would be able to attempt to provide more answers to opposition questions? Almost all questions answered are exclusively government questions at this point.

Mr. Hnatyshyn: That was explained yesterday.

Mr. Dick: Mr. Speaker, I would like to inform the House that up to and including today the number of questions on the Order Paper placed there by members of the Conservative Party was 67 and the number disposed of is 25. Almost all of these were on the Order Paper in previous years; the work had

been done by previous governments but they had not been answered. Therefore it was very easy to answer them. The amount answered represents 37.3 per cent.

Members of the Liberal Party have placed 55 questions on the Order Paper, eight have been disposed of, which represents 14.5 per cent. Members of the New Democratic Party have placed 22 questions on the Order Paper, none of which has been answered as yet. I hope to rectify that as soon as possible.

In total, 22.9 per cent of the questions have been answered to date. I would like to inform Hon. Members of the House that the number of questions answered is considerably higher than the number answered in the last two Parliaments on the 28th day of sitting.

Mr. Gauthier: Mr. Speaker, yesterday I asked the Parliamentary Secretary whether he would answer question No. 91 dealing with the court challenges program which, as he knows, is a very, very important issue in this country. The Parliamentary Secretary replied "soon". Could he give me a definition of what the word "soon" means?

Mr. Dick: Mr. Speaker, it means not in a long time. It means in a shorter period of time.

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

• (1210)

GOVERNMENT ORDERS

[*English*]

PETROLEUM AND GAS REVENUE TAX ACT

MEASURE TO AMEND

Hon. Barbara McDougall (Minister of State (Finance)) moved that Bill C-8, an Act to amend the Petroleum and Gas Revenue Tax Act, be read the second time and referred to Committee of the Whole.

She said: Mr. Speaker, I am pleased on behalf of our Government to rise in the House today and put before Hon. Members for second reading Bill C-8, an Act to amend the Petroleum and Gas Revenue Tax Act.

The Bill before us clears up some unfinished business from the last Parliament. Many of the provisions included in this Bill have been in effect for over two years, despite the fact that the Bill never received parliamentary approval. Taxpayers acting in good faith have filed their returns and paid their taxes as though these provisions had the force of law. It is only fair to the affected taxpayers to give this Bill our final approval so that assessments can be completed and refunds paid.

With the exception of one important amendment, we will be proceeding with the Bill essentially unchanged from the form in which it was tabled last winter. We hope this will avoid any unnecessary delays in its passage.

The Bill includes some significant policy changes to the Petroleum and Gas Revenue Tax Act which were introduced by the former Government and were effective on either June 1, 1982 or January 1, 1983. These amendments implicitly recognize the failure of the tax in its original form to cope with both the upturns and downturns which are an inescapable part of doing business. In order to remind Hon. Members, the relieving measures included the introduction of a $250,000 annual credit for small corporate producers against their PGRT liabilities on Division 1 production revenues, a provision for the deduction of drilling expenses and the cost of oil well machinery related to an enhanced oil recovery project from the projects earned production revenue, and a one-year reduction in the effective rate of PGRT from 12 per cent to 11 per cent.

The temporary reduction in the PGRT rate is now history. It applied from mid-1982 until mid-1983, a period which was particularly difficult for oil and gas companies.

The annual credit for small corporate producers was set at a maximum of $250,000 by the former Government. This $250,000 credit ensured that the very smallest, struggling producers were not burdened by a tax they could ill afford to pay.

While this credit was certainly a move in the right direction, it did not go far enough. Therefore, today's Bill includes a new measure which my colleague, the Minister of Finance (Mr. Wilson), announced in his recent economic statement. The $250,000 annual tax credit against the PGRT liability on production revenue will be doubled to $500,000 effective January 1, 1985. The doubling of the maximum credit against PGRT will provide the Canadian petroleum industry with an extra $35 million per year. We have chosen to make this major move since the Bill was tabled in Parliament last year because many Canadians want and need very badly modifications in the tax regime.

The Government recognized that major modifications were called for in the tax structure as it applied to the oil and gas sector. All Canadians, but especially those engaged in this sector, need more incentives to invest, to invest right here in our own great land. Through appropriate incentives we can achieve a much larger participation by Canadian investors in this sector as well as increased discovery rates and development of resources.

This would mean increased reliance upon Canadian oil so that we would benefit as producers because we would pay Canadians in addition to and rather than foreign producers. As consumers we would benefit from lower dependence on foreign supplies, and as taxpayers we would benefit by reducing our deficit.

Therefore I urge Hon. Members to give the Bill speedy passage, not only because it is an incentive to the Canadian oil and gas sector to proceed full tilt with their part in restoring Canada's economy to prosperity but, more important, the Bill

is an indication of our Government's desire to review the whole issue of federal energy taxation.

The Bill effectively doubles the small producer credit against the petroleum and gas revenue tax. We recognize that there is still a lot of scope for further flexibility in the federal energy tax system. Therefore, in our ongoing review of energy taxes we will continue to balance very carefully the interests of producers, producing provinces, consuming provinces, consumers and general taxpayers.

My colleague, the Hon. Minister of Energy, Mines and Resources (Miss Carney), has already consulted with interested parties throughout Canada on this issue. We look forward to increased productivity and satisfaction in this area.

The doubling of the annual tax credit against liability about which I spoke earlier does not penalize the diligent efforts of small-sized Canadian producers. These producers have furthered the exploration of the western sedimentary basin and they deserve our full appreciation and recognition. I also want to signal our Government's appreciation of the steps which other producing provinces have taken to encourage increased activity in that province. We wish to support the positive results from this activity.

The capital deduction related to enhanced oil recovery projects has the effect that no PGRT is payable on the revenue from one of these projects until project participants have recovered their eligible capital investment. My colleagues and I have been most gratified to see the way in which the oil and gas industry has responded to even partial relief from the National Energy Program of the former Government.

Following the introduction of the enhanced oil recovery capital reduction, the industry announced work on three major projects at Cold Lake, Wolf Lake and Elk Point. Many older experimental projects are now also undergoing expansion. This renewed activity not only creates jobs and provides a hint of the vitality which the West used to enjoy before the National Energy Program was introduced by the former Government, but also ensures that Canadians are ready to exploit fully our oil reserves.

This Government applauds the innovation, hard work and willingness to take risks which have made these projects possible. We look forward to working with the industry and the provinces to achieve a more general rebound in exploration and development in all producing regions.

The Bill before us also includes a number of technical amendments. The most important one is a measure which will ease tax compliance for royalty holders. Prior to this amendment, which was effective on January 1, 1984, numerous small freeholders were required to make sense out of the intricacies and the legal concepts associated with the tax. In some cases taxpayers were paying more to their accountants to fill out their returns than they actually received in royalties. Now all royalty recipients will have their tax paid for them on a withholding basis.

The revenue implications of the older measures in the Bill were detailed during the last Parliament. The total cost of the measures to the Government was computed at that time to be $1.3 billion over the 1982-86 period. We believe that the energy sector is an area of growth for the Canadian economy rather than a source of revenue for the federal Government. We want a stable national energy policy to achieve energy self-sufficiency, to increase Canadian participation in exploration, to keep prices low, and to ensure that energy issues do not disrupt national unity as they did under the last Government.

In reviewing the energy sector we are striving for a policy which recognizes and supports the contribution oil and gas producers make to economic growth and prosperity in the country. We are still contemplating further action in the areas of oil pricing, energy taxation and incentives in particular. Therefore, we will be continuing our consultations with representatives of industry, provincial Governments and other interested parties before making any changes to this tax which we believe are necessary. Although we may decide to introduce further changes to this tax following a full review of energy policy which is now under way, it is only fair to those taxpayers who have filed their 1982, 1983 and 1984 PGRT returns and who may be awaiting refunds to have the Bill passed as speedily as possible. We prefer not to hold up the assessment of these old returns while a whole new policy is being debated.

Therefore I urge Hon. Members to give the Bill prompt passage to enable affected taxpayers to benefit from its simplifying and relieving amendments.

Some Hon. Members: Hear, hear!

● (1220)

Miss Aideen Nicholson (Trinity): Mr. Speaker, I intend to be very brief because the measure before us is almost identical to those introduced by the previous Government. There is one exception to which the Minister addressed herself, namely that the tax credit is being doubled for small producers. The original wording in the December 7, 1983 version of the corporate tax credit reads as follows:

> That an annual tax credit be introduced for a corporation or an associated group of corporations of up to $250,000 in respect of taxes payable under Division I of the Act on production revenue, other than production royalties, attributed to the period after May 31, 1982.

The current version will increase that with slightly different dates. The current version reads:

> That an annual tax credit of up to
>
> (a) $250,000 for the period from June 1, 1982 to December 31, 1984, and
>
> (b) $500,000 for the period commencing on January 1, 1985,
>
> be introduced for a corporation or an associated group of corporations in respect of taxes payable under Division I of the Act on production revenue other than production royalties.

We have a measure which is essentially the same as those introduced in the past, except for this doubling of the tax credit. The doubling of the tax credit will result in something in the order of $64 million forgone by the Government. As the Minister said, these are old measures and it is essential to deal with them promptly so that outstanding tax returns can be dealt with.

Today is perhaps not the occasion for a detailed energy debate, although I would point out that in February, 1984 when the then Minister of State for Finance introduced these measures, it became the occasion for a very far-ranging debate on energy policy generally. We in this Party do not intend to delay the debate particularly, but we do want to have in the near future a very full debate on the Government's proposed changes to energy policy.

The economic statement tabled in this House by the Minister of Finance (Mr. Wilson) some time ago made reference to this change in the Petroleum and Gas Revenue Tax. He stated that while the Government would be proceeding with those changes, the Government did want a very full examination of all our energy policies. We look forward to that debate.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I rise as my Party's energy critic to speak on this change to the Petroleum and Gas Revenue Tax. I spoke on it the last time it was before the House. At that time the Hon. Member for Comox-Powell River (Mr. Skelly) was our energy critic. I am back in my old job and pleased to be here.

Mr. Speaker, I have not had the opportunity to congratulate you on your new suit. You look very debonair, even more debonair than usual. In fact, I prefer it to every suit I have seen you wear except for one, your football uniform with your football hat. That looked even better, not to mention other suits.

I want to say something about this Bill. I see you are smiling, Mr. Speaker. You may not be in a moment. One thing I got out of the Minister's speech was that the policy of the Conservatives was to keep energy prices low. If there is one thing that Canadians know, it is that the Conserative Party is a party of high energy prices. It does not represent the consuming public of Canada adequately. That Party continues to hose Canadians at the pumps and to hose them in their houses when paying for home heating oil.

The evidence is the Consumer Price Index issued this morning for December, 1984. The latest increase was November. It shows that food did not change from November, 1984; housing and clothing were approximately the same. The big increase was 2.9 per cent for energy. According to the Consumer Price Index, after three months of Conservative government energy prices have increased almost 3 per cent. That is consistent with the Conservatives buying the line hook, line and sinker of the big oil industries in Canada. They have taken it, swallowed it and are going to implement it. This Bill is an example of how that happens.

Let me explain a little bit about the PGRT. Coming from Alberta, I know you understand it, Mr. Speaker, but there may be some new Members who do not know about it. The PGRT is part of the National Energy Program introduced in 1980. It is part of the taxation system of the program. I know the Member knows that, but I wonder if the Member knows why the Conservatives ultimately want to get rid of the PGRT, the problems with the PGRT and other forms of taxation for oil companies and consumers. Let me tell him something about that.

The Petroleum and Gas Revenue Tax is levelled almost right at the well. It takes the producers' gross revenues and deducts operating costs. The tax is on that amount of money. I believe this Bill reduces it from 12 to 11 per cent. It hits right in there.

The provinces do not like this. They see it not as a tax but a royalty, a grab at a portion of the oil. Western Canadian provinces believe, and I support them on this, that royalties are the prerogative of the provinces. Natural resources are the major thing the western provinces have to give us the kind of economic long-term growth that they have in Ontario and Quebec with their manufacturing industries. That is jealously guarded in the West. This is thought of as a royalty and the western provinces do not like it.

The oil companies do not like it because they have to pay tax. It is not like the old system of depletion and super depletion allowances. Under the old system, you produced the oil, subtracted your operating costs and then subtracted other costs such as old machinery, this company buying that machinery from your subsidiary, paying money or not paying money to the subsidiary that did the navigation and the drilling, and suddenly there was no money to tax. Oil companies were famous for never paying very much taxes.

In Question Period today we were debating precisely that. The Government is about to lower the boom on the middle class in Canada. There was a lot of blarney today, but the Prime Minister (Mr. Mulroney) was very weak in its defence. To be fair to the Prime Minister, it was indefensible.

The Minister of Finance (Mr. Wilson) let the cat out of the bag. The Government has decided it has to cut the deficit. The way it will do that is by cutting spending and social programs. It will do that with programs that affect the upper and middle classes. That is a little more fair, but it will have a real impact on a lot of people.

There is another way it could cut the deficit. It is relevant to this Bill. It could make some of the corporations in this country pay a decent share of taxation like ordinary Canadians must. There are about $24 billion worth of deferred taxes owing. Can you defer your taxes, Mr. Speaker? No way. However, oil companies, banks and companies like that can defer their taxes, and of course they never pay their taxes. Therefore, the Government has a big deficit and has to deal with things like what happened in Question Period today when the Prime Minister had to defend what was virtually indefensible. He is going to bring in policies to take away some of those social programs from the middle class of Canada.

• (1230)

These 211 Conservative Members will not be cheering so loudly when their constituents start writing or phoning them and saying: "Hey, I have to pay more for my heating oil and my gasoline as a result of your policies. Now you are taking away my baby bonus or my pension supplement", or whatever. That is why this Bill is important.

For those who are interested in energy, this Bill contains another important item. There is a pattern forming here. In 1980, some of my colleagues and I predicted that this would happen. The National Energy Program was implemented. I will not call the policy radical, conservative or whatever. It was, however, certainly a new policy. It had a tremendous amount of impact. I know Members of the Conservative Party had criticisms of that policy and I might say that they put those criticisms very well. I see a few of the people today who were involved when they were on this side of the House. As a matter of fact, I miss them. I do not know where they are now. They had very strong criticisms about the policy. I did not agree with all of those criticisms but I congratulate them for making them. As the senior member of the Energy Committee, I feel that I am alone here on this side of the House.

A pattern developed, Mr. Speaker. The energy policy was implemented and the Government, as predicted, started retreating from that energy policy because of the pressure of the biggest and the best-financed lobby in Canada. The Consumers' Association of Canada has nothing on the Canadian Petroleum Association or IPAC, which is supposedly made up of the medium-sized companies but has some large companies indirectly involved in it. For the last three or four years, that lobby had produced these nice advertisements on television to show what nice guys the oil companies are. Anyone who knows anything and has read *The Seven Sisters* by Anthony Sampson can see the pattern created throughout the world by large oil companies in this century. In fact, large oil companies push their own interests to the extreme. If that means that Exxon in the United States wants to divert some of its oil bound for Imperial Oil of Canada to the United States because of a crisis or because it can make money, it will do it. That is fair enough under its terms.

Mr. Thacker: Mr. Speaker, I rise on a point of order. My friend knows full well that that diversion was pursuant to an international agreement whereby the western countries agreed to apportion the cut-backs equitably. It was pursuant to an international agreement.

The Acting Speaker (Mr. Paproski): I regret that that is not a point of order.

Mr. Waddell: Mr. Speaker, my friend can enter into the debate later. I suggest he read the book *The Seven Sisters*. I think he will find it very enlightening. The average Canadian feels it in his guts. He or she knows what big oil is up to. He or she knows that big oil wants to puts its hand in his or her pockets and take out some more money.

This Bill indicates another interesting trend. It amends the definition of old oil so as to bring into that category some new oil as well. Let me explain it to you, Mr. Speaker. I know you understand it, but perhaps some of the Members do not.

What is new oil and old oil? Is all oil not the same? Let me explain. Through the National Energy Program, the Government decided as a matter of national policy that Canadians should pay less than the world price for what was considered an essentially Canadian resource. Some Members disagreed with that. Members of the Conservative Party in particular disagreed with that. Members of the New Democratic Party and the Liberal Party spoke of a blended price because we were importing some of our oil and could blend it in with the Canadian-priced oil.

The Government then set a price that was lower than the world price. It decided that when new oil was discovered, world prices could be charged for that oil. That provided a way to be able to charge world prices and also recognize that discovering new oil costs more money these days. Old oil was discovered when it cost about $1 per barrel to discover oil and it sold for $2 a barrel. Now oil sells at $28 American or about $38 Canadian a barrel. Quite rightly, the Government realized that it could not give a big windfall to those oil companies that discovered oil at $1 a barrel and were able to sell it at $38 a barrel, so the Government then began to talk in terms of old oil and new oil and that made some sense.

Of course, the oil companies started to pressure and lobby the Government. What could the Liberal Government do? It really did not want to completely change its National Energy Program or completely change its pricing scheme to accommodate the companies but it had to find some way of accommodating them. One way the Government yielded was very simple. It just called old oil new oil. If old oil is called new oil, it can fetch a higher price. That was a very smart thing to do. This Bill, to some extent, extends the concept of allowing old oil to be called new oil. It is just a horse of a different name and more money can be given to the oil companies.

The name of the game of this Government is to take money from the consumers of Canada and give it to the oil companies of Canada. We should make that very clear. You heard the Minister's speech, Mr. Speaker. She virtually said the same thing when she spoke. I would remind her that she has to pay a price. The consumers will have to pay a price and the Government will not have as much money. Then, if the Government wants to tackle its deficit, it will have to start cutting back on baby bonuses, pensions and the things that help ordinary middle-class Canadians. The Government may have 211 Members now. However, if it continues that policy, it may receive a few votes from oil company presidents, but the great majority of the Canadian public will not vote for it.

There is another problem with this Bill, and I want to talk a little bit about that. When this tax is reduced from 12 per cent to 11 per cent, will any of the benefits pass on to the consumers? The answer is no, it will not. I cannot see anywhere in this Bill that indicates that consumers are going to receive any benefit at all. The Minister has argued that jobs are created if we expand the industry. Of course, there are some jobs created when the oil industry is expanded. The oil industry must be treated fairly like all industries in Canada. I say to the Government that it should not believe that it will create 300,000 or 500,000 jobs if it just gives the Canadian Petroleum Association everything it wants. That is the line that is being peddled and that is the line that is being bought by the present Minister of Energy.

The other day the Minister said in the House that we should look at all the jobs that are being created. The fact is that since this Minister of Energy has taken office, jobs have been lost. We have lost 3,000 jobs in the energy department of the National Research Council. Most of those jobs went to private enterprise and private industry. The money was funnelled through the National Research Council and went to ideas like new glass manufacturing that would be equivalent to triple glazing and third generation solar technology. The Government did not know what it was doing when it cut back on that. The Government is so into the propaganda of the Canadian Petroleum Association that it does not look to see where jobs are created.

I will give you an example, Mr. Speaker. The Hon. Member for Mission-Port Moody (Mr. St. Germain) is a reasonable Member and will understand this. If he wanted to create a job at a McDonald's restaurant in Mission-Port Moody, the capital cost would be about $15,000. If he wanted to create a job in light manufacturing, it would cost as much as $150,000 or $200,000. If he wanted to create a job in heavy manufacturing, it might cost as much as $500,000. That is the capital cost involved in creating a job. But if he wanted to create jobs in the Beaufort Sea or Hibernia, he might be talking about $1 million or $2 million.

• (1240)

I am sure the Hon. Member would agree that we must look at the cost of creating jobs. I say to the Government, when it is lobbied by the Canadian Petroleum Association and when it is pressured to develop resources offshore, in the North and so on, that it should remember the cost of creating the jobs. I do not have the figures that the National Research Council energy department has, but I would bet that it would cost a heck of a lot less than a million dollars to create jobs.

Some of those jobs were created in Vancouver. The riding of the Hon. Member opposite, as well as my riding, were two areas which had some of the best industry in soft energy technology. We must not lose that. It is not hippie, or yoghurty. A lot of Conservatives probably associate soft energy with the sixties, but it is the latest technology. Canada is a world leader in that technology. However, we are cutting it back at the expense of putting a heck of a lot more money into the oil industry.

The oil industry is important. The Hon. Member for Athabasca (Mr. Shields) entertained me in his riding. He is wonderful at showing people around the tar sands. It is important for that industry to continue. But we should not succumb to the siren song that we must give more and more to big oil companies, because they will want more and more. They will want to get rid of the PGRT, to which the Minister alluded in her speech, and then they will want super-depletion allowances and capital cost allowances; they will want to defer their taxes and so on. We will be back to the old ball game in which big oil companies do what they like.

By and large, it is an industry which is foreign-controlled. The National Energy Program tried to push for Canadian ownership of the energy industry, but it appears that the Government is going to back away from that, unless it comes up with some very innovative taxation scheme for Canadianizing the industry. Our Party would be open to that.

I am prepared to have this Bill pass today. I accept the Minister's argument that companies have filed returns and they have to know where they stand. It is only fair. Because they are operating in this regime, it would be wrong for us to delay the legislation.

I have flagged several issues. One issue is that there are not the millions and millions of jobs which big oil companies suggest. In fact, there are more jobs in soft energy than there are in non-renewable resources.

Second, there will have to be a change in the PGRT, according to government policy. We will be watching that very closely to see that it is not simply a return to the old regime, which was basically a giveaway to oil companies.

Third, if the Government follows its present pattern, it will give more away to oil companies. As I have indicated, on the basis of the Consumer Price Index figures of today, the one item which really increased was energy. In the first three months of Conservative government energy went up. That is typical. Perhaps some government Members do not understand that the Conservatives want to redistribute money from the average ordinary Canadian, both at the pump and in the home. That money will go into the pockets of big oil companies, which are largely foreign-controlled.

If that is the kind of change for which Canadians voted, I am very surprised. I do not think Canadians want that kind of system, especially when they realize what the Conservatives are doing.

The Acting Speaker (Mr. Paproski): In view of the Member's very kind remarks toward the Chair in his preamble, I must inform him that he has approximately 20 minutes remaining. I would like to bring to the attention of the House that the first three speakers had a 40-minute maximum. We will now revert to 20-minute speeches with questions and answers.

Mr. Waddell: Mr. Speaker, I would like to thank you for suggesting that I had more time. However, I will not take the time. As a young lawyer I learned that the judge was sometimes on my side, but that if I continued to speak, sometimes the judge went against me. So you quit while you are ahead!

Mr. St. Germain: Mr. Speaker, I rise on a point of order. In view of the fact that there is time remaining, could we get the unanimous consent of the House to ask the Hon. Member a couple of questions?

The Acting Speaker (Mr. Paproski): No, I will recognize the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey).

Hon. William Rompkey (Grand Falls-White Bay-Labrador): Mr. Speaker, I want to associate myself with the remarks

of the Hon. Member for Vancouver-Kingsway (Mr. Waddell) with regard to your sartorial splendour. Those of us in the House who have seen you in other suits and in other places know that you are equally—

The Acting Speaker (Mr. Paproski): I will let the Hon. Member finish; however, the Hon. Member for Brampton-Georgetown (Mr. McDermid) is rising on a point of order.

Mr. McDermid: Mr. Speaker, I apologize to my colleague from Newfoundland, but I am seeking clarification from the Chair. This will be the third opposition spokesman to one government spokesman. What is the rotation in speaking?

The Acting Speaker (Mr. Paproski): It is up to the discretion of the Speaker. If the Hon. Member looked at Beauchesne's Fifth Edition, Citation 301, he would be made aware of that. I recognized the Hon. Member for Trinity (Miss Nicholson) on the opposition side before the Hon. Member for Grand Falls-White Bay-Labrador. I recognized him because I said that he would be the next speaker. You will follow him.

Mr. Rompkey: Mr. Speaker, now we must not only congratulate you on your sartorial splendour, but as well on your discretion and judgment.

I want some latitude today. I do not intend to delay the Bill unnecessarily, but I have some questions which I feel are relevant to the PGRT, energy taxation and policy that I want to put on the record. This is the only opportunity I have to do that. I appreciate the Minister of State for Finance (Mrs. McDougall) may not have all the answers to the questions which I will raise today; however, they are in regard to the deal which is being formulated between Canada and Newfoundland. It is a deal which we have been told about but which we have not seen.

What we have seen is a letter of June 14 from the then Leader of the Opposition to the Premier of Newfoundland. It is the only document on which we have to base our suppositions. It is important for us to know what is in that deal. I would like to put some very serious questions on the record.

The sixth principle in the letter states that "the Province would have the ultimate decision in matters affecting the mode of development . . . subject to the federal override". That is very important.

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

The Acting Speaker (Mr. Paproski): The Hon. Member for Athabasca (Mr. Shields) on a point of order.

Mr. Shields: Mr. Speaker, I do not mean to belittle what the Hon. Member is saying, but I think the point of relevance is clear. He is talking about an agreement on the offshore rather than the Bill.

The Acting Speaker (Mr. Paproski): I think the Hon. Member is getting to the Bill. That is not a point of order.

Mr. Rompkey: Mr. Speaker, I think the relevance will be clear, if the House will bear with me.

The sixth principle which is outlined in Mr. Mulroney's letter, who was then the Leader of the Opposition, indicated that the province would have the ultimate decision—

The Acting Speaker (Mr. Paproski): The "Prime Minister".

Mr. Rompkey: The now Prime Minister, who was then the Leader of the Opposition, indicated that the province would have the ultimate decision in matters affecting the mode of development, subject to a federal override. That is very important because the Province of Newfoundland would like to use concrete platforms in the development phase, as opposed to shipping the oil directly to market. Concrete platforms could be made in Newfoundland, thereby creating more jobs for Newfoundlanders and Labradoreans. The use of concrete platforms in the development stage of that oil in Hibernia, Mr. Speaker, is clearly in our best interests, and if the province has the final say, no doubt it will choose them.

● (1250)

However, what about the federal override? In what circumstances will the federal override be used? How ultimate is the province's decision if the federal Government has the final say? We are told that the federal Government would call the shots if the province's choice delayed "unreasonably" the attainment of self-sufficiency and security of supply in Canada. My second question is, then, what is "unreasonably"? How do you define it? Who defines it? These are questions to which we do not have the answers at this point. However, the answers mean a great deal to my province which has the highest unemployment, the highest per capita debt and the highest cost of living.

Furthermore, with respect particularly to energy policy, we are told that the Government has now backed off back-in rights. We are told that the Crown's share of back-in rights will no longer be entertained by the Government of Canada. The federal Minister of Energy, Mines and Resources (Miss Carney) seems to be under the illusion that back-in rights, the Crown's share, was somehow imposed unilaterally by the previous Government.

I would like to point out, Mr. Speaker, for the record, that back-in rights have indeed been a fundamental and essential element of the Newfoundland proposal on the offshore from the beginning. As a matter of fact, it was not so much "back-in" as "front-in", and companies which have drilled off Newfoundland—not under federal regulations but under provincial regulations—have known from the beginning, from the first day they went there to drill, that not only would they have to give up 25 per cent, but that 40 per cent would go to the Crown. Indeed, the present Premier of Newfoundland, when he was Energy Minister as well as when he was Premier, was quite adamant about that. Indeed, I would say he staked and based his career on the proposition that Newfoundland had to catch up and that back-in rights, the Crown's share, was a fundamental way of doing it. I think it is fair to say that the

Premier of Newfoundland brought the oil companies virtually to their knees on that particular point. However, now we are told that back-in rights are no longer to be entertained.

As the Premier, the Government of Newfoundland and Newfoundlanders saw it, the only way for our province to catch up was if it owned a piece of the action. Indeed, it was almost, I would say, a sacred trust. Yet Mr. Marshall said the other day during his meeting here in Ottawa that it is no longer sacred. He says now: "That is the policy of the Government of Canada. It is no longer sacred as far as we are concerned, and we accept the policy of the Government of Canada". But if the Crown share goes, if back-in rights are no more, how does Newfoundland collect revenue? I put those questions on the record. Will it be from royalties? Perhaps it will, we do not know. Will it be from PGRT? We do not know.

Perhaps the Minister of State for Finance could answer this question: Is the federal Government, as part of this deal with Newfoundland, going to turn over PGRT to the province? Is that part of the deal? What is the answer to that question?

What other federal taxes are going to go to the Province of Newfoundland if back-in rights are no longer to be entertained? We are told in the Prime Minister's letter of June 14 that the federal Government will maintain the right to establish and collect federal taxes. If it is going to collect them, are they going to hold them or is it going to turn them over to the provinces? These are very important questions for my province, Mr. Speaker.

The letter of the present Prime Minister, the former Leader of the Opposition, also tells us that any Government he led would promise a development fund for infrastructure. That is good. I support that, and the previous administration no doubt did offer the same proposal. However, what about funding for education and training for Newfoundlanders and Labradoreans? It seems to me, Mr. Speaker, that that is of paramount importance. There is no mention at all, though, in that letter—and I suspect in the deal which is now being consummated—of any proposition, philosophical or financial, for the enhancement, development and the furthering of education and training for Newfoundlanders. There will be revenues to the provinces, and management, perhaps. But how do we ensure jobs for ordinary Newfoundlanders unless they have the skills to take those jobs?

In the past, the guidelines for PIP grants were a great step in the right direction because they ensured Newfoundland content which included a lot of local people in those jobs. But are those PIP grants going to continue to exist? We do not know that. And if those financial safeguards and levers are not there, then what do we put in their place and how do we ensure that Newfoundlanders get the skills to take those jobs? There are many who will seek those jobs and simply not get them on the basis of lack of skills.

Bear in mind, Mr. Speaker, that 50 per cent of eligible young people in Newfoundland and Labrador are unemployed at this point. That is a tragic figure. A lot of those young people are looking not simply to the fishery, logging or mining, but, indeed, to this offshore deal as a means of securing employment. The point I am making is that one can talk all one likes about revenues and management, but if ordinary people, and particularly young people, do not have the necessary skills to take those jobs which are open, then, really, those things are not going to be of benefit to the ordinary Newfoundlander.

Instead of providing more training, the Government in its economic statement, has slashed funds and cut back on programs for young people. Those young people depended on those programs for employment, to fund their education and to help themselves for the future. What is going to take the place of those programs which have been slashed? We do not know. We do not hear a word about that. It seems to me that is a pretty important question.

It is obvious, then, Mr. Speaker, that at this point Newfoundlanders are being asked to venture into the unknown. The provincial motto is "Launch forth into the deep". It seems to me that is what we are doing at this point.

What I am really asking for here today is information. I would like the answers to those legitimate questions. We may receive those answers and find that this is a great deal. If it is a good deal for Newfoundland, I will say so, and if it is a good deal for Canada, I will say so. However, at this point in time we do not know. Certain members of the provincial and federal Cabinets may know but I, as a legitimately elected Member of Parliament for Newfoundland, do from not know. The Premier of Ontario knows what is in that agreement, but I do not know. What I am really asking for here, Mr. Speaker, is for the answers to those legitimate questions.

I hope it is a good deal and if it is, as I say, we will applaud it. But I want to make sure, and I intend to make sure, that my province gets the best deal possible from the Government of Canada. And that is difficult to do when the Government will not say what is in that deal.

I raise those questions today in the context of PGRT and energy policies because we need those questions answered, Mr. Speaker, and we need them answered right now.

The Acting Speaker (Mr. Paproski): There is one minute remaining for questions and comments.

Mr. Shields: Mr. Speaker, I would like to ask the Hon. Member a question. I understand his concerns, but does the Hon. Member not recognize that the agreement which is being proposed for the offshore Newfoundland gas and oil would be set up so that it is treated in exactly the same way as the resources in Alberta, Saskatchewan and Manitoba, or British Columbia, for that matter? Does the Hon. Member not understand that there may not be agreement between Government and Government with regards to training, just as there has never been an agreement between the federal Government and the Alberta Government with respect to training people to participate in the jobs which are created? The Province of Newfoundland is being treated as the other provinces. It is up to the Province of Newfoundland, when it gives out the drilling right and when it administers the oil fields, that—

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member. However, the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey) might like to think about the question over the next hour, and as there is still approximately ten minutes for questions and comments, he can answer the question when we come back.

[*Translation*]

Order please. It being one o'clock, I do now leave the chair until two o'clock this afternoon.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

[*English*]

The Acting Speaker (Mr. Paproski): In view of the fact that the person who finished speaking is not in the House, I would like to recognize—

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

The Acting Speaker (Mr. Paproski): The Hon. Member for Gander-Twillingate (Mr. Baker) on a point of order.

Mr. Baker: Mr. Speaker, I would like to have some clarification; I think it would be helpful to the House. When a Member finishes speaking just before the clock reaches 1 p.m. and then does not re-enter the House at 2 p.m., and the time remaining in the question and comments period is nine minutes, is it the opinion of the Chair that comments cannot then be made concerning his speech? I understand Your Honour's point about questions, but I wonder whether Your Honour would make a ruling on comments.

The Acting Speaker (Mr. Paproski): Comments can be made, but we naturally cannot have anyone answering questions. If there are going to be comments made, I have no choice but to recognize the Hon. Member for Athabasca (Mr. Shields), who had the floor, for comments only because there will not be any questions asked. I would like to recognize the Hon. Member for Athabasca who was, at that time, concluding his last comment.

Mr. Shields: Mr. Speaker, thank you very much for your very wise ruling.

In the Member's address in the House he was taking exception to the fact that there was not a training component in the agreement being drawn up between the federal Government and the Government of Newfoundland with regard to sharing the offshore resources. I was trying to point out to the Hon. Member that the agreement is treating Newfoundland and its offshore resources, the Hibernia fields, in exactly the same way as the resources in the Provinces of Alberta and Saskatchewan are treated by the federal Government and those provincial Governments. In my mind that puts Newfoundland on an equal footing with the Prairie provinces, the other oil-producing provinces in the country.

The onus is then on the provincial Government of Newfoundland to encompass the training and employment components in agreements granting drilling and development rights in Hibernia. In my view this puts much more persuasive power in the hands of the Newfoundland Government than it would otherwise. I wanted to know why the Hon. Member would not recognize this.

• (1410)

My other comment is that in Question Period yesterday and today I noticed that one Newfoundland Opposition Member of Parliament was questioning very strongly, and in fact condemning, the negotiations taking place between the Minister of Energy, Mines and Resources (Miss Carney) and her counterpart in Newfoundland. Given that the whole underlying theme of the negotiations and the impending agreement is to make Newfoundland equal to any other producing province in Canada, why would the Member not agree that this is the best approach? Surely, all provinces must be treated equally and fairly. That is what our Government is attempting to do.

Mr. Baker: Mr. Speaker, I listened very carefully to the Hon. Member for Grand Falls-White Bay-Labrador (Mr. Rompkey) during his speech on this Bill. One of his main points was that we, as Members of Parliament, do not have access to any of the information that is contained in that agreement. We do not even have access to the reports that the Minister of Energy, Mines and Resources has concerning offshore oil development in Newfoundland.

The Hon. Member for Athabasca (Mr. Shields) talked about jobs. That is why Members on this side in the Liberal Party have been attempting to have the Minister of Energy release a report which she has from Mobil Oil. She informs the House and Canadians that she cannot release the report until she knows what mode of development the Newfoundland Government wants.

The real reason why she will not release the report is that Mobil Oil talks about the number of jobs that will come to Newfoundlanders as a result of this development. I have it on very good authority that it will about equal the number of people who were laid off in the provincial Department of Highways over the past eight years because of automated equipment.

I remind the House that there is an average of 59,000 people in Newfoundland per month per year drawing unemployment insurance. There are 124,000 Newfoundlanders who filed for unemployment insurance in the past year.

The other point I want to make with respect to the hon. gentleman's speech concerns the fact that the Minister of Energy, Mines and Resources today announced an agreement with Newfoundland to provide additional support equipment, such as helicopters and fixed-wing aircraft, for search and rescue operations on the offshore. The Minister stated today that there will be a second fixed-wing tracker aircraft sta-

tioned in St. John's with the federal Department of Fisheries which can be used for search and rescue. The big announcement was that a Canadian Armed Forces helicopter with SAR capability will be deployed to St. John's. However, from where is it being deployed? It is being deployed from Gander, Newfoundland, 150 miles in a straight line from the City of St. John's. It is stealing it from one part of Newfoundland and assigning it to St. John's.

The Government is doing this because the request came from both Members of the House who represent that area and from the Province of Newfoundland. However, it was not from the Province of Newfoundland, it was from the Government of Newfoundland. This amounts to stealing from one area of the province to give to another area of the province. The Government is removing that search and rescue capability needed by fishermen in central and northern Newfoundland and placing it in St. John's to fulfil, so the Minister claims, promises that she made during the election campaign. That is not fulfilling a promise; it is stealing from one to give to another.

Mr. Shields: Mr. Speaker, I would like to comment on something the Hon. Member for Gander-Twillingate (Mr. Baker) mentioned in his remarks.

The Acting Speaker (Mr. Paproski): There is no one to answer your question. I do not believe there should be another comment at this time. Unless there is someone prepared to ask a question or make another comment, the Member is not in the House and I cannot allow a supplementary comment.

[*Translation*]

The period for questions and comments has expired.

[*English*]

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I appreciate being recognized. I felt this morning that I was not recognized, probably because Your Honour took seriously what I said in jest about playing football back in the days when they did not use helmets. For that, I apologize.

I listened with great interest to the debate this morning as well as to the Minister of State for Finance (Mrs. McDougall) who introduced Bill C-8 for second reading. Bill C-8 concerns the changes we want to make to the petroleum and gas revenue tax.

This is the first opportunity I have had to speak in the House since the election. I would like to take the opportunity to thank the electors of Brampton-Georgetown for being so kind to me over the summer. It was a great summer and it was even better after Labour Day. I want to thank them most sincerely for their kindness and I will try to justify the overwhelming support which they gave to me.

Mr. Gauthier: We all make mistakes.

Mr. McDermid: The Hon. Member for Ottawa-Vanier (Mr. Gauthier) should be so lucky as to have such a majority.

Bill C-8 puts into place a number of fiscal measures affecting the PGRT that date back to 1982. Before I expand on that, I want to point out that in the 11 weeks since the Government has taken office a number of important incentives have taken place on the energy front. Of course, the focus of these early measures has been to assist an industry which has been brought to its knees over the last number of years, despite the efforts of the Hon. Member for Vancouver-Kingsway (Mr. Waddell) to convince us that it is an industry that is hosing the public.

We want to assist the industry in the short run in order to create jobs. The creation of employment is a very important part of our over-all goal. Jobs are needed in Alberta where unemployment ranges from 13 per cent to 14 per cent. This industry, which has struggled in the last few years, must get back on its feet to restart that engine of growth.

As a first step, the Government consulted with the provinces and the industry. We sought their advice about how to turn it around and acted upon that advice on November 1 when the Minister adopted a market-sensitive pricing regime for natural gas exports.

Mr. Axworthy: We did that.

Mr. McDermid: The Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) wants to take credit for it.

Mr. Axworthy: We announced it in June.

Mr. McDermid: According to the industry, an additional 3.11 billion cubic metres will be sold over and above what would have been marketed under the previous system. This translates into an extra $1 billion in foreign exchange, the preservation of thousands of jobs and the creation of thousands more.

Another initiative is the Bill we are discussing today. These proposals were contained in the economic statement by my colleague, the Minister of Finance (Mr. Wilson), through which PGRT credits to small producers have been doubled to $500,000. This will help the smaller firms who are often the most aggressive explorers and spenders. The lower rate of PGRT to integrated oil sands plants is extended for a further year. This indicates our Government's support for huge employment growth-generating projects. We are told it is worth some $35 million through 1985-86.

• (1420)

At the same time while this was going on, the economic statement provided protection for our vital primary and petrochemical industries. Farmers, fishermen, loggers and mine operators are eligible for the fuel sales tax relief with respect to commercial uses. These industries, together with the petrochemical industry, are also eligible for rebates equivalent to the increase in the PCC applied to refiners. That is worth some $135 million through 1985-86.

There are many other initiatives undertaken by the Minister of Energy, Mines and Resources (Miss Carney). I think

everyone in this House will agree that she did a masterful job initially as the official spokesman for energy in her Majesty's Loyal Opposition. She accomplished as an opposition critic something which the Government of the day could not accomplish. We are seeing the fruits of those negotiations now coming to the fore with the productive discussions and agreements that are going on with the great Province of Newfoundland.

We saw the Minister of Energy for Newfoundland in the gallery the other day. He had a big grin on his face. If he had died right there on the spot the undertaker would never have been able to get the smile off his face. He is extremely happy. I know all Newfoundlanders, with the exception of two or three in the House in the Opposition, will be more than pleased with the results of the negotiations. Again, of course, our number one concern is employment for Newfoundland in order that Newfoundlanders may take advantage of the resources that are available there. We welcome that.

I can say that negotiations are going on extremely well with the producing provinces in the west. My Minister is at present winging her way to the west and will be meeting with western energy ministers at the first of the week. All Canadians, and we in the House of course, can be very satisfied and feel comfortable and confident that energy negotiations are being carried out in an exemplary fashion by the Minister of Energy. She is doing a marvellous job and we all wish her the best.

Some Hon. Members: Hear, hear!

Mr. McDermid: Another interesting development is the new co-operation between provincial and federal Governments so lacking over the last number of years with a Prime Minister who thrived on confrontation. The new regime is co-operating and consulting with the provinces in many, many areas. An initial meeting was held between my Minister, the Minister of Energy, and the Hon. Philip Andrewes, the Minister of Energy for Ontario. Mr. Andrewes has made it very clear that class 34 of schedule 2 of the income tax regulations, which pertains to fast write-offs for equipment used in the energy conservation area, was due to lapse in 1984 and requested that it be extended. An announcement to this effect was made by the Minister of Finance and the Minister of Energy just recently. That was accomplished with the encouragement and suggestion of the Minister of Energy for Ontario. Co-operation, conciliation and consensus are going on in the field of energy with our partners, the provinces, in the energy field in this great country. I can assure Canadians that there will be benefits arising from these agreements that will please not only the producing provinces but the consuming provinces as well. I want to touch on that in my remarks today.

This Bill is an important Bill because the legal authority does not yet exist for a whole series of tax changes of a relieving nature that the industry has been promised but has not yet received in law. Many companies are affected and they have completed their tax returns for the past two and a half years in good faith, expecting these measures to have been passed by the previous Government. It is crucial that we now move quickly to retain industry confidence, that the Parliament of Canada keeps promises and can function in an efficient and business-like manner.

If I might with your permission, Mr. Speaker, just go into a brief history of the PGRT, it was introduced effective January 1, 1981 at an 8 per cent level. The Government at that time indicated the rate would be reviewed. It certainly was reviewed; after one year the rate was doubled to 16 per cent although many taxpayers were given a resource allowance of 25 per cent, they paid an effective tax of 12 per cent on their net operating revenues. The rate is still 50 per cent above the 1981 level. I am not sure that is what the Government meant when it said it was going to review it as it went along. The Government certainly reviewed it, upward. This tax, I believe has been—I do not think I am exaggerating when I say this—the single most unpopular tax of all those introduced as part of the previous Government's revenue sharing scheme. Why? The most important reason is that it was a tax on revenues and not on profits. It made no recognition, none whatsoever, of the high capital costs associated with bringing on new oil and gas supplies.

Second, the producing provinces as owners of the resource have always objected to the federal Government imposing a tax so close to the wellhead.

Third, many individual Canadians who have small royalty income—and this is very important—either because they are geologists, those fellows who do the searching and are involved in developing oil and gas plays, or because they were farmers who held freehold mineral rights, suddenly had 16 per cent of their income taken away at source. In some cases these royalties were an important source of retirement income. To add insult to injury, the Government even made them pay income tax on the money that had already been taxed away from them.

Most importantly, however, the PGRT reduced the incentive to reinvest because it was not profit-sensitive. It also reduced the cash flow available to companies, and because the tax rate was subject to review there was much uncertainty in the industry. This uncertainty and lack of confidence led to a poor investment climate and an unwillingness to invest in otherwise attractive opportunities.

I listened to my socialist friend, the Hon. Member for Vancouver-Kingsway (Mr. Waddell), this morning who criticized firms for reinvesting money in the industry to search for new resources. He said it was a terrible thing for them to do. He said they should pay that money in taxes, not reinvest it in the industry, not create jobs or keep the economy going. They want the big tax-grab. That is all the socialists would do if they were ever in power; they would grab all the money they could get. You think businesses had their problems with the Liberals, Mr. Speaker, but heaven forbid if the socialists were ever in power.

Some Hon. Members: Oh, oh!

Mr. McDermid: I will come back to the Hon. Member for Essex-Windsor (Mr. Langdon) later on when we are discussing

Bill C-15 because I have a lot to debate with him. He can go back to reading his paper now because I know he does not understand anything about the energy industry.

• (1430)

An Hon. Member: Say something worth listening to.

Mr. McDermid: The Hon. Member may understand why we are in so much trouble in the energy industry when I have finished my remarks.

Mr. Rodriguez: Why don't you read Beauchesne?

Mr. McDermid: I am having enough trouble reading this speech. Because of the downturn in the energy industry, the Members from Windsor who are chuckling were as much affected as anyone. The ripple effect of the energy industry into Ontario is tremendous. In my riding alone there are 42 companies which do a great deal of business with the oil patch. When there is a downturn in the economy out there, it hurts my riding as well as the ridings in the Windsor area. Those Hon. Members can sit there and chuckle all they want, but it is very serious. It is as important to Ontario as it is to the producing provinces. Once they understand that, maybe they will get behind some of the incentives and programs which the Government is putting forward.

In early 1982 the previous Government, after tremendous pressure from the Opposition, finally recognized the damage which had been done by the taxes and put together a package of *ad hoc* changes. It reduced the one-year general PGRT rate from 16 per cent to 14.67 per cent and after the resource allowance it was reduced from 12 per cent to 11 per cent. It introduced the new $225,000 tax credit for incorporated working interests and reduced the PGRT rate on existing tar sands plants to 8 per cent for two years. The industry responded positively to these measures on the assumption that these changes would in fact be delivered. Therefore we must ensure that Bill C-8 is passed now so that they will finally be enacted and the industry will not be penalized for acting in good faith.

None of these measures did much to change the basic nature of the PGRT. It was still a tax on revenues, not on profits. It took another year of hounding by Her Majesty's Loyal Opposition before the then Government took another step to amend the PGRT and make it partially sensitive to profitability. On April 19, 1983 a Budget was delivered which proposed some capital expenditures for enhanced oil recovery projects, and that capital be deducted in the calculation of PGRT.

Anyone who has taken the time to look at the energy industry and has been west would know that enhanced oil is expensive to produce. It was clear that under the burden of a revenue tax and high provincial royalties, these projects would not have taken place. The result would have been even higher rates of unemployment in an industry which I think it is fair to say—I think the Hon. Member for Athabasca (Mr. Shields) will agree—is an industry that is ready to get back to work. It is ready to go. It wants to go. I think we have seen some changes with mini-megaprojects which the Minister of State for Finance mentioned, such as Wolf Lake, Cold Lake, Elk Point and Peace River.

The tragedy is that it took so long for the Liberals to recognize the damage a revenue tax can do in a capital-intensive industry that many jobs were lost in the interim. It is obvious to those of us in the east that many jobs were lost. We see a lot of Alberta licence plates back in Ontario.

It is of concern that this measure was not put into law. We must enact it very quickly. During the years from 1981 to 1983 the PGRT took some $4.5 billion out of the oil and gas industry. It is not only the total amount that was removed which could otherwise have been used to create jobs; it was also the manner in which it was collected. It was applied to both high reinvestors and low reinvestors without distinction. It not only removed the cash available to be reinvested, it also removed the incentive to reinvest. It created a negative investor psychology. It was a tax which bore no relationship to profit, with a PIP grant system that paid for activity only. It did not reward success.

In the few minutes remaining I want to say that with the election of the new Government we have arrived at a new chapter in the history of the PGRT. As the Minister of Finance indicated in his November 8 economic statement, we are taking the initiative of doubling the $250,000 PGRT credit and extending the lower rate now provided to existing tar sands plants for an additional year. All these modifications have been packaged into Bill C-8. It is an important step in revitalizing the oil and gas industry, but far from the last one that we are prepared to take. In the not too distant future I am sure we will be discussing many new initiatives from the Minister of Energy, Mines and Resources and the Minister of Finance which will be extremely positive for the country.

Some Hon. Members: Hear, hear!

Miss Nicholson (Trinity): Mr. Speaker, I had one or two questions which I had hoped to put to the Minister of State for Finance (Mrs. McDougall) at Committee of the Whole stage. However, it begins to look as though we may not reach that stage today. I also note that the Minister is no longer in the House. Therefore I will direct them to the Hon. Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. McDermid), since they follow on his speech.

The Bill before us doubles the corporate tax credit from $250,000 to $500,000. In the economic statement of the Minister of Finance (Mr. Wilson) on November 8, the cost of these measures was estimated at $64 million in fiscal year 1985-86. Could the Parliamentary Secretary tell me exactly how this cost was arrived at and what are the elements in it? Since he and other Members on his side have spoken a lot about energy as an engine of growth, may we know exactly what studies have been done and how many jobs will be created as a result of the doubling of the tax credit?

Mr. McDermid: Mr. Speaker, I thank the Hon. Member for her question. I cannot answer specifically how the numbers were arrived at; that was done through the Department of

Finance. I will get the information for her. I am sure it is doubling what the previous Government estimated it would cost at $250,000.

What is important is that this particular tax incentive will go to small and medium-sized energy industries, the ones which will grow and hire people, the ones which will put unemployed people back to work. That is the key to the whole program, if that kind of taxation break goes primarily to small and intermediate oil companies. They need that type of incentive in order to survive, to expand and to provide much needed employment in energy producing areas.

Mr. Langdon: Mr. Speaker, first I should like to make a brief comment. I think the Hon. Member has quite properly drawn the connection between what happens with respect to energy policy and general economic conditions within the country. However, I think the nature of that connection could have been explored a little differently than the Hon. Member did. One could, for instance, have talked about the tremendous damage that was inflicted on the industrial sector partly through uncertainty and partly through the direct impact of the tax load, both in 1979 under the previous Conservative administration and under this administration. One of the very first acts since coming to power was to raise taxes yet again on gasoline for the consumer in this country. I will not say it has had a major and devastating effect. Let's not engage in rhetorical overkill. However, it has given rise to some serious problems in my constituency.

● (1440)

My questions are two slightly different ones. The Parliamentary Secretary made the case that the PGRT, because it is a revenue tax, should never have been imposed. Does the Parliamentary Secretary recognize that the oil resources of this country belong to the people of Canada and that they deserve at least some guaranteed return from each barrel of oil that is taken out of the ground?

I also want to follow up on what I see as some contradiction. If it is always a mistake to use taxation on the corporate sector which is not related to profit, why has the Conservative Government, as one of its first acts in office, increased the manufacturing sales tax, which is precisely the kind of tax unrelated to profit which the Parliamentary Secretary has so strongly criticized?

Mr. McDermid: Mr. Speaker, I first want to comment on what the Hon. Member said about increasing the cost of energy as outlined in the statement of the Minister of Finance. We have a compensation fund in this country which is supposedly to be a break-even operation. It permits the basic price of oil to be the same across this country so that one area of the country does not pay more than its fair share. That compensation fund was haemorrhaging or losing money at the rate of $140 million a month. It is about $1.2 billion in debt right now. Had the previous Government done what it was supposed to do, as it states in the legislation, and adjusted that, we would not have a deficit of $1.2 billion. The increase brought in by the Minister of Finance slowed down the haemorrhaging. It did not prevent it but it slowed it down from $140 million to $10 million a month. However, we still have $1.2 billion deficit in a fund that was supposed to be a break-even fund.

It is fine for the socialists to criticize that, but they never come back and ask where we are going to get the money to pay these huge deficits that have been amassed, especially on something that was designed to be a break-even operation. It was designed to level off the price so that it would be fair to all consumers from coast to coast.

Mr. Marchi: Where are you going to get the money?

Mr. McDermid: That is one of the problems. I am glad the Hon. Member has asked the question. If his Government had asked that when it was piling up these huge deficits, maybe we would not be in the trouble we are today. They should have asked themselves where they were going to get the money to do all these fancy things. Had they asked the question, maybe we would not be in the trouble we are today. The Member sits back and throws that out. He should remember who was around here for the last number of years and whose mess we are trying to clean up. It is not an easy job and it is not a pretty picture.

Mr. Tupper: Mr. Speaker, I congratulate the Hon. Member for Brampton-Georgetown (Mr. McDermid), who represents a riding in the Province of Ontario, on speaking so constructively about the needs of one of Canada's great industries. It was equally delightful to hear him recognize the importance of the petroleum industry to the Province of Ontario. He reminded the House how in the early years of this decade, from 1981 to 1983 in particular, the downturn in that important industry in Canada reflected on Ontario, how it hurt our steel industry and our iron ore producers and the spinoff effects. Will the Parliamentary Secretary tell the House how close Canada is to being self-sufficient in hydrocarbons?

The Acting Speaker (Mr. Paproski): It will have to be fast.

Mr. McDermid: Mr. Speaker, the short answer is it depends on to whom you are talking. I think we are fairly close to energy self-sufficiency in this country.

The Acting Speaker (Mr. Paproski): I regret to interrupt the Hon. Member, but the time for questions and comment has expired.

Mr. John R. Rodriguez (Nickel Belt): Mr. Speaker, I too want to comment on your elevation to your present position. I know that you will fill that chair with a great deal of decorum and presence.

I want to make a few comments on Bill C-8 by which the Government seems to be taking care of its friends pretty well. It is on the road to looking after its friends. I have no objection to the Conservatives looking after their friends in the cabbage patch, and I presume that is where the Cabbage Patch dolls come from, or is it the oil patch?

Why are we so anxious to exploit non-renewable energy sources in this country when the measures which the previous Government had in place encouraged Canadians to be energy conservationists? The Government is cutting back and over the next two years will eliminate the CHIP program. That is one program that looked after ordinary Canadians. It assisted ordinary Canadians in conserving energy.

The Government will eventually eliminate the RRAP program. RRAP is a conservation measure to assist low-income Canadians to insulate their homes and make them more energy-efficient. This Government through Bill C-8 is taking care of its oil producing and oil company friends. It has ignored and is in fact penalizing ordinary Canadians by removing the very measures which allow them to save on their energy costs.

There have been cut-backs on research for solar energy and other alternative energy sources. There is a downplaying and a cut-back. The Minister frowns. I do not know why she frowns, but that is what her Government is doing. This Government wants Canadians to go back to an era of consume, consume, consume. This is so that their wealthy friends on Bay Street who are in the oil business can put the profits in their pockets. Is that not marvellous, Mr. Speaker?

There is a surplus of natural gas in this country. It is supposed to be cheaper than conventional oil, yet in many small communities, and particularly in those in northern Ontario, the extension of gas lines into communities has been halted. This means that ordinary Canadians cannot have access to a reasonable source of energy.

The Government has now gone the other way. It is saying that we should pay world price for oil. We will settle with paying the world price for gas as well because we are selling gas to the American market cheaper than to the Canadian market. That is the kind of thing at which the Minister and the Government should really look. How can we deliver the surplus energy sources we have in the country to ordinary Canadians at a reasonable price?

• (1450)

We in northern Ontario have concerns. We are not impressed with the great competition among the oil companies that sell home heating fuel and petroleum for automobiles. We have been complaining about the existence of a differential of up to 10 cents per gallon on regular leaded gas between southern Ontario and northern Ontario. We have been asking why this differential exists. We asked the Consumer and Corporate Affairs Department of the previous Liberal Government to investigate the possibilities of a scam, price fixing or an agreement not to compete. We have always been put off. An investigation to determine why there should be this differential has never been launched.

Indeed, Mr. Speaker, the recent Consumer Price Index clearly indicates the rise in petroleum prices. For example, since October the price of petroleum has gone up 2.9 per cent. That means that ordinary Canadians have had to pay 2.9 per cent more for their petroleum or their home heating fuel since the Government has taken office. In fact, while the Government eliminates the opportunity for Canadians to have reasonably priced energy and while it has cut back and will eventually eliminate grants to ordinary Canadians that allow them to save money on energy costs, it is allowing the price of energy to rise. The price of fossil fuel energy is rising and ordinary Canadians will pay the shot.

I think Members opposite need to be even-handed and fair. Through this Bill we are taking care of their friends and buddies in Texas, in Alberta and on Bay Street. At the same time I think they should be even-handed and make sure that ordinary Canadians get a fair shake. They have won the friends who are more important to them. The ones who are the most important are the oil barons who can contribute to the Tory coffers and who have all their bum-boys and bum-girls elected into those seats—

Some Hon. Members: Oh, oh!

Mr. Rodriguez: Mr. Speaker, I will withdraw that and substitute the word "lackeys". I see Members over there are nodding now. That term is more acceptable to them. They agree with it and feel that it is more parliamentary. Their lackeys are over there to look after their friends in the oil patch. That is the ambivalence with which I am faced as I read Bill C-8. It will be with some trepidation that I decide how I will vote on this Bill.

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. I am not rising to comment on the speech made by the Hon. Member for Nickel Belt (Mr. Rodriguez). However, as we in the Conservative Party say, "Bring back Judy Erola". That, however, is not the point of my rising.

There have been discussions between the House Leaders with respect to a Ways and Means motion that the Minister of State for Finance (Mrs. McDougall) wishes to table at this time. There have been discussions with respect to the content and procedure to allow the Minister of State to rise at this time and, by unanimous consent, table a Ways and Means motion. I consulted with the House Leader of the New Democratic Party at noon today and I believe he has conveyed that information to the Hon. Member for Humboldt-Lake Centre (Mr. Althouse), who will understand the implications of what has happened in terms of the Excise Tax Act Bill which is before the House. I would simply ask you to allow the Minister to stand at this time to table this motion, Mr. Speaker.

The Acting Speaker (Mr. Paproski): Do we have unanimous consent?

Some Hon. Members: Agreed.

ROUTINE PROCEEDINGS

[*English*]

WAYS AND MEANS

EXCISE TAX ACT—TABLING OF NOTICE OF MOTION

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I hereby table in both official languages two copies of a Ways and Means motion to amend the Excise Tax Act and ask that an Order of the Day be designated for its consideration.

GOVERNMENT ORDERS

[*English*]

PETROLEUM AND GAS REVENUE TAX ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mrs. McDougall that Bill C-8, an Act to amend the Petroleum and Gas Revenue Tax Act, be read the second time and referred to Committee of the Whole.

The Acting Speaker (Mr. Paproski): I think we should revert to questions and comments on the speech made by the Hon. Member for Nickel Belt (Mr. Rodriguez). Are there any questions or comments?

[*Translation*]

Mrs. Mailly: Mr. Speaker, if my hon. colleague from Nickel Belt (Mr. Rodriguez) would pay attention, I would like to ask him a question.

I would like to ask the Hon. Member whether he agrees that some of those people he has been insulting for the last twenty minutes, using every kind of epithet—and I have only one word for this kind of treatment but I will not say it—but in any case, some of the people out West whom he has been insulting are entrepreneurs, Canadians who are investing their energies, their imagination, their money, their dreams and their desires to help their fellow Canadians by creating jobs. These entrepreneurs out West are Canadians too, and they are people who create jobs. Nevertheless, my hon. colleague from Nickel Belt (Mr. Rodriguez) gives the impression that they are just a bunch of thieves without any conscience at all, whose only purpose in life is to get rich.

I would like to ask him a very serious question. Does he not agree that the oil industry creates jobs, as was said so aptly by my hon. colleague from Nepean-Carleton (Mr. Tupper)? When there is a drop in production in the oil industry out West, Canadians in Ontario and Quebec are the ones who suffer. They are still suffering today, and many are unemployed because production went down as a result of a number of signals that, I think, were aimed at scaring off investors and at punishing, as the Hon. Member for Nickel Belt (Mr. Rodriguez) would love to do, at punishing people who prefer to make money through their own energies and efforts instead of getting grants and cheques. In the latter case, they can just sit back and let the State take charge of their lives, tell them where to work, what to do, where to invest—

Does my hon. colleague not have the energy and the interest for a serious debate of a few minutes, instead of indulging in rhetoric which adds nothing to the debate because it is too doctrinaire, emotional and ideological?

● (1500)

[*English*]

Mr. Rodriguez: Mr. Speaker, I want to make it very clear that I did not call the entrepreneurs names; I called the members of the Conservative Party lackeys. That is not an indecent term, it is an endearing term. It is an endearing term between the Conservatives and their bosses in the oil patch.

I might point out to the Hon. Member that these poor entrepreneurs have done well in exploiting the resources of Canada.

[*Translation*]

Mrs. Mailly: Answer the question!

The Acting Speaker (Mr. Paproski): I am sorry.

[*English*]

Would the Hon. Member allow the Hon. Member for Nickel Belt (Mr. Rodriguez) to finish his answer?

Mr. Rodriguez: I do not mind the Hon. Member asking me a question. After I have answered it, I suppose she will tell me that I am wrong.

Mrs. Mailly: Answer it.

Mr. Rodriguez: I will. Just listen and be patient.

Mrs. Mailly: No.

Mr. Rodriguez: Oh, she does not want to be patient. Well, she must make up her mind.

The Acting Speaker (Mr. Paproski): Order, please. I realize it is Friday, but the Hon. Member for Nickel Belt has the floor. Would he please answer the question. Could we please have a little order.

Mr. Rodriguez: The poor entrepreneurs which I have ridiculed today have done very well in exploiting Canadian resources. They were offered PIP grants. Over a five-year period $8.6 billion was budgeted for the oil companies. To do what? To exploit Canadian resources and then charge us an arm and a leg for those resources. The entrepreneurs have done extremely well. Some of the oil companies in Canada have made spectacular profits but have not paid a penny in income tax.

There are jobs to be created in the renewable resource sector. There is an opportunity to create jobs in the renewable energy sector of Canada. But the Government has chosen to cut back. That was the point I was making. I do not mind the Government looking after its friends in Bill C-8, but it must think of the consumers, the ordinary Canadians. The Government has allowed the oil companies to have breaks, but at the same time the cost of energy has risen 2.9 per cent since the beginning of October. In many parts of Canada people have to heat their homes earlier and longer, and they must drive greater distances to their workplace, because they do not have the kind of urban transportation which we enjoy in the city of Sudbury and in other large cities. We are allowing the price of oil to increase to the world price, but at the same time we are not demanding the world price for natural gas. The Government must be even-handed in the way it deals with its friends in the oil patch. It does not deal with ordinary Canadians in the same fashion it deals with its friends in the oil patch.

[*Translation*]

Mr. Desrosiers: Mr. Speaker, I would like to draw the attention of the Hon. Member for Nickel Belt (Mr. Rodriguez). He said earlier that the Progressive Conservative Party was taking care of its friends. He may recall that it was the Progressive Conservative Party that not long ago appointed a Member of his own Party as ambassador. I might also remind him that the Progressive Conservative Party is there to help the friends of all parties in Canada.

[*English*]

Mr. Rodriguez: Mr. Speaker, if the Government is looking for the odd opposition Member to appoint to a position so that thereafter it can, with great pomposity, appoint every Tory to every board and commission, then it is on the right track, because it is doing that. However, the Government should not expect me to thank it for appointing New Democrats to positions. I want to see what it will do for ordinary Canadians. That is how the Government will be judged.

The Acting Speaker (Mr. Paproski): The time for questions and comments has expired.

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, I would like to make a few brief remarks on Bill C-8 which is before the House today. I would like to compliment the Minister of State for Finance (Mrs. McDougall). In my opinion, and in the opinion of my colleagues, she has been doing an excellent job. I would suspect that in their heart of hearts, Hon. Members opposite would agree with me.

Some Hon. Members: Hear, hear!

Mr. Nickerson: A number of Bills have come forward which are advantageous to all Canadians. The Bills will furnish tax relief and do all sorts of good things on behalf of the Government of Canada.

Bill C-8 has been in the works for some time. Most of it came to us as a legacy from the previous Government. It had to be put forward because there were so many problems in the PGRT as it existed. I am pleased that there has been an increase from $250,000 to $500,000 for the credit which is available to small producers. That measure should help the small companies who are having such a hard time in the West. They were hit hard by the Liberal national energy policy. The Government is making changes which will remove some of the ill effects of the ill-conceived Liberal policy of the past.

The enhanced recovery deduction will help to get tertiary oil production moving again in western Canada. It will help with projects such as the tar sands in northern Alberta. Again, we are trying to turn around the bad effects of the national energy policy.

There is one other point to which I would like to refer in the Bill, that is, the facility which will be made available for the transfer of unused exploration and development expense tax credits on the amalgamation or winding-up of a corporation which is engaged in the energy business. We all know that a number of small oil companies had their backs up against the wall and were forced into bankruptcy by Liberal policy. All that was worth anything to them were tax losses. I am pleased to see this provision in the Bill. It will ensure that the tax credits will not remain completely unused. They will not expire, and they can be used by a successor corporation. That will be an advantage—as the Hon. Member for Nickel Belt (Mr. Rodriguez) indicated—to our friends. We do have friends in the oil industry on this side of the House. Our friends are the people who drill oil wells and the people who draw seismic lines. They are the friends of my Party. They ought to be the friends of the NDP, but apparently the NDP has no sympathy for the people who are engaged in the drilling of oil wells or anything else which goes on in the oil and gas business.

I would like to say a few words about the over-all approach of the Bill. What is required is not a fine-tuning of the existing legislation, but an over-all examination of the tax laws which affect oil and gas. This is only an interim measure. A lot of things must be done to improve the tax royalty situation on oil and gas.

We could look at the NEP. What did that program really try to do? First of all, the Liberal Government of that day wanted to control the energy business in Canada. Legitimately, under the Constitution, it is primarily a provincial responsibility. However, the Liberal Government was not satisfied with that. It wanted to grab the whole thing and put on a lot of federal controls, destroying much of the industry in the process. It was a tax grab. There has never been a tax grab like it in the history of Canada. What the Liberal Government wanted to do was to extract from the energy industry and energy consumers $50 billion in five years. That was its projected plan to finance some of the ill-conceived schemes which it had going, and which still have to be paid for, unfortunately. That idea did not work out because oil prices did not escalate at the rate which was initially forecast.

● (1510)

However, what did the Liberal Government do when the price of oil jumped so high several years ago? Instead of letting the market look after itself, instead of letting supply and demand fix the prices, what it did was to keep the price, as far as the producer and the provincial take were concerned, at very much the same level, and then, by *fiat*, it increased the price to something very near world prices. The difference in between was the money that the Liberal Government of the day was going to take out of it. It was going to get all of that new price increase all to itself by taking it out of the industry and out of the consumers' pockets by way of the PGRT and a myriad of other oil and gas taxes which it had imposed.

I believe we have to get out of price fixing in the oil and gas business. I have a great deal of confidence in the market to come up with the best price under the circumstances. There are number of buyers and a number of sellers all competing in the open market. That will set the real price, not some manufactured price which the Government pulls out of a drawer some place. We have to get the oil and gas industry back to free market principles. Why should there be, Sir, the new oil reference price, the NOOR and the SOOP, and all these other things which are created by the Government? When you go to the gas pump and you buy a gallon of gas to put in your tank, you do not care whether that is new oil or old or some other kind of oil; it is all the same. There should be no difference between old oil prices and new oil prices. It is all the same as far as the market is concerned. I listened to the Hon. Member for Vancouver-Kingsway (Mr. Waddell) and I thought the light was beginning to shine into his rather thick skull when he asked the rhetorical question: Why should there be old oil prices and new oil prices? I thought he was going to give as lucid an explanation as to why there should not be those two prices I am presently doing. But that did not occur to him, Sir. All he wanted to do was to aggravate further the government control system, to the detriment, in the long run, of people who work in the oil and gas industry and the Canadian consumers.

What we have to work toward in the oil and gas industry, Mr. Speaker, is a free market price and free market principles. We must take those restrictions off the industry, let them go back to work, let them find more oil and gas, let them produce more oil and gas, thereby bringing the level of prices down. We must not let the situation escalate, which it is likely to do under the present circumstances.

What we need, Sir, is a much more simplified tax system for oil and gas in this country, not the PGRT, this oil tax and that compensation fund, or something else. We must get back to a simplified system and one which respects the constitutional niceties in Canada between federal and provincial areas of taxation. That, Sir, is my pitch this afternoon. I will be very pleased to vote in favour of this Bill. It makes sense. It makes the existing Act a little more fair and workable. However, what we have to do in the next several months is to take a new look at pricing and taxation in the oil and gas industry, and I have every confidence that the new Minister of Energy, Mines and Resources (Miss Carney), the new Minister of Finance (Mr. Wilson) and his very able assistant, the Minister of State for Finance, will do precisely that. In two years or three years hence, I am sure we will see a revitalization of the Canadian energy industry.

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

Mr. Langdon: Mr. Speaker, I have a short question arising out of the impassioned plea of the Hon. Member for Western Arctic (Mr. Nickerson) to allow the market system to rule entirely in the case of oil and gas.

It is common for people who do not read history to be condemned to repeat history. I wonder if the Hon. Member is aware of the fact that had we followed that principle throughout the first 20 years of the oil and gas industry in post-war Canada, we would not have had the development of that industry because the expansion and exploration which took place at that time, and the remarkable contribution which that industry was able to make to the Province of Alberta, were based entirely on the willingness within this country to accept a price for oil which was significantly higher than the world price. That is a principle which we felt made sense because it helped to develop an important resource for us in the future. Would the Hon. Member agree that if we had followed his advice right from the start and allowed market prices to rule in the case of gas and oil, we would not presently have the kind of oil and gas industry we have now in this country?

Mr. Nickerson: No, Mr. Speaker, I certainly do not agree with that concept or idea of history. I agree with the Hon. Member that those who do not read history, in all likelihood, are going to repeat it. That is precisely, Sir, what the people on the other side of this room are doing. They have not read the history books and have not seen that over several thousand years of human existence, wherever government has come in and tried to control prices or to dictate what should happen, as time goes by it has had to relent because it ends up with a system where there is misallocation of resources and where prices are generally higher than what they should be under free market conditions. We can never turn the clock back and try a different system under the circumstances, but it is my suspicion, Sir, because that is all we can have, that had we not had all this allocation of market areas in Canada, and had we not controlled the price, we would have a more healthy situation today.

The Canadian oil industry would have grown up more accustomed to free market principles. We would not have had a system where western Canada for a long time has been subsidizing eastern Canada when it comes to oil and gas prices. All in all, it would have been a much healthier situation.

Mr. Althouse: Mr. Speaker, I would like to ask a question of the Hon. Member for Western Arctic (Mr. Nickerson). The Hon. Member in his comments blamed the Liberal Government for not allowing supply and demand to function. He has

followed up that allegation in his reply to my friend, the Hon. Member for Essex-Windsor (Mr. Langdon). If the Hon. Member really wants to be objective, could he not say that his own Government has already initiated some of the same kind of intervention in the market, given the fact that Canadian natural gas sells cheaper across the border in the United States than what we charge our own people, and given the fact that the Government has expressed a very clear intention to make that distortion even worse by adding another 9 per cent or 10 per cent when we go to full world price? Does the Hon. Member not see that that is clearly interfering with the real market price which, I would suggest, is being established across the line with our export price, and that is, the true price? How does the Hon. Member justify asking Canadians to pay more than what we will sell it for to Americans? And how does he justify proposing to add another 9 per cent or 10 per cent as we shortly go to full world price?

● (1520)

Mr. Nickerson: Mr. Speaker, what is happening with the present Government policy with respect to export gas prices is precisely opposite to the Hon. Member's interpretation. Markets exist in the United States for surplus Canadian gas in fields which are primarily in Alberta. The price of gas in the northern United States is set very much by market conditions. They are quite willing to buy Canadian gas at a certain price. They are not prepared to pay prices considerably in excess of other gas available to them from other sources. Therefore, we in Canada have to ask ourselves whether we should close off the border and not sell our gas to them at all or, alternatively, whether we should keep Albertans at work in the gas fields. Should we have foreign exchange coming into Canada as a result of these gas sales? Anyone whose business it is to drill gas wells or operate gas plants will certainly agree with you that the Government of Canada is on the right track as far as this export gas pricing policy is concerned.

Mr. Althouse: Mr. Speaker, I have spent most of my lifetime watching the price effects of another commodity, namely, wheat, which always sells at the surplus price on world markets. That, eventually, almost without fail, becomes the price in Canada for that product. We are told that, as farmers, we cannot do anything about it. That is the law of supply and demand. Why does the law of supply and demand have to be re-interpreted for the oil and gas people when their surplus markets do not set the price for domestic production? Why should we have a special set of circumstances for them and not for the producers of other raw products in the country?

Mr. Nickerson: Mr. Speaker, the Hon. Member from the New Democratic Party has played right into my hand because pricing of wheat is one of my favourite subjects. In the United States they have a free market for wheat, they have private people in the grain business, whereas in Canada it is the opposite. We have a monopoly on wheat.

Mr. Benjamin: Which do you prefer?

Mr. Nickerson: The prices are set, as the Hon. Member says, more or less internationally. There is not much difference when transportation costs are taken into account.

If one studies the two systems one would see that for the past 35 years American export wheat production, with its free market system, has increased three-fold. In Canada, with a government monopoly on wheat sales, the volume of production of export wheat has remained virtually the same.

Mr. Benjamin: That is not true.

Mr. Nickerson: We see the expansion in the American agricultural economy. As a result of socialist policies, we see the static system in Canada.

The Acting Speaker (Mr. Paproski): I hope that Hon. Members will stop playing poker in the House. Let us get on with the questions and answers.

Mr. Benjamin: Mr. Speaker, I was intrigued when the Hon. Member for Western Arctic (Mr. Nickerson) said that the grain business is his favourite topic. After he was through speaking we figured he could not have had any other topic that was favourite.

Which system does the Hon. Member prefer? The system of the Canadian Wheat Board does not have a monopoly because a great volume of our grain is sold outside the Canadian Wheat Board in the feed grain system. Does the Hon. Member prefer that system or does he prefer the American free market system? As a Conservative Member of Parliament, would he mind telling us which one of these systems is the best to have?

Mr. Nickerson: Mr. Speaker, I thought I answered that. I do not think there is any doubt in the Hon. Member's mind as to where I stand on that question. My preference is to have a free market rather than a controlled market.

Mr. Benjamin: Conservatives are against the Wheat Board.

The Acting Speaker (Mr. Paproski): Questions and comments are now terminated. Is the House ready for the question?

Mr. Jack Shields (Athabasca): Mr. Speaker, I too want to congratulate you on your elevation to that very high and honourable post. Believe me, all Albertans are proud of you today.

Some Hon. Members: Hear, hear!

Mr. Shields: I would like to make some brief comments on Bill C-8. I want to congratulate the Minister of State for Finance (Mrs. McDougall) for introducing the Bill and on her remarks on the Bill and explanation of it. It is really too bad that Members do not get away from the partisan rhetoric and sit down to actually look at the facts and consider what this Bill is attempting to do.

Mr. Benjamin: You tell us. We can hardly wait.

Mr. Shields: Yes, I am going to attempt to tell you what happened in my community in northeastern Alberta, in Edmonton, Calgary and communities like Grand Prairie when the national energy policy was introduced and the petroleum gas revenue tax was imposed. I have heard Members from the New Democratic Party call it a revenue tax only. It was a production tax.

What would happen to the farming industry if farmers were taxed on every bushel produced before input costs or expenses were taken into account? What would happen if farmers were taxed 20 cents on every bushel they grew whether they were going broke or not? How would that reflect on a farmer's operation?

This was a confiscation tax. It is like a royalty imposed by the federal Government on assets that they do not own. I hear the New Democratic Party saying that the people of Canada own the resources. In one sense that is true because we are all Canadians from coast to coast. However, the jurisdiction of the oil resource belongs to the province. The Minister of Energy, Mines and Resources (Miss Carney) has just gone to Newfoundland to work out a deal whereby Newfoundland's offshore resources will be treated in exactly the same way as the inland resources.

The Member for Nickel Belt (Mr. Rodriguez) was quite vocal. What would happen to the mining industry in northern Ontario if there was a production tax on every tonne of ore removed from the mine—

Mr. Rodriguez: There is a tax.

Mr. Shields: —prior to any other calculation? I heard the other Hon. Member from the NDP say that expenses were taken into account prior to the deduction of the petroleum gas revenue tax. That is absolutely false. Consider a small service station that is franchised and gets a name or a hamburger store like McDonald's that gets a name. Those franchise operators must pay to the franchiser, the head office, based on the volume period. It does not matter whether there is an overrun in expenses because of labour force or new equipment. They pay on a monthly basis based on their total volume in their stores. You see them go out of business all the time. That is exactly what happened in western Canada.

• (1530)

The purpose of the National Energy Program was to Canadianize the industry. I would point out that in 1947, when Leduc No. 1 was found, there was a massive influx of oil companies from the United States, including oil servicing companies, geophysical companies and mud companies with all the anciliary activities that take place in the oil fields. All of these people came from the United States, and indeed I worked with many of those people as a young man. The head-offices were in Oklahoma, Texas, California and other such places.

By 1968, and into the 1970's, 95 per cent of all those companies were Canadian-owned. For example, some of the rigs manufactured in Edmonton and Calgary were used in the Middle East, the Far East, and Europe. These rigs were produced and developed in Canada. For example, some of the innovations for those rigs were patented and produced in Alberta. Some of the rig producers in Alberta were renowned around the world for the expertise and knowledge which they had gained. These companies were 95 per cent to 98 per cent Canadian-owned.

Did the National Energy Program affect the major oil producers when it was introduced? The National Energy Program affected the small companies that employed Canadians and used Canadian expertise. It actually destroyed the small companies, many of which went bankrupt.

At the same time, nailing the energy industry or the oil industry in western Canada had the ripple effect which hit the manufacturing sector in Ontario and Quebec, resulting in a gigantic loss of jobs. That is what we are talking about.

One Member of the New Democratic Party asked where the oil industry would be had Canada decided not to accept oil from western Canada at higher than world price. He fails to mention that this high price was cut off at ten cents a barrel higher than the world price. That includes some of the transportation costs to bring it to market. These facts are really irrelevant because at the same time the marketing of Canadian oil into the United States market would not be allowed, and that had to be addressed. The quotas were necessary but the sale was there and the industry would have remained at world price, which would have allowed a free economy. This would have worked well. The destruction of the oil industry in western Canada was beyond belief.

The NDP talked about multinational companies and how they are our friends. I live in Fort McMurray which has a population of 35,000 people. When I first went to Fort McMurray there were less than 3,000 people. At that time the Great Canadian Oil Sands Limited plant was being built. This plant was financed 100 per cent by the Sun Oil Company of Canada which came and spent millions and millions of dollars to develop the plant. The boast of the then Premier of the Province, Ernest Manning, was that there was not one nickel of government money in this plant. He was correct.

Although the company lost millions of dollars year after year, the mine remained and it kept producing because of the dream of the chairman of the board who wanted to make it work because the time was coming when oil sands would because very important to the world. I wonder where we would be today if Great Canadian Oil Sands Limited had not gone there and pioneered the development of the oil sands. The population of Fort McMurray grew to 7,000 people as a result of that one plant. The second plant, Syncrude, came onstream, and we now have a population of 35,000. It is an example of the jobs that have been created in that community and across the country. I hope this Bill is passed quickly in order to enable the industry to create more jobs in this country.

Mr. Gagnon: Mr. Speaker, the Hon. Member for Nickel Belt (Mr. Rodriguez) and the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) made the same allegation about

selling gas cheaper to the U.S. market than the Canadian market. Would the Hon. Member for Athabasca (Mr. Shields) comment on the Toronto citygate price by which no gas exports can leave this country at less than the Toronto citygate price? This means that there is no situation in which we are exporting gas to the U.S. market at a lower price than that of Canadian gas.

Mr. Shields: I thank the Hon. Member for Calgary North (Mr. Gagnon) for his question. He is absolutely right. The Toronto citygate price includes the prices of the gas commodity and the transportation costs from the fields in such places as the Peace River country to the Toronto city gate.

No gas can be sold across the U.S. border for less than the Toronto citygate price. The fact that it seems unreasonable that we have gas fields in Suffield in southern Alberta and a market across the border in Montana is a very contentious issue among the gas companies. One can understand why. However, an artificial price has been set, which is the Toronto citygate price. The Hon. Member is correct in stating that we are not selling gas to the United States market for less than the price at which we are selling to Canada as a result of the Toronto citygate price.

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I would like to begin by paying tribute to the very people that the Hon. Member for Athabasca (Mr. Shields) has been talking about. In fact, I believe that he makes a valid point that entrepreneurs, both from outside Canada and from Canada, have made a tremendous contribution to the development, expansion and successful presence today of an extremely important oil and gas sector in our economy.

However, I think we should look at the history of that development somewhat more carefully than that given by the Hon. Member. I think, first, we have to recognize that at the beginning there were a great many Canadian entrepreneurs who were involved in early exploration and development. If we look—and I hate to point it out to Hon. Members—at the economic history of this industry, we see that in the first five years of its development a very significant majority of the oil wells drilled were drilled by Canadians. The point at which the industry began to shift is in the context of successful wells that were dug. Even in that context a significant number of Canadians were successful, but the great majority of them found it necessary to sell their discoveries to large international companies in order to develop the resources to a point where they could serve the country. That is not a problem, but that is the history, and I think we should get the history right.

• (1540)

Second, we should recognize that although the United States now may be incredibly interested in importing gas and oil from Canada, that has not historically been the case. Anybody who has looked at the history of the petroleum industry will know that there have been, at different stages since World War II, important import barriers which the United States put up to the sale of Canadian oil and gas within that market. It was in the context of those import barriers and the financing difficulties that Canadian entrepreneurs were having in developing their resources in the West—because the banks on Bay Street were no more sympathetic to Alberta then than they are now—that we adopted a strategy in this country to provide prices well above the world level for all the oil that was produced in western Canada.

I have to put it very bluntly, Mr. Speaker. The constituents of Essex-Windsor for 25 years paid the price to keep the oil industry in Alberta growing, developing and prospering. It is because of that historical contract that took place within this country in the 1950s and 1960s that the people of my constituency and the people of the Province of Ontario in 1970 and 1980 said that they had the right to some say in what was happening to the Canadian resources in oil and gas which they had helped develop.

We as well as the other Parties in this House have had to wrestle carefully with the difficult principles involved in trying to reconcile, on the one hand, the concern of the Province of Alberta which had been poor and then had become rich on the basis of oil and gas, with the interest of the province of Ontario based on manufacturing which had itself sacrificed through consumer prices for 25 years in order to build up that oil and gas industry. As have the Members in all Parties, we found that sorting out that dilemma was not an easy process. We found certain principles which helped us to establish a policy that at least had some consistency.

Let me outline to the House a few of those principles. The first one was to recognize what the history of the industry taught us, that we could not rely on the market system to decide what happened to gas and oil in Canada. As I said earlier, if we had done that, we would not have seen the kind of development in Athabasca, to which the Hon. Member referred. We would not have seen the kind of development in Calgary which is the source of so much prosperity in that community. We would not have the prosperity of Edmonton created throughout the years which occurred because we in Ontario paid significantly more than the marketplace would have provided for oil and gas. We said it was absolutely correct to take a strategy into this policy area which said, "Let's use the market system to some degree, but let's not let it rule the future evolution of such a crucial part of our economy".

Mr. Thacker: I never bought a tractor for less than world price and a tariff.

Mr. Langdon: If we look at the case of tractors, we will see that historically we have prevented farmers from importing tractors from England so that Massey-Ferguson, among others, could maintain a market here in which it could sell at a higher price. There is a royal commission report on farm machinery to which I refer the Member. Let him trace it back and he will find that he has made a mistake in this area as well.

Let me continue. We are talking about points of principle. If we move away from this first point, that the market cannot be

permitted in this crucial area to decide everything, I think a second principle on the basis of the first principle is that Canadians across the country helped to build the oil and gas industry so that all Canadians can share in that industry.

What about the resources that come out of the ground? Consumers who contributed to building these resources over the years have a right to get some return from those resources when world prices go way up and, as a result, the value of those resources here in Canada goes way up. That is why we adopted as a principle the view that those resources taken out of the ground, whether in the Arctic, Alberta, British Columbia, or Saskatchewan, were resources that did indeed belong to the Canadian people, and that in turn it was proper to put a tax on those resources. That ensured that no matter how much some company could do in the way of the padding of expenditures between taking that gas out of the ground and selling it to the consumer, there was a guaranteed amount which went to the people of Canada.

The third principle has been the clear recognition, when talking about the great increase in price that took place as a result of what was happening in the rest of the world, that all those economic rents should not be allowed to go either to the companies themselves or to the oil companies and provinces in which production was based. Again this was a windfall to Canada as a whole. On the basis of that, there should be a sharing of those rents. That is where the principle of old oil and new oil in fact became important for us. As economists looking at what was taking place in the country, we knew that it was important to offer every possible encouragement to people to explore for new oil. We knew that if we tried, as a federal or provincial jurisdiction, to take away those rents from those producing and finding new oil, we would offer a disincentive. That was not the case with respect to oil which had already been discovered. Thus it made economic sense to make the distinction between old and new oil.

• (1550)

In the application of these principles, we found a way of drawing together both the western and eastern wings of our Party. It was a reconciliation which I urge upon people such as the Hon. Member for Brampton-Georgetown (Mr. McDermid) who speaks with such passion about the oil industry. I appreciate the passion. I wish there was a little more logic associated with it.

In looking at taxation questions with respect to the oil and gas industry, I suggest that the Government should not look to an imposition, as it has done, on Ontario consumers. Instead, it should look to seeking to treat more fairly the tremendous tax benefits which the corporate sector has enjoyed in recent years. If it feels it is essential to increase tax revenue to cover some of the costs of equalizing prices across the country in oil and gas, that is where the Government should turn, not to the consumers of Ontario.

I do not wish to prolong this debate. However, I want to put clearly on the record the fact that our Party has approached this matter in a serious way, in an attempt to ensure that certain philosophical principles follow through which reflect the history of the country and the contribution we have all made to the development of the oil and gas industry and which reflect the concerns of the Hon. Member for Athabasca (Mr. Shields) that we owe a debt of gratitude to the entrepreneurs who took risks to help in a national effort to make the industry grow.

Mr. Fennell: Mr. Speaker, I just want to clarify two points. I know Hon. Members want to get the Bill through, but this is the first time I have risen in the House in this session. I was supposed to speak on another Bill and I want to get this Bill through, but I should like to make two comments. The Hon. Member started to tell us that it was Canadians who found the original oil in the West, that it was Canadian oil companies. That is inaccurate. He had better find out the facts. It was Imperial Oil which spent millions of dollars until the find at Leduc. Canadians from Bay Street did not have the guts to put any money in the West.

Some Hon. Members: Oh, oh!

Mr. Fennell: What the Hon. Member stated about the beginnings of the industry in the West is inaccurate.

I spent eight weeks studying the National Energy Program. It is a damn shame it was written by economists not by oilmen; this country would have been in much better shape today.

Mr. Langdon: Mr. Speaker, I recognize the pain and chagrin on the face of the Hon. Member for Brampton-Georgetown. However, I have to make a quick comment. I refer the Hon. Member to the classic study of the history of the oil industry in western Canada written in our economic history books, including the classic study of Ronald Shearer. They indicate very clearly the early stages of that industry. I refer the Hon. Member to this study because it is a crucial part of our history. In fact, the risk-taking entrepreneurs were Canadian. The people who were prepared to put their money on the line were Canadian. He should check it out and he will see.

In fact, I will make a small commitment to the Hon. Member. I will track down the article for him and pass it on to him. If he concedes, his second speech in the House will be a speech of apology for his incorrect references.

The Acting Speaker (Mr. Paproski): Since there are no more questions, is the House ready for the question?

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I have been asked by the Liberal House Leader and by the Minister of State for Finance (Mrs. McDougall) not to give a major presentation because they want to see the Bill get through. However, I will use just a minute. When the Government wants a Bill to get through in a hurry, it should coach its Members not to make statements—

Mr. Nunziata: Inflammatory statements.

Mr. Baker: Exactly, inflammatory statements. They should not make such statements in the House so that we get angry.

They should not make incorrect statements. The Parliamentary Secretary to the Minister of Energy, Mines and Resources (Mr. McDermid) said that everyone in Newfoundland, all Newfoundlanders, would be happy with the federal-provincial agreement except for the Newfoundlanders in the Opposition. I will not sit here without making some comment on such a remark.

In my one minute let me indicate that we in Newfoundland have been listening to promises by the provincial Tory Government—as well as promises by this Tory Government—for years, promises of thousands of jobs. If we could eat promises, every Newfoundlander would weigh 600 pounds.

For the Parliamentary Secretary to rise and make such a statement came close to making me rise today to prevent the Bill from going through. It is only because of the request of the House Leader of the Liberal Party and the request of the Minister of State for Finance that I will now take my seat. That is a warning to government Members.

Some Hon. Members: Hear, hear!

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Mrs. McDougall, seconded by Mr. Hnatyshyn, moves that Bill C-8, an Act to amend the Petroleum and Gas Revenue Tax Act, be now read the second time and referred to a Committee of the Whole.

Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to, Bill read the second time and the House went into committee thereon, Mr. Paproski in the chair.

The Deputy Chairman: Order. House in committee of the whole on Bill C-8, an Act to amend the Petroleum and Gas Revenue Tax Act.

In view of the fact that it is awfully close to four o'clock, we will not see the clock in order to expedite this matter.

Clause 1 agreed to.

On Clause 2—

Mr. McDermid: Mr. Chairman, under Clause 2, I was asked by my colleague how the numbers were arrived at in the extension of the tax credit on the PGRT. I should like to ask the Hon. Minister now if we could have some clarification of that point so that my colleague's question is answered.

• (1600)

Mrs. McDougall: Mr. Chairman, as to the figures, the cost is $35 million per calendar year, and the $64 million represents the cost for the first two fiscal years. It does not relate to the figures published previously because the last estimate was based on a more optimistic view of energy prices and because of the adjustment from a $250,000 credit to a $500,000 credit.

Clause 2 agreed to.

Clauses 3 to 5 inclusive agreed to.

On Clause 6—*Credit deductions*

Miss Nicholson (Trinity): Mr. Chairman, can the Minister tell us what studies were done to justify doubling the amount for this tax credit and what sort of economic analysis and comparisons were done because in other areas of the Department of Energy we see a cut of $60.4 million, including some alternative energy programs? I would be interested in knowing the rationale for cutting the $60 million, which includes alternative energy, at the same time as giving this tax break which results in forgone revenues of something over $60 million to the oil industry.

Mrs. McDougall: Mr. Chairman, I do not want to comment on anything except this Bill. There were no particular studies made in connection with this. It was calculated by checking actual company by company data. The change was made because it is obvious from the experience in the Province of Saskatchewan, where there has been a very active drilling program, since it revised its legislation that tax incentives are important to this particular area of the industry.

Miss Nicholson (Trinity): Mr. Chairman, is there any appraisal of the number of jobs that are expected to be created as a result of this tax credit, particularly in comparison with the number of jobs that are being eliminated by the other measures in the economic statement which affect energy, mines and resources?

Mrs. McDougall: Mr. Chairman, we do not have a specific number, but we do have indications from our conversations with industry people that they expect quite an increase in activity and quite a few more jobs as a result.

The Deputy Chairman: Shall clause 6 carry?

Some Hon. Members: Agreed.

Clause 6 agreed to.

Clauses 7 to 13 inclusive agreed to.

Title agreed to.

Bill reported, read the third time and passed.

* * *

BUSINESS OF THE HOUSE

Mr. Hnatyshyn: Mr. Speaker, I rise on a point of order. I want to extend my thanks to members of the Opposition, particularly the Hon. Member for Gander-Twillingate (Mr. Baker) who demonstrated a restraint that is typical of him but has not been seen today until now. I do appreciate the co-operation.

I rise now with respect to the business of the House on Monday. Hon. Members will recall that earlier this afternoon the Minister of State for Finance tabled a Ways and Means

motion with respect to the Excise Tax Bill. It is my intention to call the Ways and Means motions of the Minister as the first item of business on Monday. Following the calling of those motions, we will then proceed with the business as announced yesterday with respect to Monday, that is to say, we will deal with the Public Works Bill. I anticipate, with the co-operation of the House after discussion with the House Leaders, that we will be able to conclude all stages of that legislation at some point on Monday. When we do, we will be able to devote our full time and attention to the well-known Bill dealing with Investment Canada.

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

Mr. Benjamin: Mr. Speaker, I rise on a point of order. Would the Chair be willing to not see the clock at five o'clock in order that whatever Member has a Bill today will be entitled to the full hour, and that we not see the clock until seven minutes after five?

The Acting Speaker (Mr. Paproski): Is that agreed?

Some Hon. Members: Agreed.

PRIVATE MEMBERS' BUSINESS—MOTIONS

[*English*]

The Acting Speaker (Mr. Paproski): Shall all items and orders preceding No. 160 stand by unanimous consent?

Some Hon. Members: Agreed.

* * *

INCOME TAX

SUGGESTED ABOLITION OF CAPITAL GAINS TAX ON FARM LAND

Mr. Blaine A. Thacker (Lethbridge-Foothills) moved:

That, in the opinion of this House, the Government should consider the advisability of abolishing the capital gains tax on *bona fide* farm land.

He said: Mr. Speaker, I am indeed honoured to rise in this Thirty-third Parliament to propose my first Private Members' motion which, I may say, is exactly the same as the motion which I proposed in the Thirty-second Parliament, namely that the Cabinet should consider the advisability that capital gains tax be abolished on *bona fide* farm land. I was convinced then and I still am that it is in the national interest of Canada and of all citizens of Canada to have this motion passed. I believe that this time I have some reason to be genuinely optimistic. There is a new Government in place, so we have another chance. More evidence has been accumulated that capital gains tax is harming the family farm. I will argue that it is harming the nation as a whole.

As well, the Government has indicated that it is prepared to establish a parliamentary committee. That likely is in the process. Therefore, it should be easy for the Government to accept this motion. I believe that Members of this House, particularly those who are familiar with the farm scene, and even those who are not, will realize soon that it is in the national interest that we not tax the family farm as we have been.

I commend the Minister of Finance (Mr. Wilson) for responding so quickly to the pressure put upon him to honour the campaign promise. I know from talking to many farmers that they are genuinely impressed that in the first 90 days so much has been done for the benefit of agriculture. In the West, they speak of the $60 million so quickly provided to assist farmers because of the drought, and the $120 million that went to grain producers through western grain stabilization. All producers across the nation will have started to benefit from the 4.8 cents per litre fuel tax not being imposed which otherwise they would have been faced with. Of course, the freeze in the freight rate helps the grain exporter.

● (1610)

The Farm Credit Corporation has put a freeze on foreclosures across the entire country until more time can pass and we can get a handle on the problem. The Farm Credit Corporation's interest rates have been lowered and, of course, the appeal board can now act as an intermediary between an individual farmer who may be in trouble and the financial institutions. That is of enormous benefit because the farmer can go before a group of his peers who will look at his problem. In cases where the farmer is a good manager but has financial problems for reasons often beyond his own control, the financial institution will very likely accept a decision made by his fellow farmers to give him a chance. By the same token, there are a few farmers who are in the position of having no hope at all. They will be more apt to accept a decision of their own peer group telling them that it is obvious they are not going to make it and that they had better spend their time doing something else.

Dual labelling has been enormously popular with the farm community. I wish to commend the Minister of Finance and the Minister of Agriculture (Mr. Wise) for having taken those steps.

I would ask the special parliamentary committee that was set up to remember some of the broad facts when looking at this special exemption. There is a general law that imposes capital gains tax but there are certain exceptions in many cases. I am asking that *bona fide* farm land be placed under a special exemption so that capital gains tax is not imposed. That is done in all sorts of cases. For example, there is a general law that imposes income tax on all of us but there are exemptions for those who are married, for those with children and for those who are over a certain age. All of that adds to

the strength of the general principle. I am saying that we should be doing this for the farmers.

As you know, Mr. Speaker, on a world scale, Canada has a mere one half of 1 per cent of world population. Yet we are the stewards of over 3 per cent of the arable land of the world. That imposes an enormous responsibility on us. We are a small population with a great deal of land as compared to the rest of the world. There is no doubt in my mind at all that the plight of Ethiopia is simply the first such plight that has been brought to our attention. Within the next 10 years, Canadians are going to be called upon to produce food and share it with the rest of the world in a way we have never been called upon before. In order to do that, we need the family farm. In order to keep the family farm, we need to abolish capital gains tax on land that is kept in genuine agricultural production.

As we all know, Canada is a huge country. It is composed of 2.3 billion acres. While we have that huge area under our legal and sovereign jurisdiction, only 13 per cent of that land is arable. Of that arable land, only 4 per cent is designated Class I and Class II land. That is further complicated by the fact that over 50 per cent of the Class I land and over 30 per cent of the Class II land lies within 50 miles of the huge metropolitan centres like Vancouver, Edmonton, Winnipeg, Toronto and Montreal, centres which are expanding at an enormous rate. We are giving up truly enormous amounts of good land.

My researcher, Mr. Darryl Pat, dug out the fact that between 1971 and 1976, we lost some 12,460 hectares of prime land each year. That is a very serious statistic. If we impose capital gain taxes on the rest of that land, we will simply draw more and more land out of agricultural production.

You may properly ask why we should exempt farmers from this tax, Mr. Speaker. There are many reasons, but I do not want to take too long as I know other Members wish to stand and put their views before us. Clearly, a basic fact that we must realize is that farmers in this country are not well off. In my area of the country, there are big farms and the farmers are better off than most. When looking at Canada as a whole, though, farmers are not well off. The average income of farmers in 1980 was some $13,265. The average income for all tax filers in that year was $18,241. You will realize instantly, Mr. Speaker, that farmers make only 72.7 per cent of the average income of all Canadians. Our income of $52,000 plus looks pretty generous compared to the income of the farmers who are putting the bread and butter on our tables.

Out of that 72 per cent of the average Canadian income, farmers must provide totally for their own pension. They do not have a salary like you and I, Mr. Speaker, and the taxpayers of the nation are putting extra money aside over and above the $52,000 they put directly in our pocket so that we will have a pension. Farmers do not have a pension. The land has always been the farmer's pension. Because they like the style of life and are committed to the land, farmers have been prepared to take a much lower income while they are working. However, the land is their pension. When they want to move to town, they sell their land. They buy a little home in town and their sons and daughters carry on with the farm.

The income of the farmers has become so low that over 58 per cent of farmers or their spouses must work off the farm in order to keep the farm together. The country is put in a fragile position when over 50 per cent of its best farmers must work off the land in order to keep the family together and the farm going.

I would note as well that most of us who live in the cities hold only one job. We do not need to hold two jobs to keep our families together; nor is our major investment, our home, subject to capital gains taxes. All of these big wonderful mansions in which we all live are capital gains tax free. We should expect at least the same type of consideration for the farmer's major investment, the farm.

I have no doubt in my own mind, and I think most Members agree, that capital gains taxes in fact destroy the family farm. I believe that the family farm is critical if we who live in the cities want to continue to have such cheap food. However, I hope that food will become more reasonably priced because it is unreasonably cheap right now.

The family farm is clearly the most efficient kind of farm. You will get a great deal of work out of the man and his wife who have a dream of developing a piece of land and passing it on to their children. They will work 18 or 20 hours a day winter and summer in order to keep that farm together and pass it on to their children. It is also best for the land itself. Huge corporations with professional management groups have employees who are not committed to the land. We will never get the same degree of conservation and preservation from them as we do from the family farmer who walks on his land every day and becomes deeply attached to it. If we destroy the family farm, we in the cities will pay far, far more for food than we pay today.

The Parliamentary Secretary for the Minister of Agriculture (Mr. Blais) may rise and point out that there are roll-overs. It is true that there are roll-overs, but the roll-overs have become a trap because the tax will ultimately have to be paid. Six generations down the line, some descendant might have to pay the taxes for six generations. That will drive virtually all of the land out of production. As well, it blocks the farmer's ability to pass his land as an economic unit on to a son or daughter who wishes to stay on the land, while at the same time remaining fair to the other children who must move off the land and take other jobs. It is absolutely impossible for a farmer to do that because the value of the land has gone way beyond its productive value as a result of inflation. A child inheriting a farm or buying it for its 1971 value simply cannot afford to pay the farm's present fair market value. The farmer cannot afford to transfer it at the 1971 value because he must do justice by his other children. It is a trap. As a result of inflation it is not working, and therefore it must be done away with.

● (1620)

The third reason is clearly one which a lot of people in the cities do not appreciate, and perhaps I do not appreciate it to its full extent. The reason for the abolition of the capital gains

tax is to enable the people who live in the cities to continue to have land and food which is cheap. If we looked at the statistics we would find that on the average Canadians spend only 13 per cent of their disposable income on genuine home food. That figure rises to about 16 per cent if fast foods, such as McDonald's, are included. But for real food which is prepared and served at home, on the average Canadians spend 13 per cent of their disposable incomes. Europeans spend about 30 per cent of their disposable income on food. In centrally-planned economies, over 50 per cent of disposable income is spent on food. Therefore, we are not paying our farmers an adequate price for their products. Until we are prepared to do that, so that farmers can have a reasonable standard of living and can save enough money to pay capital gains taxes, we should, in all fairness, not charge the capital gains tax. It would be much easier to impose the capital gains tax on farmers if we were spending 25 per cent of our income on food, as do most other countries.

In summary, Canada has a small population which has an enormous responsibility to produce food for the world. The capital gains tax is affecting the production of food both domestically and internationally. I believe that the House should adopt the motion. It is a motion which calls upon Cabinet to consider the advisability of the abolition of capital gains tax on *bona fide* farm land. I hope it is a motion which my colleagues will accept.

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, I am pleased to rise to discuss the policy of the capital gains tax. In addition, I am pleased that the Hon. Member for Lethbridge-Foothills (Mr. Thacker) has raised the topic. I have no objection to a further study, but I am somewhat puzzled. The Hon. Member for Lethbridge-Foothills comes from the governing Party which made its policy on the capital gains tax very clear during the election campaign and prior to the campaign. That policy was for the total abolition of the capital gains tax on farm land.

In the economic statement the Government indicated that it would immediately study the question of the capital gains tax along with other taxation matters respecting Section 31 and agri-bonds. I am wondering if the Hon. Member has not picked up some vibrations, being a member of the caucus, which would indicate that there is some foot-dragging going on regarding this promise. Is the Government going to change its policy? Is it having second thoughts? Does it not think that its mandate was clear? Are 211 seats not enough? Did the people of rural Canada not speak and tell the Government that they were prepared to have a change in the capital gains tax legislation? I know the Hon. Member is very experienced and very good at picking up vibrations. I think he must have been getting some bad vibrations from his colleagues in caucus. We in this Party would be pleased to help push the process to change the capital gains tax legislation.

While the rhetoric on the election hustings was very clear, the Prime Minister (Mr. Mulroney) and virtually every Member who was elected said that they would immediately do away with the capital gains tax upon election. It was one of the Government's prime planks in its platform for farmers. However, upon election, the action which it took on taxation was simply to introduce a Liberal proposal. It did not provide exemptions or tax relief. It simply introduced a policy which would permit up to $120,000 worth of RRSPs. That is not an exemption or abolition of the capital gains tax; it is a method of extending the tax. By extending the tax, it avoids it from one year to the next and delays it, rather than abolishes it.

The Government says that it is prepared to look at the policies which it espoused. Did it not do a study prior to making those promises, as was done by our Party? Did it not look at the effects of the policy beyond a straight abolition? Did it not look at the effects it would have on communities, family farms and the provinces? Did it forget that such a move on taxation would affect the provinces? Did it not consider the potential for inequity in the total exemption of the capital gains tax?

I suppose it is necessary to have a study. It is a shame that we must have after-the-fact studies to justify a policy which was fought during the election campaign. I would hope that the Progressive Conservative Party would do a little homework on its policies and election promises so that it would be aware of the effects of what it is advocating before it goes to the hustings, instead of waiting until it finds that it cannot in good conscience carry out the promises upon which it was elected.

For example, does the Government not realize the effects a total exemption would have on windfall profits for some land holders? We assume that the policy is to help farmers, but how would the Government monitor it? How would it ensure that it is only permitted in cases where the land is being kept in farming? How would the Government determine who is a *bona fide* farmer?

I have heard several of the Hon. Member's colleagues argue that the abolition of the capital gains tax would reduce land prices. That argument avoids common sense and economic logic. However, on the hustings they argued that if there were no capital gains tax, farmers would sell their land at lower prices and therefore the cost of food would decrease. That is the first economic theory I have heard which suggests that the price of land in a free and open market—which I contend we have—is set by the seller rather than the buyer. The buyer determines what will be the price and the seller will take that price whether or not there is a capital gains tax.

It is quite clear that the existing law is inequitable as it applies to roll-overs within families. Not all families are so simply structured that they are made up of one or two children who want to share in the family farm. In most cases, the roll-over is extremely simple. They can avoid the capital gains tax because the transfer can take place directly from the parents to the children. Our law currently says there will then be no capital gains tax. However, when there are more than one or two children, and some children who do not particularly want to farm, it is very difficult to establish a price and a fair sharing of the assets of that property, particularly in cases where the parents have died and willed the property to some of the children and are hoping that the rest of the children will be

provided for by whoever takes over the farm with a monetary settlement. In those cases, depending on the method of the transfer, there are sometimes very real hardships created for the people who have chosen to stay on the farm.

● (1630)

There are questions about the total exemption policy which the Conservatives had been advocating on the hustings and from which they seem to be backing away. Do people who have bought land for speculation within the last ten years qualify equally with those people who have farmed for 30 years, 40 years or 50 years? Those johnny-come latelies, the whiz kids of the investment community in rural Canada who, just in the last ten years, have been able to realize four times, five times, and sometimes as much as ten times their investment, do they get a full exemption for their rather shallow commitment to agriculture when compared to the people who have invested a whole lifetime? That question was never addressed in the full exemption policy. I believe it would be quite unfair to provide what would be a windfall profit to some whiz kid investor which is not provided for as a pension to someone who has committed his or her whole lifetime to agriculture.

I believe, therefore, it is clear that the full exemption policy which the Conservatives ran with in the election campaign has some very real shortcomings. We had recognized those shortcomings, Mr. Speaker, in the policy which our Party presented to the people of Canada. We had done our homework and suggested a couple of changes which we thought would have been more equitable and realistic. First, we suggested that one of the basic problems with the capital gains tax, and one of the largest inequities as it is applied across the country, stems from the fact that the valuation day was set at the end of 1971. The reason that is an inequitable time to start is that some regions of the country in 1971 were very depressed with respect to the farm scene. The prairie regions had extremely low land prices in 1971 as compared to land prices in other parts of the country where there were livestock and mixed crops. The capital gains tax, as a result, fell more heavily on prairie farmers than on farmers in other regions of Canada. We had proposed to change the valuation date from the end of 1971 to the end of 1976 because 1976 was a period of time when the various regions of the country had land prices more or less at equity.

We had also suggested that it was clearly necessary to recognize the fact that farm people do put their whole lifetime into their farms and that that is their only source of pension funds. We had suggested an exemption which would apply to all farmers of $100,000 of capital gain. The first $100,000 of capital gain which accrued between the sales price and the value at 1976 would have been exempt from capital gain. We had borrowed this suggestion, I have to admit, from one of the provinces which has already implemented such an exemption. Under the New Democratic Government of Saskatchewan, between 1971 and 1982 there was a $100,000 exemption on the provincial share of income tax generated because of capital gain.

That brings me to my last point, Mr. Speaker, the question which apparently the Progressive Conservative Party totally ignored during the election campaign and which it is now coming up against as it finds itself attempting to implement its full exemption of capital gains tax. It is a very fundamental question in a federation like ours. Can those Progressive Conservative Governments at the provincial level stand to take a reduction in their tax take because of a full exemption on all capital gains on farm land? Will those provinces do like the New Democratic Government did in Saskatchewan and provide exemptions, and will they go along with the full federal exemption? That question does not seem to have been asked of the various provincial Premiers. Perhaps that is why this Government is now dragging its feet on the promise it made up and down the byroads of rural Canada, to abolish capital gains tax on farm land absolutely and completely. I believe now the Conservative Government is beginning to come up against the reality of the fact that the provinces do not seem to be particularly enamoured of the proposal. It has not taken into account the very real possibility of windfall gains for people who have dedicated very little of their working lifetime to agriculture. It does not know how to deal with the problem of land being taken out of agriculture. How is that monitored? The Conservative Government is opposed to that sort of monitoring through FIRA or any investment agencies. But it seems quite clear that if land is going to stay in agriculture, there will have to be some sort of follow-up agency to make certain that that is in fact the case when land changes hands and the capital gains tax is avoided.

Finally, I should say that I have no objection to seeing this motion go for further study. I am just very sorry that so little homework was done by the Progressive Conservative Party before it went to the country with such an over-all policy prior to the introduction of which so little preparation had been done.

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am pleased to participate in the debate on this motion. I believe the motion is very well intentioned, Mr. Speaker, but I must point out one flaw in it which is of concern to me.

The motion addresses itself to the topic of abolishing capital gains tax on *bona fide* farm land. The problem is, Mr. Speaker, that not all *bona fide* farm land is owned by *bona fide* farmers. The difficulty I have, Mr. Speaker, is that being on the outskirts of the city of Ottawa, my own constituency is a very large agricultural area. Nevertheless, we see the urban sprawl coming closer, and I am sure that is the case in the area surrounding most cities. There are large tracts of good farm land classed I, II, III and IV agricultural land, which is presently owned by major developers. In some cases that land is owned by developers and leased or rented back to farmers to grow crops on, although that is not always the case. We could argue that good agricultural land should not be used for development purposes. However, we will leave that debate for the legislators of the Province of Ontario. That debate has gone on for a long period of time.

• (1640)

However, there is a considerable amount of good farm land owned by developers. Although I want to see *bona fide* farmers get the benefit of selling their land without having to pay capital gains, I certainly do not want to see large developers get that same benefit with the land they have rented out to farmers. Consider the situation of a developer leasing land back to a farmer for a number of years. We are trying to help the farmer through this. In this particular case the farmer is still working the land but someone else will get the deduction when it is sold. That particular proposition concerns me.

I recognize the good intentions of the resolution. If this were ever to be incorporated into a Bill it would have to be tightened up considerably to ensure that we do not give that type of benefit to very large developers. As we all know, Canadian businesses now receive considerable tax breaks of various sorts. In this resolution we are trying to give a break to farmers. I would hope that this break would not end up benefiting large companies which have very little, if anything, to do with the farming process. In many cases those same concerns are responsible for taking farm land out of production eventually.

A resolution similar to this was introduced in the House some time ago by a Liberal Member. I have in my hand an editorial from the *London Free Press* of October 3, 1983. It comments on a similar resolution which was placed before the House by the then Member for Essex-Kent, Mr. Robert Daudlin. This article indicates that Mr. Daudlin had brought forward such a resolution, but it had another feature in it which I think is very interesting. It provided that it would be a one-time exemption from capital gains tax to farmers of the country. That is not perfect either, of course, because you could argue that farmers often own many tracts of land. If they sell one portion and take advantage of the deduction at that time, when they sell another parcel of land in the future, perhaps a larger portion, they would not be able to get the benefit of the deduction. Although that particular proposition was not perfect, the intent was good.

I am rather surprised to hear about all these tax breaks right now, Mr. Speaker. I am surprised because during the election campaign we heard that the Government wanted to do all things for all people. I am sure you will recall that, Mr. Speaker, being the non-partisan person that you are. Since the election we have seen the exact opposite from the Government. We have seen indirect taxes introduced. In the expenditure and program review document which I have in my hand the Government introduced new taxes. They are called "increased revenue generation". If that isn't newspeak for taxes, I don't know what it is. I find it very interesting that the Hon. Member would bring forth this kind of resolution at a time when we are seeing only increases in taxes from the Government.

I will read some of them to you, Mr. Speaker, because I am sure you would be very interested to know about this double-talk on the part of the Government.

[*Translation*]

For instance, under "cost recovery" we see that the Government's agricultural services sector will have an additional cost recovery of $32.3 million.

In other words, Mr. Speaker, this means that taxes for farmers will go up by a total of $32.3 million. I think the Hon. Member could also have suggested in his motion that the Cost Recovery Service, as proposed in the Expenditure and Program Review, not be implemented. I think this is extremely important if we want Canadian farmers to save money, because although the Government made the promises mentioned earlier, for instance to remove the tax on gas, which it did, in part, and so on, on the other hand, it has given and it has taken away, as I indicated in the House a few weeks ago when we had a debate on this subject.

Furthermore, we see that a number of expenditures earmarked by the previous Government for various farm programs have also been eliminated. This means that many benefits offered farmers by the previous Government have in fact disappeared, for instance, the Canagrex Corporation, which will shortly be disbanded by the new Government. This corporation which was to have been involved in farm product marketing, Mr. Speaker, would have been of benefit to many Canadian farmers. However, this Government has, once again, chosen to make Canadian farmers a present of cutbacks and tax increases.

[*English*]

Having said that, I want to return to the resolution, recognizing the shortcomings that it has. In my view it should also talk about those other hidden taxes which I mentioned a moment ago. We heard members of the New Democratic Party say that the capital gains tax should be removed for those who are re-investing the money in an agri-bond type of scheme to ensure that the money stays in farm-land. They say that in those particular instances we should forgo the capital gains tax for farmers.

I see a problem with that, Mr. Speaker. Many people are able to take funds from registered retirement savings plans and invest them however they like as long as the plan is registered. Under that particular scheme the farmer would not be able to do that. He would not have the same benefit that many other citizens have. In adopting this motion we should ensure that the forgoing of the capital gains tax should not necessarily be linked with the agri-bond issue. Of course, Mr. Speaker, there should be some encouragement for investing funds in agri-bonds, if and when the Government finally decides to put that particular proposal into action. I do not think it should be a condition that farmers must put their funds in agri-bonds in order to get the benefit of not paying the capital gains tax. There are other methods of doing that which we could debate in the House, but I do not think that should be a condition.

I also think that farmers who own larger farms should be entitled to the same feature rather than just those with farms worth $100,000 or less.

● (1650)

Again, let us relate this to registered retirement savings plans for a variety of people. Let us assume that someone invests $3,500 a year in the savings plan for 35 years of their working life. The money they will have will exceed $1 million, including interest. Why should we give benefits to farmers that only amount to $100,000 when others have far greater benefits with respect to their retirement?

Of course, it could be argued that funds from the sale of farm land could also be put into a registered retirement savings plan so that farmers could enjoy that same benefit later.

While that may be true, we must remember that, in the case of farmers, their retirement planning pretty well takes place only once, that is, when they take the funds from the farm to invest. Since they do this at a later stage in life than those who invest in RRSPs beginning at the age of 25 or 30, it is usually a different method.

In other words, I believe farmers should be able to benefit from this particular clause not only for the first $100,000 but for a larger amount. I am sure that others could respond by asking what one would do in the case of large corporate farming concerns such as Heinz. Should they be able to benefit in this way? Of course, the answer is no.

On the other hand, those farmers who jointly own a few hundred acres of land with their sons for a dairy or other operation should be assured that the funds are available all at once without capital gains in order to benefit the maximum number of people.

When discussing this Bill today, we should remember that this issue is really on the periphery of the whole question of agriculture. I am concerned that while we spend time discussing issues such as this, which are not the most important questions facing agriculture, we may be digressing from the real concern facing all farmers, which is the availability of long term financing and the lack of adequate revenues for our farmers.

Last weekend I read an interesting paper on farmers' equity that was prepared by one of the major banks. There is a certain school of thought that perhaps some farmers were the cause of their own demise as a result of spending too much or purchasing more equipment than they needed. Certainly there are studies which do not confirm that belief. As a matter of fact, farmers still have a fair amount of equity in their farm, but the problem is that they never know what interest rates they must deal with. Mortgages are renewed on a very frequent basis now rather than the long-term financing that was available at one time in this country.

Perhaps we should concentrate more on discussing long-term financing, which was also promised by the Government during the election campaign. While today's topic is an important issue, it is peripheral to the central issue of long-term financing and adequate revenue generation for our farmers. Those are the two most important issues that we should address.

Last weekend I had the opportunity to meet with members of our local Federation of Agriculture. They gave me a copy of a brief which they presented to eastern Ontario members of the Conservative caucus. Their brief outlines a variety of promises that the Conservative candidates made during the election. The farmers commented on these promises during my meeting with them. It was their opinion that the two central issues facing farming today, at least for the farmers of eastern Ontario, were those involving financing and revenue generation.

When I asked specifically if capital gains should be directly connected to the agri-bond issue in the way I described earlier, it was their view that it should not be and that farmers should be able to take their money out of farming when they retire, without having to put it back into an agri-bond in order to get the capital gains exemption we are discussing today.

I am in favour of this particular resolution while recognizing that it must be done in such a way as to ensure that the farmers rather than large corporations benefit from it. I also recognize that there are other issues in agriculture which we should be addressing as a priority rather than this issue.

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, I wish to make a few remarks. First, many of my constituents will welcome this Bill that was introduced by the Hon. Member for Lethbridge-Foothills (Mr. Thacker). With regard to the previous speaker, I would point out that any reference to agricultural land in this Bill is land sold for continued agricultural use. That should be understood throughout. It is the policy of this Party and I am sure it is the import of the Bill we are speaking to today.

In the interest of some stability and because many people acted in good faith on the RRSP proposal, our Government decided to carry on with it, pending a report of the soon to be formed committee to study a number of aspects relating to farm financial matters. These matters include Section 31, capital gains and agri-bonds.

I was particularly interested in some remarks made by the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) with respect to Saskatchewan. The farm capital gains problem is relatively more acute in Saskatchewan and it has been exacerbated there because our friends in the NDP had a land bank program in the Province of Saskatchewan which helped to drive up land prices drastically. In their lust for collectivization, or state ownership of land, they taxed Saskatchewan farmers and used their tax money in order to outbid them for land. To add insult to injury, they turned around and leased that land to their friends for rentals which were well below the fair market value. Perhaps it is the NDP who should do some homework when talking about this issue.

The first relief in regard to capital gains should go to the farming community by virtue of their unique position as price

takers. The farmers' costs are rising rapidly while their returns are diminishing as a result of exposure to the world market. The resultant cost price squeeze has placed many farmers in serious financial difficulties.

Many older farmers would like to retire at this time but are caught in this classic Catch 22 situation where they cannot afford to carry on yet cannot afford to sell either. Certainly, the abolition of capital gains on farm lands for continued agricultural use will enable that older farmer to secure enough for his land to retire with some dignity yet to permit land transfer at a price that a young purchaser can expect to repay.

I have no hesitation in supporting the Bill put forward by the Hon. Member.

• (1700)

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, before I make a few brief comments I would like to recognize the very capable and able way in which the Hon. Member for Lethbridge-Foothills (Mr. Thacker) brought forward this motion and presented it to this House with his explanation. I have known the Member for a number of years now and I know that he has a constant and genuine concern about all agricultural financing but particularly this area. He has great expertise that he can share with others in this House, and we will all gain from his input to this debate.

There is no question that the concerns raised by all Members who have participated in the debate today are real and genuine. There are serious problems in agriculture and serious concerns have been expressed in the House of Commons today. Solutions to all the problems of agriculture, obviously, are not to be found by adjusting the tax laws that apply to farmers. However, like other Members I welcome the proposal of the Minister of Finance (Mr. Wilson) to invite a parliamentary committee to study some of the important taxation issues affecting agriculture. The taxation of capital gains on farm land is one of these issues. In his November 8 economic and fiscal statement, the Minister also said he will be seeking the views of the committee on the complex issue of the taxation of part-time farmers and on the proposal which has been under discussion for some time for issuing agri-bonds as a way of reducing interest costs of investments in farming.

The House has before it a motion and there has been debate on it by the Hon. Member for Humboldt-Lake Centre (Mr. Althouse) as to why we should have to discuss this issue. But let me say to the Hon. Member that he cannot have it both ways. The Minister of Finance has already indicated in his November 8 statement, as was mentioned by a previous speaker, that we are stopping certain taxation measures on farm fuels. This results in a net return to agriculture of nearly $100 million. That is a significant effort taken in the first economic statement which this Government has made. A number of other significant things have happened. Through the economic statement, the Minister opened up the process. Comments were made during the election period, but even in the comments made here, regardless of how we approach it, we have been criticized severely for not having the level of consultation and co-operation on the one hand, and, on the other hand, we are being criticized here today for not acting post haste in coming forward with issues that have a significant impact on the entire agricultural community. In opening up this process and in bringing forward these issues into a special committee or a standing committee of the House, which is expected to bring back recommendations and to have considered this and other important agricultural financing issues, the Minister will be in a position prior to his next budget to do the kinds of things that are important to agriculture.

I think those are the two sides of the coin, Mr. Speaker. In balance, the Minister has attempted in short order to try to provide the opportunity for input and discussion that I think all Members of this House would like to encourage and support.

With that I would like to offer the support of the Minister of Finance and the Government for the motion presented by the Hon. Member for Lethbridge-Foothills. With the co-operation and understanding of other Members of the House, who I hope will be of like mind, we would like very much to see this motion referred to the appropriate committee.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, as I understand it we have until 5.07 p.m. before the House adjourns, that is two minutes from now. I do not think that any Member of this House wants to delay the question put forward by the Hon. Member for Lethbridge-Foothills (Mr. Thacher) who is simply reminding the Government of one of its many promises. The P.C. commitment to agriculture is, "to ensure financial stability for the agricultural community. We will abolish . . ." That is not "shall" and not "perhaps" but, "we will abolish the capital gains tax on the sale of farm property for continual agricultural purposes". The Hon. Member for Lethbridge-Foothills is simply nudging the Government and the Cabinet. He is reminding them that they made that commitment. I think each Member of the House supports the resolution which he put forward today in the manner in which he has always performed in this Chamber on behalf of his constituents.

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

Some Hon. Members: Agreed.

Motion (Mr. Thacker) agreed to.

The Acting Speaker (Mr. Paproski): The hour provided for the consideration of Private Members' Business has now expired.

It being 5.07 p.m., this House stands adjourned until Monday next at eleven o'clock a.m., pursuant to Standing Order 2(1).

At 5.07 p.m. the House adjourned.

HOUSE OF COMMONS

Monday, December 17, 1984

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

WAYS AND MEANS

EXCISE TAX ACT

Hon. Barbara McDougall (Minister of State (Finance)) moved that a Ways and Means motion to amend the Excise Tax Act, laid upon the Table on Friday, December 14, be concurred in.

Motion agreed to.

* * *

PUBLIC WORKS ACT
PUBLIC LANDS GRANTS ACT

MEASURE TO AMEND

Hon. Ray Hnatyshyn (for the Minister of Public Works) moved that Bill C-13, an Act to amend the Public Works Act and the Public Lands Grants Act, be read the second time and referred to the Standing Committee on National Resources and Public Works.

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

Some Hon. Members: Agreed.

Mr. Hnatyshyn: Mr. Speaker, after consultations with opposition House Leaders, I think there is a predisposition to have the matter referred to the Committee of the Whole and to pass all stages today.

Miss MacDonald: That is true.

Mr. Hnatyshyn: Mr. Speaker, if you ask the House, I think you will find consent to deal with it. If Hon. Members want to speak on the Bill, surely that is satisfactory.

Mr. Keeper: Yes, we want to speak on the Bill.

Mr. Hnatyshyn: Why don't we start again?

Mr. Speaker: No. We have already adopted the Bill. However, if that is the pleasure of the House, the record should show that by unanimous consent we will refer the matter to the Committee of the Whole.

Mr. Keeper: We have no objection to its going through today but we would like to speak to the Bill.

Mr. Speaker: I waited at that point to see if anyone would rise. I would be perfectly happy to revert if that is the wish of the House. I am in the hands of the House. Perhaps the Hon. Member might wish to make his speech on Clause 1 in Committee of the Whole.

Mr. Keeper: Okay.

Mr. Speaker: The same privileges apply and the same right to speak applies. Therefore, by unanimous consent, is it the pleasure of the House that the Bill be referred to the Committee of the Whole House?

Some Hon. Members: Agreed.

Mr. Speaker: Therefore, I do now leave the chair.

Motion agreed to, Bill read the second time and, by unanimous consent, the House went into Committee thereon, Mr. Danis in the chair.

The Chairman: Order. House in Committee of the Whole on Bill C-13, an Act to amend the Public Works Act and the Public Lands Grants Act.

On Clause 1—*Other properties*

Mr. Keeper: Mr. Chairman, I want to take this opportunity to put our views with regard to this legislation on the record. We do not really want to hold up the Bill or to debate it so long as to prevent its passage. However, there are a number of things which need to be said about the legislation.

First, I should like to deal in a very brief manner with the purpose of this piece of legislation. It asks for certain authorities for the Department of Public Works to undertake various kinds of actions with regard to land and property. It deals with the whole question of lease-purchase. Apparently the Government has been carrying on these practices for a number of years. Now its authority to undertake these practices is under question because of a ruling from the Chair with regard to the use of votes in the House. The legislation asks for the Minister of Public Works and the Department of Public Works to have various authorities to carry on real estate development in a manner in which they have already done.

We have no serious objection to the Government having this authority. In fact, in his report the Auditor General recommended that the authority of the Department be clarified. Our

real concern is not so much with the exact wording of the legislation or the exact legislative authority of the Department. More specifically, it is with how the Government exercises its authority.

I should like to put on the record our concerns about how the Government has exercised the authority which Parliament has given it. We cannot allow this to pass without comment. I want to draw the attention of the Committee to the Auditor General's report because two of its chapters were devoted to the Department of Public Works.

The Auditor General is an officer of the House. He has been given the responsibility of ensuring that we have adequate information to make financial decisions in the Chamber. Obviously the making of financial decisions is the purpose of the Chamber itself. The Auditor General draws our attention to public works and says that the federal Government has been doing a horrendous job in looking after its real estate and the millions of dollars which it spends on property leases. The Auditor General simply condemns the way in which the Government has been handling its real estate. He says that it does not manage its $40 billion to $60 billion worth of property in a manner that in any way recognizes the value of that property, that the Government often overpays for property and that it often takes space which it does not need. Those are three very serious indictments of the Government's practice with regard to real estate management. It does not recognize the value of the property, often overpays for property and takes space that it does not need.

• (1110)

While the Department of Public Works need adequate legislative authority to carry on the business of providing accommodation for government purposes, it is crucial that this be done in a way that recognizes the concerns of ordinary Canadian citizens about economy and government and the fact that we must get fair value for our taxes. If this kind of practice were allowed to continue indefinitely, this House would have to cease to give authority to the Department of Public Works to do that which is necessary in order for government to carry on its day-to-day business, namely providing accommodation for government departments which provide services to Canadians.

We are dealing with a very serious matter. It has to do fundamentally with how the Government handles the taxpayers' dollar. The Auditor General's report contains two full chapters of numerous case studies outlining the way the Department of Public Works handles real estate. The Auditor General describes that as shameful. It would make a private property manager blush with shame.

I am outlining these concerns which the Auditor General has brought to our attention in the hope that the Government will respond to them. While we give them the legislative authority they need to carry on the day-to-day work of the Government, they must answer to us for the way that they use or abuse this authority. I hope they will do that today. I must say that those practices outlined by the Auditor General were carried out under a previous Government; therefore, this Government cannot be indicted for those practices. However, if these practices continue or if the Government does not take corrective measures, measures that can be seen to be effective, there will be good reason to indict this Government's handling of real estate.

The Auditor General said that the Department of Public Works often failed to follow Treasury Board guidelines and, in fact, government departments failed to follow directives of the Department of Public Works. This has come about because there is no effective mechanism in place whereby the Department can ensure compliance with its directives. This is one area in which the Department has a responsibility, and the Government and the Minister have the responsibility, to assure this House that this is being changed. In other words, an effective mechanism must be put in place to ensure that the directives of Treasury Board and of the Department are followed.

• (1115)

I must say in passing that it surprises me that the Minister of Public Works (Mr. La Salle) could not find the time to be present in the House today. Perhaps later on his colleague will share with us why the Minister is not here at a time when legislation involving his Department is before the House.

The Auditor General was so concerned about the handling of real state that when he was asked by the press whether or not he would recommend the firing of the Deputy Minister of Public Works, obviously a serious matter, he responded by saying that it was not his job to tell the Prime Minister (Mr. Mulroney) how to manage public affairs but that if a real estate manager in the private sector were to handle property in the way the Government's managers have handled it, he or she would be given the pink slip. We are facing a serious question here, Mr. Chairman. How does one hold civil servants accountable for the property for which they are given responsibility by this Parliament?

Obviously the previous Minister who was responsible for this property when it was so mismanaged is no longer in office. In effect, he has been held accountable by the people. The people have relieved him of his responsibilities. However, what happens when the properties for which a senior civil servant is responsible are mismanaged in a blatant way? Does the Government have the responsibility to judge and to say that the management of that property is incompetent and the person who has been managing the property should be removed from his or her duties? Does the Government then bring in someone who can handle that property responsibly? If the Government does not share that view, does it have an alternative view that would assure us that property will not continue to be mismanaged but will be handled in a responsible way in the future? These are serious matters which I hope the Government will address in debate today.

The Auditor General has brought to our attention a number of cases involving the management of these real estate problems. For example, the Department of Public Works rented a

54,000 square metre building in 1982 at a cost of $154 million over a 10-year period without getting Treasury Board approval. Can you imagine making an expenditure of $154 million over a 10-year period, Mr. Chairman, without receiving Treasury Board approval?

Mr. Lewis: Sure, they got it from a Grit.

Mr. Keeper: My colleague across the way, a Member of the Conservative Government, made mention of Grits. I assume he would mean that it was the Liberals that did this.

Mr. Lewis: Certainly.

Mr. Keeper: Certainly it was the Liberals but the Liberals are no longer in office. The Conservatives are in office and we need to hear from the new Government about its specific, credible plans to assure us that this will never happen again. What will the Government do to assure us that $154 million will never again be spent by the Department of Public Works without Treasury Board approval? Will a procedure be put in place to correct that?

The Auditor General also found some $63,122,000 in excess payments involving some 12 leases. The Auditor General has been documenting the overpayments made by the Department of Public Works. Now, $63 million is a lot of money, Mr. Chairman. At this time of very high unemployment, that kind of money could be used to supplement the Canada Works Program, for example, which at this time is in bad need of additional appropriations. I would like to know from the Government how it will assure us that there will be no more excess payments. What new procedures will be put in place to assure us that the Government will pay fair value for property that it leases but that it will not overpay? We should have a response from the Government on that matter.

• (1120)

The Auditor General recommended that the Government take a close look at lease-purchase agreements. That is central to the legislation which is before the House today. The legislation clarifies and confirms the authority which the Department has in entering into lease-purchase arrangements. By the lease-purchase agreements, the Government agrees to rent a building for a period of time, and at the end of the rental period the Government purchases the building for a fixed amount. As a consequence, very large sums of money are tied up. It is not a trivial matter; in fact, the Auditor General has identified $1,919,600,000. Almost $2 billion is tied up in lease-purchase arrangements. It is a very heavy responsibility for the Government. The Government must examine how it handles lease-purchase arrangements.

The Auditor General has indicated that these agreements may cost the Crown more than if the Government borrowed the money and built the buildings. In other words, lease-purchase arrangements may cost the public purse more than if the Government built the buildings. For example, the Auditor General studied four lease-purchase agreements which totalled $762.9 million. The Auditor General found that if the Government had borrowed money and built the buildings at the same price as the developer, the cost would have been $85.8 million less over 35 years. In other words, it would have cost the taxpayers $85.8 million less if the Government had built the buildings rather than going the route of the lease-purchase arrangement.

It is incumbent upon the new Minister of Public Works and his Department to assure us that further consideration will be given to the whole question of lease-purchase agreements, as well as to assure us that lease-purchase arrangements will be handled in such a way that they will not cost taxpayers additional money. Why should we lease-purchase if it is better for the Government to borrow the money and build the buildings? That question must be examined.

The Auditor General also raised a question about the way the Government handles real estate and the way it utilizes that space. Is the space needed? Is it used? In using the figures of the Government, the Auditor General found that over the past five years the Government has had about 700,000 square metres of unoccupied space, at a cost of approximately $25 million per year. In these times when the public dollar is scarce—as the Government itself has said—it is important that the Government tell us now what policies and procedures it is going to put in place which will assure us that existing government space will be used and that it will not acquire space which will simply sit empty. What kind of system will the Government put in place to assure us of that?

• (1125)

There is one other area covered by the Auditor General's report which I feel is crucial and should be dealt with today by the Government. The Auditor General found that the federal Department of Public Works withheld information from the federal Cabinet when it leased three downtown Ottawa office buildings two years ago from Campeau Corporation for a total of $400 million. Because this essential information was not provided to Cabinet, it gave up an opportunity to obtain a building worth $46.5 million for $15 million. It is bad enough, Mr. Chairman, when Governments do not share information with Parliament, but when civil servants fail to provide information to Cabinet, the system becomes totally unworkable. So I would like to hear some assurances that the Government is going to make sure it receives all information before it makes decisions with regard to public works.

To sum up briefly, Mr. Chairman, the authority which is being asked for today appears to us to be legitimate. The problem has been the abuse of that authority in the past. We would like to know how this Government is going to assure Parliament that this abuse will stop and that the public dollar will be used wisely and with due prudence. I would like to hear from the Parliamentary Secretary—and I wonder why the Minister is not here—as to just what procedures are going to be put in place in order to make sure that the taxpayers' money is not wasted. I would like to know specifically how the Government is going to hold its civil servants accountable in order to ensure that the job which needs to be done is done.

Mr. Stewart: First of all, Mr. Chairman, let me say that I was going to speak on the Bill previously. However, when it was referred to Committee of the Whole I did not feel there was any need to waste the time of the House as we pretty well have agreement.

I believe the Hon. Member has legitimate concerns which are shared by Hon. Members on all sides of the House. I would like to inform him, first, that the Minister is unavoidably out of the House today. He has a press conference and a meeting and consultation in Quebec City, and he just could not be in two places at once. I would like to point out to the Hon. Member that he is really addressing the sins of the past. I want to assure him that these sins will not be repeated. This is not the mandate we were given by the people of Canada. We have a good and experienced Minister in this portfolio who really welcomes the opportunity to work in close consultation with the Auditor General.

With respect to lease-purchases, I will say that, of course, the Auditor General has made his views well known and I do not disagree with him. However, we must acknowledge that where Crown finance is not possible or preferable, lease-purchasing does clearly result in cost saving or cost avoidance to the Government, and ultimately to the taxpayers of this country. I have with me, Mr. Chairman, lease-purchase agreements for the Esplanade Laurier and C. D. Howe buildings which total some $24,668,890. The total rent in 1983-84 for comparable space in Ottawa would have amounted to $45,119,760. In this case the Government has an actual saving of $20,450,870.

These purchases are not always wrong. There are some advantages, of course, in the fact that there is fixed rental for 35 years and it will only vary up or down every five years. The operating and management fees are also fixed. The Crown will eventually own the building and has control over the quality of the building, ensuring that the performance specifications are met.

For the information of the Hon. Member, Mr. Chairman, an analysis is made in each case to compare lease-purchase to leasing and Crown financed construction. These analyses are given to Treasury Board. Let me assure the Hon. Member that the Minister will work very closely with Treasury Board in order to make sure the effective changes the Hon. Member is so concerned about—as we all are—will be put in place and that things which were not done properly in the past will be done in the future to everyone's satisfaction. I believe I can assure you, Mr. Chairman, that all lease-purchase projects will be done in the most effective manner through Treasury Board and the Minister.

• (1130)

Mr. Fennell: Mr. Chairman, I asked the House Leader if I could have an opportunity to speak on this Bill for a couple of minutes because I spent two years preventing Bill C-91, this Bill's predecessor, from going into effect. I wanted to get on the record that the reason for that is that in the original Bill, under Clause 1(4) it was not mentioned that no services or work may be performed under Subclause (3) on properties not belonging to Canada without consent of the owner. I wanted to emphasize what this Government is doing to protect the people of this country. The Bill must protect people from having their property worked on without their permission. This is an important change.

I would also like to take this opportunity to make a recommendation to the Government. It arises out of the Auditor General's report referred to by the Hon. Member from the NDP concerning lease-purchase arrangements. I would like the Government to consider wherever possible, in the case of a lease-purchase, that government financing be used. It costs the Government 2 per cent less on average to borrow money than it does the private sector. If the Government is on the hook for a 35-year lease-purchase, then use government financing. The Auditor General points this out very clearly in his report. I notice the gentleman from Public Works is shaking his head. I am sure he will be shaking his head even more as we go through the Public Accounts with him. However, I would like that recommendation reviewed so that if there is a saving it can be passed on to the taxpayers of this country.

Mr. Taylor: Mr. Chairman, recently I took the time to go through one of the towers of the PetroCan Building in Calgary. I found a most up-to-date mail system with little trains which stop at every office and take the mail to a central location. It would do justice to the very best that Canada Post has ever tried to do. I was also impressed with the gymnasium. It would be a tremendous asset to any YMCA in the country. However, the thing that amazed me most was that office after office after office was completely empty.

My question to the Parliamentary Secretary is: Did the Department of Public Works have any say in the construction of this building? Were they notified of it? Did they have any input into it? Was there any check made to see how many tenants could be secured? In other words, in brief, does Public Works share any responsibility for the two towers built by PetroCan in Calgary?

Mr. Stewart: Mr. Chairman, the answer to that question is no. I would also say to the Hon. Member for Ontario that the difference in financing costs would be only eight-tenths of 1 per cent.

Mr. Gray (Windsor West): Mr. Chairman, I am getting to my feet at this time simply to confirm that, obviously, we are quite amenable to this Bill going through all stages today. The Bill before us is intended to make some useful changes to the Public Works Act and the Public Lands Grants Act which the Parliamentary Secretary has described. However, in saying this I am not associating myself with his rather inflammatory introductory sentences. I do want to say the Bill itself is in the same form, as I understand it, as a Bill introduced by a previous Liberal Government. Again, I think it is useful to have on record that the best things the new Conservative Government could find to bring before the House in the crucial early days of its mandate were measures prepared by the previous Liberal Government.

Mr. Nickerson: Mr. Chairman, I wonder if the Parliamentary Secretary can give us specific examples of the type of authority being sought under Clause 1 concerning the right of the Minister to perform work on properties that do not belong to Canada, and so on. I would like specific examples of where this might be required.

Mr. Stewart: Mr. Chairman, the Saint John seawall is a specific example. The Government built the seawall to shore up provincial lands so that housing could be built.

Mr. Nickerson: The Parliamentary Secretary said this had already taken place. Presumably there was no authority for that to be done. If there were, there would be no need for this amendment to be brought before the House today. So under what authority was that seawall constructed?

Mr. Stewart: The authority of the Ministry.

Mr. Nickerson: Under what legislative authority?

Mr. Stewart: To my knowledge there is none and that is what we are talking about today.

Mr. Nickerson: No it would appear, Mr. Chairman, that the previous Government was illegally spending public funds contrary to the law of the day for these projects, rather than bringing the previous Bill before the House of Commons and getting it passed. No wonder, Sir, that the Auditor General finds such fault with the activities of the previous Ministers of Public Works.

Mr. Keeper: Mr. Chairman, the Parliamentary Secretary spoke briefly about lease-purchases. I was not entirely satisfied with his response; I had a number of other areas of concern when I spoke and he did not respond to any of those either. So I want to ask a few questions.

Because of the horrendous way that public property has been managed by the Department of Public Works, and given the Auditor General's statement that if a private sector property manager were to behave in this way he would be given the pink slip, what I would like to know from the Parliamentary Secretary is whether the Government is considering giving the pink slip to the Deputy Minister of Public Works on the basis of incompetence? If not, then how is he going to assure this House that this kind of waste of public funds will not occur in the future?

Mr. Stewart: Mr. Chairman, that will be in the hands of the Minister and, thus far, he has confidence in the Deputy Minister.

Mr. Keeper: Mr. Chairman, it is too bad that the Minister is not here to answer these questions. It seems to me that if the Minister or the Prime Minister continues to employ in a responsible position a Deputy Minister who has clearly demonstrated incompetence, then they are taking on the responsibility for that kind of behaviour. Until now, the Government can legitimately say that these are things of the past and they will not be repeated. Is the Government saying that this will not happen again but it is all right to continue employing the person responsible for these actions? If you are not going to relieve him of his duties, what are you doing to assure yourselves that this kind of waste of public dollars will not happen again?

• (1140)

Mr. Stewart: Mr. Chairman, as I said before, we do have a competent Minister. I assure you that the Minister will take all steps necessary to ensure that this does not happen again. Whether the concerns are with regard to the Auditor General's report, Treasury Board or whatever, I can assure you that they will not be repeated.

Mr. Keeper: Mr. Chairman, the Parliamentary Secretary really has not answered the question. He has clearly said that they continue to have confidence in the Deputy Minister and that they are going to keep him on in spite of the record of the Department. Therefore, they must have some other measures they will take to assure us that this kind of waste of public funds will not continue. He has not enunciated those measures here. These are serious matters involving millions of dollars. The Minister is not here to enunciate them. I assume the Parliamentary Secretary is not telling us because he does not know himself and must simply rely upon his own confidence that the Minister will do things that are necessary.

It is really not adequate for the Parliamentary Secretary to say in the House that they will take all measures that are necessary. We need to have those measures spelled out. The Government must tell us how the Department will avoid acquiring space it does not need in the future which costs something like $25 million a year. Specifically, how is it going to avoid overpayments for property in the future? How is it going to ensure us that directives of the Department of Public Works and the Treasury Board will be followed? Give us the procedures and policies. Most importantly, how is it going to assure itself that Treasury Board and the Cabinet receive the information necessary to make decisions with regard to real estate?

Mr. Chairman, I would like the Parliamentary Secretary to give us information on how the Government will ensure that this waste of public money does not continue in the future. It is not enough to simply say that it will take all measures possible or necessary.

Mr. Stewart: Mr. Chairman, I do not know what the Hon. Member wants. The Minister is quite aware of all the properties in question and all the lease-purchases. He is on top of that. He is checking with the Deputy Minister. He is listening to the Auditor General and he is going to do everything possible to ensure that the things which happened in the past which concern the Hon. Member will not happen again. What more can I say? He is the Minister of the Department and he has a handle on it, unlike the previous Government.

Mr. Keeper: Mr. Chairman, it is not adequate for the Parliamentary Secretary simply to assure the House that the Minister has a handle on it. Those are nice, vague words. They

have no specific content. It is not good enough for the Minister to send a Parliamentary Secretary to the House who cannot give us information on how the Department is going to avoid waste in the future when the waste in the past is already accurately documented.

I will deal with one specific item on that list, Mr. Chairman. The Department of Public Works has not been following Treasury Board guidelines. The Auditor General points out that there is no effective mechanism in place to ensure that the Department will follow Treasury Board guidelines. Could the Parliamentary Secretary deal with that one specific item and tell us what mechanism will be put in place to assure the House that the Department will follow Treasury Board guidelines and that other Departments will follow the guidelines as set out by the Department of Public Works?

Mr. Stewart: Mr. Chairman, I will answer that very happily. The policies and procedures are in place right now as far as the Ministry and the Treasury Board are concerned, and they will be followed. It is a very simple thing. You don't rent, you don't do anything that you don't have to do, and you utilize the things that are there. As I said, the policies are in place with Treasury Board and they will be followed. I am sure the Hon. Member will be very happy to see what happens with Public Works now as compared to the former Government.

Mr. Keeper: Mr. Chairman, I find these responses totally inadequate. We are talking about the loss of $25 million a year through the Government acquiring space that it does not need. All the Parliamentary Secretary can do in the absence of the Minister is stand up and say that it will not happen again. That is not good enough. The Auditor General has pointed out that there is no mechanism in place to assure that the Department of Public Works will follow Treasury Board guidelines. Let us put a mechanism in place. Describe it specifically.

This is simply not good enough Mr. Chairman. All we are getting from the Parliamentary Secretary is his bland assurances that this will never happen again. That suggests that in fact this will happen again and we will have another Auditor General's report in the future which will identify more waste of public dollars unless the Government wakes up and does something specific to change the items that have been documented by the Auditor General.

Mr. Stewart: Mr. Chairman, the Auditor General's report has been duly noted and digested by the Minister. The policies and procedures, in conjunction with the Auditor General's report, are about to be put in place. It just came out. Unfortunately the Minister is not here but he will tell you the same thing. he is going to do everything possible to put the Auditor General's report in place and ensure that these things do not happen again. What more can I say? Shall I stand on the desk three times and sing it?

Mr. Keeper: Mr. Chairman, I am pursuing this matter because it is important. I will be a little nicer to the Parliamentary Secretary. If the Parliamentary Secretary cannot tell the House today specifically how the Department and the Government are going to avoid this kind of waste in the future, when will they tell the House? When will they outline in specific terms how they will avoid this kind of waste of public funds in the future? Right now they can sit there comfortably and point out that these wastages took place under a previous Government. That is true. However, they cannot do that in the future. We need specific action from the Government now which outlines new mechanisms that will assure that this will not happen again.

Mr. Stewart: Mr. Chairman, there is nothing new about a Government accepting things that were wrong and did not work. We are not going to accept the things that are wrong and do not work. We are putting in place the recommendations of the Auditor General. Treasury Board is on to it. Again, what more can I say?

Mr. Hovdebo: Mr. Chairman, I am not going to proceed on the same item in the same direction. I do know that this report was written a considerable time ago and that the Department of Public Works knew that these particular reports were coming out from the Auditor General. In the report the Auditor General says that the Government's estimates of unoccupied space are notoriously unreliable. Would the Parliamentary Secretary give an indication whether the Department of Public Works now knows whether the 6.3 million square feet of unoccupied space which the Government had is the minimum, or is there actually much more than that unoccupied? Has the Public Works Department done that kind of survey or has it not made any effort to answer that particular charge by the Auditor General?

• (1150)

Mr. Stewart: Mr. Chairman, in response to the Hon. Member, the actual measurement of space is very difficult to come up with right at the present moment. However, the Minister is actually involved in doing that, and when he returns he will be introducing some new mechanisms into the guidelines, specifically on rental properties and lease-purchases. I am not able at the moment to tell the Hon. Member exactly what the Minister will be introducing. It will be in conjunction with the things we have already mentioned.

Mr. Hovdebo: Mr. Chairman, some of the suggestions by the Auditor General are based directly on what appeared to be a leasing of property which might be needed ten years hence. I am referring particularly to Vancouver site 56. There does not seem to be anything in Treasury Board regulations to stop this kind of thing. Will this Government attempt to put something into Treasury Board regulations which will limit the kind of forward planning which results in the leasing of more than six million unused square feet?

Mr. Stewart: I will certainly take the Hon. Member's suggestion as well as the concerns of his seatmate to the Minister, Mr. Chairman. We welcome suggestions from the Opposition at all times. We are only interested in improving the situation. The Minister is going through that whole exercise at present.

Mr. Langdon: Mr. Chairman, I would like, if I could, to pursue a question raised by the Hon. Member for Winnipeg North Centre. It does seem to me that we should at least have some indication of the direction in which the Department is considering moving in order to deal with some of the problems from the past.

Are we talking about directives being put in the form of changes to regulations, or are we talking about some legislative changes that may be possible? We are dealing with a set of legislative changes this morning that help to clarify a number of areas that have been murky in the past. It may well be that there needs to be similar legislative changes to deal with some of the concerns that my colleague raised. Is this something the Minister is considering or are we talking about changes in regulations within the internal directives of the Ministry itself?

Mr. Stewart: Mr. Chairman, I thank the Hon. Member for his question. What is happening is that we are getting a long, long way from all-Party agreement on some purely housekeeping measures that we can get rid of before the Minister arrives and develops fully the specific areas he wishes to address. These measures will be new, and I am sure when Hon. Members, all three in the New Democratic Party, see what these specifics are, they will be more than pleased. What we are dealing with now is just a bit of housekeeping. If we can get on with that, Hon. Members will be pleasantly surprised when the Minister returns with his specific suggestions.

Mr. Lewis: I have a question for the Parliamentary Secretary, Mr. Chairman. I would like to preface it by saying that in the past, as Chairman of the Public Accounts Committee and in conjunction with my colleague from Prince Albert, we had an opportunity to look into some of the Department of Public Works problems. The biggest problem was not that the regulations were not there; the problem was one of enforcement and a will to enforce the regulations.

Would this not be the case with the Minister of Public Works, that it would be a matter of enforcing regulations already there rather than, as my colleague from Prince Albert will testify to his seatmate, just letting these regulations continue to go on unenforced?

Mr. Stewart: I would like to thank my hon. colleague for clarifying the matter and saying the things that should have been said at the beginning, Mr. Chairman. I could not agree with him more. I would like to say that the Minister, while he is not in the House today, has been travelling extensively and visiting all the major projects right across Canada with a view to doing exactly the things that have been mentioned here today. The Minister wants to understand the situation fully. We have inherited a very sticky wicket. We wants to be fully informed of all the projects, the rental properties, the lease properties, et cetera, so he will be entirely on top of it all and can return to make good recommendations to the House.

Mr. Hovdebo: I want to thank the Member from Simcoe North for his interjection, Mr. Chairman but I want to speak for a moment on that point. I agree entirely with the point of view he has taken. It appears that in all cases regulations are there, but there is no limitation on a lot of them. For instance, one can get space, and while we are going to need it five years down the road—I am speaking of a particular area—maybe to curtail this kind of overexpenditure on space there should be some limiting authority as far as the Department is concerned. Perhaps every lease should have a sunset clause which would stipulate that if space is not used within a certain length of time, it could be returned to the lessor, in which case this extra expenditure would not have to be made. Would the Parliamentary Secretary respond to that approach?

Mr. Stewart: Of course, that is something that should be looked at, Mr. Chairman, but the Hon. Member has to remember what has happened with land costs in recent years. I do not think there is anything inherently the matter with the federal Government land-banking certain land which it knows will be required. In other words, long-range planning. It must though be prudent and there must be an escape hatch so that land can be returned if it is not used within the time for which it was acquired.

Mr. Keeper: Mr. Chairman, I would like to pursue a completely different line of questioning, more specifically on the legislation itself.

This legislation was before this House as Bill C-91 in the last Parliament. It was introduced by the Liberal Government of the day. When this legislation was being debated at second reading, the Conservative Party was in opposition. While the Parliamentary Secretary today describes the legislation as a housekeeping measure, at that time Members of the Conservative Party described it in a completely different fashion. For example, the Conservatives described it as a dangerous piece of legislation giving too much power to the monstrous bureaucracy in the Department of Public Works. They said that the Bill goes beyond all realms of possibility, that it goes beyond the wildest dreams of the Socialist International. Let me emphasize, "beyond the wildest dreams of the Socialist International", Mr. Chairman. The Conservatives in opposition said this Bill was taking away people's rights. They did not describe it as housekeeping. They described it as taking away people's rights and property rights. This legislation takes away property rights; that does not sound like housekeeping.

• (1200)

They went on to say about the Liberal Government of the day that every piece of legislation had a nasty, rotten thread running through it. That might be described as housekeeping in a way, but it sounds different to me. A Conservative Member who spoke at that time said that it was a socialist thread to put all responsibility into the hands of the bureaucracy. Then the Member went on to say: "I pray to the Almighty that there will be an election soon and that we rid the country of that rotten mess which is destroying it".

We have had the election and we have had a change of government. Now what happens? The Conservatives are no longer in opposition. They are in government and a piece of

legislation which goes beyond the wildest dreams of the Socialist International becomes mere housekeeping.

Would the Parliamentary Secretary tell the House how this piece of legislation has so transformed itself? If he cannot do so, why is it that the Conservatives said one thing in opposition and another in government?

Mr. Stewart: Mr. Chairman, the biggest reason is that the Bill has been changed and improved. In the next instance this went to Justice with the input of all Parties, including the NDP. It was agreed upon. That is the explanation.

Mr. Keeper: I would not want to be unfair to the Government. Therefore I acknowledge that there is at least one significant improvement in the legislation wherein the Government is seeking authority to make improvements in properties it does not own. The new legislation now requires that the Government get the consent of the property owner. That is good. It is a progressive amendment to the legislation. That change, while significant, has not transformed the legislation to the extent that a "socialist dream" has somehow simply become housekeeping. I am still puzzled as to why the Conservatives said one thing in opposition and something totally different in government.

Mr. Stewart: The difference is that the Bill in its previous form was introduced by a socialist Government with socialist friends. We now have a Conservative Government with a new Bill. That is the difference.

Mr. Keeper: Mr. Chairman, I cannot allow that to pass. The Conservatives in opposition described the legislation in words which simply amounted to saying that it was a socialist plot. Now they are in office it becomes housekeeping. Clearly they do not know what the word "socialist" means at all.

Mr. Langdon: Mr. Chairman, as a new Member of the House I must say that this is a fascinating debate. I was struck by a number of the comments made when the last Bill was before the House. Frankly, I had not realized how this Bill represented a remarkable example of turning the clock back and trying to forget about the past. I am particularly struck by some of the comments about the specifics of Section 3 of the previous Act. If I read the present Bill before us correctly, there has not been significant change. The previous Bill was described by a representative of the Conservative Party who said: "What a colossal fraud this Bill hopes to perpetrate on the people of Canada". That Member continued by saying: "The Government is now seeking authority to sell or lease any property whether or not the Government owns it, whether or not it is required for public purposes". Some of the rhetoric was remarkable, such as: "What a horror scenario we have in front of us".

Would the Parliamentary Secretary deal specifically with that section of the Act and tell me, as a horror-stricken new Member of the House seeking to understand, why this represented a colossal fraud in the past and why it does not represent a colossal fraud in the present?

Mr. Stewart: Mr. Chairman, if the Hon. Member takes a look at the two Acts in question, he will see that the section has been changed significantly. That makes a great difference to the "colossal fraud" to which he referred. I will not bother the House by going through the whole section, but it has been substantially changed. The Hon. Member can look it up.

Mr. Cassidy: Mr. Chairman, thank you for the chance to speak to the Parliamentary Secretary about some of the abuses of public funds which were clearly evident in the Department of Public Works. I recognize, as does the Parliamentary Secretary, that those were the works of the previous Government. However, I want to see whether we can have some assurances that the same abuses will not take place under the present Government.

Perhaps I could begin by asking a specific question which relates both to purchases and leases of property by DPW. The Parliamentary Secretary will be aware that half-empty or partially occupied buildings were leased at great public expense in the riding of the Hon. Paul Cosgrove and I think in the riding of the Hon. Roméo LeBlanc, both Members of the previous Cabinet. There was a great deal of intuition on the part of people that those leases were in fact much more related to the political fortunes of those Ministers and their doing favours for friends than to real need. Could the Parliamentary Secretary confirm whether it is the Department's belief or his belief now that that was in fact the case?

Mr. Stewart: Mr. Chairman, I would not want to point a finger at any individual in the House and say that something like that was done as a matter of intent. Before the Hon. Member came into the House, I addressed specifically the fact that the Minister would be bringing forward specific recommendations to the House to ensure that things such as the Hon. Member described do not happen again. I share his concern.

Mr. Cassidy: Could the Parliamentary Secretary assure the House that there will not be spending of public resources in the way that happened under the Liberals in order to put office buildings, leases or such things into ridings of Members of the present or future Conservative Cabinets? Could he assure us that we will not see the kind of patronage abuse in the future that we saw in the past when the Liberals were in power?

Mr. Stewart: I am sure the Right Hon. Prime Minister will be watching with interest any such thing. We all know how many people came back on this this of the House. It was because of things like those the Hon. Member described that we are here. I am also very sure that the Minister will be keeping a very close watch on the things he described.

Mr. Cassidy: With respect, the Parliamentary Secretary agrees that he deplores such things happening, but he shies short of actually promising that they will not happen under the new Government after a certain breathing period or honeymoon has taken place. Could I have a categorical assurance that the kind of thing which took place under the Liberals will

not take place under the new Government over the next four years?

Mr. Stewart: I cannot put words in the mouth of the Minister, unfortunately, but I can assure the Hon. Member that his concerns will be brought to the attention of the Minister. As far as I am concerned, I am sure he will make certain that what the Hon. Member is speaking about does not happen.

Mr. Cassidy: Mr. Chairman, it is not just my concern. I am speaking on behalf of millions of Canadians who felt there were a lot of abuses. I am beginning to wonder whether what they are seeing now with a new Government is a Government just as prepared to break its word, to break promises, to forget how it came to office and, I fear, just as prone to take on the practices of the old Government.

• (1210)

Perhaps the Parliamentary Secretary can comment with respect to the favouritism shown to certain developers. I think of the deal which was reported by the Auditor General with respect to Place de Ville, the Journal Towers, and the Centennial Towers in downtown Ottawa. As the Parliamentary Secretary knows, some $40 million to $50 million of excess costs were incurred by DPW because of the totally amateurish way in which it negotiated that particular deal. One could say either that the officials were totally amateur or that the reason the deal was entered into may have had something to do with the fact that Bob Campeau has been a well-known friend of the former Government. Possibly it was a consequence of that that the Government of the day was prepared to give such a sweet deal to Mr. Campeau and to put such a lot of excess profit into his pocket.

Can the Parliamentary Secretary assure the House that the new Government will not act in that same generous fashion but will avoid acting in such a generous fashion if developers with links to the Conservative Party come along and want to do business with the new Government?

Mr. Stewart: Mr. Chairman, I think almost categorically I can say that we will do everything in our power to see that such things do not happen again. The very fact that the Hon. Member brings them before the House and the Canadian people—and it is a recognized fact that this sort of thing did go on with the previous Government—would make us idiots if we did not stop the practice, in my view. I might just add that this side of the House fought long and hard during the constitutional debate for the inclusion of property rights in the Canadian Constitution, something his Party did not. This would augur well.

Mr. Cassidy: Mr. Chairman, the last comment has flown right over my head. How that excuses the Department of Public Works for its mismanagement of public funds is absolutely beyond me.

The Parliamentary Secretary said that the new Government would be idiots if it did not put an end to those kinds of sweet deals with developers that happen to be of the same political stripe as the Government. I did not hear him specifically say that the new Government will avoid those kinds of deals over the next three or four years; in other words, during its term in office. I am not sure whether that is significant or not, but I think it should be reported on the record.

I would now like to comment on a specific opportunity by which the new Government could perhaps save money. It has said again and again that it wants to reduce the deficit. I am puzzled over the decision made by the previous Government to play musical chairs with major Departments moving around Ottawa over the course of the coming very few months. As the Parliamentary Secretary knows, the new Government inherited a plan which would have Treasury Board, the Comptroller General's Office and the Department of Finance, which I believe are in two or three different locations, move into L'Esplanade Laurier buildings at Bank and Laurier in downtown Ottawa. The cost of that move is in the order of $23 million and, I think, rising. The amount reported one or two years ago is probably below what it will actually cost. In addition, the move has the effect of requiring that both the Public Service Commission and the National Capital Region office of Public Works move to Les Terrasses de la Chaudière in Hull.

The interesting question is this. In the first place, does it make sense for the National Capital Region of DPW, which provides services throughout the region, to move across the river or, likewise, the Public Service Commission? The second question is: Why do we have to play musical chairs not once, but twice? I understand that the Department of Finance is getting turfed out of Place Bell Canada. Presumably this is because Bell Canada is continuing with its policy of removing its head office from Montreal, which I am afraid has gone on for much too long. At any rate, the landlords have said they want the space, it is their right to have it and the Department of Finance will move.

Is it because of the departmental pecking order that Finance gets to move to Bank and Laurier and that DPW and the Public Service Commission get shifted to Hull? Is that what is happening? If you are exercising due regard for economy and efficiency, surely it would make sense for the Department of Finance, Treasury Board and the Comptroller General to move from their current quarters directly to Les Terrasses de la Chaudière. Instead of having to spend $23 million to relocate to L'Esplanade Laurier and having to spend another $20 million or so to move the Public Service Commission and DPW to Hull, we could spend that $20 million once rather than twice.

Since I speak as an Ottawa area Member, there are a lot of other things that could be done with that $20 million rather than have it mis-spent or wasted on the musical chairs game now going on. Will the Parliamentary Secretary comment on that item?

Mr. Stewart: Mr. Chairman, the Hon. Member is correct about the Bell Canada building. It is a case of the lease running out. L'Esplanade Laurier is the only place large

enough to hold the two Departments. In order to give an in depth answer, which I shall do, I will now take the question as notice and get an answer from the Minister.

Mr. Cassidy: I appreciate that assurance. I would like an assurance from the Parliamentary Secretary that we can have an answer in the House or in writing before the end of this week. The Auditor General's report indicates that the move is to be made at almost any time.

Given the fact that there has been empty space in some of the buildings in Hull for as long as four or six years, and given the size of those buildings, which we can all see by looking out of our windows, I am a bit surprised there is not adequate space there to accommodate those three Departments. If the space is not totally contiguous but is separated by a floor or two, I am not sure whether that is a serious enough handicap to require us to spend $20 million extra in order to ensure that a few public servants do not have to go up or down an extra flight of stairs when going to see one of their opposite members in one of those related Departments. I would appreciate a comment on that. If we could have a reply this week, perhaps the Department can indicate more specifically why all that extra money is being spent when one move could take place rather than two.

Mr. Stewart: As I said before, Mr. Chairman, I will get the answer for the Hon. Member as quickly as possible.

Mr. Cassidy: One final point, Mr. Chairman, recognizing that I am perhaps treading a bit on the goodwill of the House.

An Hon. Member: Not at all.

Mr. Cassidy: My friend says not at all, so I am encouraged. The phrase "revenue dependency", as the Parliament Secretary knows, talks about a theory by which Departments should be paying either market cost or full cost price for facilities they get from the Department of Public Works. I recognize this relates to the previous Government, but can the Parliamentary Secretary explain why it has taken such a damnable amount of time for the theory, which most people recognize will lead to more prudent use of space by client departments, to be put in place? I understand it has not been translated into operating practice. If they cannot get all the bugs out, why not get it 90 per cent corrected and at least make the charges related to cost rather than carrying on in the present manner?

Mr. Stewart: Mr. Chairman, the Hon. Member is quite correct. It has been under study and has taken a long time. It will be operable in 1985-86.

Mr. Cassidy: Mr. Chairman, the Department is reported to have called for tenders on only 7 per cent of the space requirements. Despite specific rulings from Treasury Board in terms of policy, it managed to find exceptions for 93 per cent. What is the goal of the new Government in terms of its apportioning of the acquisitions of space which will be tendered under the new Government? What will the percentage be?

• (1220)

Mr. Stewart: Mr. Chairman, as far as I can understand, just as high as possible.

Mr. Cassidy: Mr. Chairman, perhaps the Parliamentary Secretary could put some numbers on it. This matter returns to the Bill itself. The powers of the Department are being broadened. The Department is being given more flexibility to use some of the techniques which have been used by the private sector, like lease-backs, lease-forwards and those kinds of things. Under those circumstances, this Bill gives more capacity to the Department of Public Works to enter into sweet deals and deals which would otherwise be impenetrable by or incomprehensible to the House and the Auditor General. That is one of the reasons why this may have been criticized in the previous Parliament. However, I was not here then.

Only 7 per cent of the leases worked out by the Department previously had been worked out on the basis of tenders. What percentage of tenders, rather than exceptions to the present rules, does the new Government aim to achieve?

Mr. Stewart: Mr. Chairman, the figure of 7 per cent is correct and it was 6 per cent before that, I believe. The aim of the present Government is to get as many as possible under tender. Obviously I cannot give the Hon. Member specific numbers at this point, but it will be as many as possible.

Mr. Keeper: Mr. Chairman, the Parliamentary Secretary knows that the Auditor General identified a number of ways in which public dollars have been wasted by the Department of Public Works. For example, the Auditor General found $63 million in excess payments with regard to 12 leases. He also found that, over the period of the past five years, the Department had 700,000 square metres of unoccupied space at a cost of $25 million a year. In addition, through four lease-purchase agreements the Department paid a price for property which cost the Government $85.8 million more over a period of 35 years than it would have cost if it had developed the property itself.

There is some one item. The Auditor General said that the Department of Public Works withheld information from the federal Cabinet which resulted in a further loss of funds. Earlier today the Parliamentary Secretary said that the Minister had complete confidence in the Deputy Minister of Public Works. With these kinds of losses of public funds, I am wondering if the Parliamentary Secretary could explain to the House the Government's complete confidence in the Deputy Minister of Public Works. How can the Government have complete confidence in a Deputy who has been in charge of a Department that has lost this many public dollars?

Mr. Stewart: Mr. Chairman, the Hon. Member has mentioned all of these points previously. I think I have attempted to answer him as well as I can. Let me tell the Hon. Member that all of these things happened under the former Government. The Deputy Minister takes his instructions from the Minister. He is now dealing with a different Minister.

As I explained to the Hon. Member, guidelines will be presented in the House by the Minister after he has done a complete inspection of all of the things mentioned by the Hon. Member, an inspection which he is doing personally right now. Surely the Hon. Member wants the Minister to have absolute knowledge so he can return to make the changes to which the Hon. Member refers. That is what he is doing.

Mr. Keeper: Mr. Chairman, I am glad that the Minister will be returning with specific recommendations. We will await those recommendations.

In the absence of the Minister, I would like to know from the Parliamentary Secretary what a senior public servant must do in order to lose the confidence of the Government. Obviously, these actions took place under the previous Government but it is the present Government that is expressing its confidence in the Deputy Minister of Public Works.

How many dollars of public funds must a Deputy Minister in charge of a Department waste before he is seen to be incompetent by this Government which is in office today? How can this Government put its confidence in a senior civil servant who wastes so much public money? I would like the Parliamentary Secretary to tell me how this Government can describe a senior civil servant as competent when, in his term as a senior civil servant, he has overseen the waste of this many public dollars.

Mr. Stewart: Mr. Chairman, I would like to ask the Hon. Member what waste has occurred since this Government has taken office. That is the whole point. The Minister is the man who is responsible. He will stand in his place and will be answerable for what happens in the Department of Public Works, but not for what happened under the previous administration to which the Hon. Member is trying to tie this one. I am sorry. The Minister will make the decisions and I am sure that the Deputy Minister will follow the instructions given by the Minister to everyone's satisfaction.

Mr. Keeper: Mr. Chairman, it is hard for us to have confidence in this Government when, in the first instance, the Minister of Public Works cannot find the time to be present in the House to deal with his own legislation. How can we have confidence in a Government which acts in this way?

The Parliamentary Secretary has said that all of these things happened in the past and they are not going to happen in the future. It was in this Parliament that the Auditor General reported on what has been going on in the Department of Public Works. Even though millions of dollars have been wasted by that Department, it is the present Government that is expressing its confidence in the senior civil servant who is responsible for that Department. That is a decision made by the Parliamentary Secretary's Government, not by the previous Government. The previous Government was not faced with the report of the Auditor General indicating that the Government wasted money because the Department of Public Works did not provide adequate information to the Treasury Board. It is this Government that is making the decision that a senior civil servant is competent to carry on his duties even though, under his direction, a Department wasted all of this money.

Is there any point at which a senior civil servant would be declared by the Government to be incompetent? How much public money would a Department under the direction of a Deputy Minister have to waste before this Government would say that that behaviour is incompetence?

Mr. Stewart: Mr. Chairman, the Hon. Member is going through a hypothetical flim-flam.

Mr. Keeper: Hypothetical?

Mr. Stewart: Sure it is hypothetical. The Hon. Member is asking what our Minister will do. Every bit of this happened previously. It is like trying to see what is inside a Christmas present without undoing the string. Just give us a change and we will show the Hon. Member.

Mr. Keeper: Mr. Chairman, the Parliamentary Secretary has said that this is hypothetical. The fact that the Department of Public Works wasted all this money is documented in the report of the Auditor General. I simply want to know from the Parliamentary Secretary if there is any level of wastage of money for which a Deputy Minister is responsible at which the Government feels that that behaviour is unacceptable? Is there any point at which the Government loses confidence in a civil servant who has carried on in that manner?

The Parliamentary Secretary keeps referring to the fact that this happened in the past. Yes, it did happen in the past. It is being reported on today. However, the Deputy Minister is still there. The Parliamentary Secretary has expressed full confidence in this Deputy Minister. I would like to know upon what basis the Government judges the performance of its senior civil servants?

Mr. Stewart: Mr. Chairman, on the contrary, I am expressing confidence not only in the Deputy Minister; I am expressing total confidence in the Minister who has had previous experience in this portfolio. If he believes that the changes can be effected with the present staff, then I absolutely agree with him. Until such time as we see that the changes are not forthcoming and that the Department is not run properly under the Minister, I think the Hon. Member is off base. He is talking in the past. The Hon. Member has not mentioned one concrete item which has been implemented since we have been in government which he would like to have changed. As I previously stated, motions are now being made, the policy is being put in place and allowed to operate.

• (1230)

Mr. Keeper: Mr. Chairman, the Government does not present us with a picture which would allow us to express confidence. The Minister is not in the House when his legislation is being debated. The Parliamentary Secretary is unable to tell us precisely and specifically how the wastage of public money will be avoided in the future. The Government is not willing to articulate those procedures today. But at the same

time the Government is expressing 100 per cent confidence in the Deputy Minister, the public servant under whose direction these moneys were wasted.

Miss MacDonald: Another Svend Robinson!

Mr. Lewis: McCarthyism!

Mr. Keeper: "McCarthyism", I hear from Members opposite. Mr. Chairman, is it McCarthyism to ask the Government to tell us on what criteria it evaluates the performance of Deputy Ministers? How can this new Government express total confidence in a Deputy Minister under whose direction so many public dollars have been wasted? In the Government's evaluation of senior public servants, does it take into account how they handle the public purse?

The Chairman: I would remind Hon. Members of Standing Order 59(2) which reads as follows:

Speeches in Committees of the Whole must be strictly relevant to the item or clause under consideration.

I am not convinced that some of the matters which being discussed are strictly relevant to the clause which is under consideration. Does the Parliamentary Secretary wish to reply?

Mr. Stewart: Mr. Chairman, I would like to thank the Chair for its remarks. I was about to say that we are having a spurious line of questioning which is not germane to the Bill. Question Period is the time when the Hon. Member should ask the questions which he is now posing.

Mr. Keeper: Mr. Chairman, the relevance of the line of questioning is this. The first clause in the Bill refers to the capacity of the Minister and the Department of Public Works to make expenditures. It is an open-ended clause which reads:

(3) The Minister may, with the approval of the Governor in Council, incur expenditures or perform, or have performed, services or work in relation to—

It is an open-ended clause which allows for the expenditure of funds. At the same time, the Auditor General has identified that the expenditure of funds by the Department of Public Works has been wasteful. We must ask ourselves how that will be corrected. Will it be corrected by changing the public servants who are responsible for it? In other words, will competent people be put in charge? Will the Government change its practices and policies? If we cannot satisfactorily be assured of that, then perhaps it must be written into legislation.

The relevance to the line of questioning which I have pursued is that the Government is asking for authority to spend money. It is asking for open-ended authority in the first clause. In another clause it asks for the authority to engage in lease-purchase arrangements. The Government has been doing that for a number of years. In his report the Auditor General identified that under those arrangements the Government has spent money in a way which has cost the public purse more than if the Government had simply built the buildings itself.

We need concrete assurances that the waste which has been identified will not be repeated. The assurances must be either in terms of how the moneys are administered, the competence of the personnel and the policies and procedures which oversee the handling of those moneys, or else it must be in legislation. The legislation before us today asks for the authority to spend money, particularly the first clause which is open-ended.

Mr. Lewis: Mr. Chairman, I would like to ask the Parliamentary Secretary to the Minister of Public Works a question. Does he not think that the tactics of the Hon. Member for Winnipeg North Centre in raising the allegations regarding the competence of certain government employees smack of the McCarthyism which we have witnessed coming from other Members of his Party? Does the Parliamentary Secretary not think that this is not the appropriate place for a discussion of personalities and competence, and that if the Hon. Member for Winnipeg North Centre had the courage of his convictions, he would make such statements outside the House and/or bring them up in Question Period?

Mr. Stewart: Yes, Mr. Chairman, I totally agree. I stated before that I did not think the line of questioning was relevant to the debate. I thank the Hon. Member for his comments. I thought we had an all-Party agreement, and I would like to get on with the legislation.

Mr. Keeper: Mr. Chairman, I am being accused by government Members of engaging in McCarthyism. Is it McCarthyism to ask the Government what criteria it uses to judge the competence of a Deputy Minister? The Parliamentary Secretary to the President of the Treasury Board talked about allegations. The incompetent handling of real estate property by the Government is documented in the Auditor General's report. The facts are documented, they are not picked out of the air. The possibility of a public servant being relieved of his duties because his actions were incompetent was not raised by myself, it was raised by the media. The media asked the Auditor General whether he would recommend to the Prime Minister that such a Deputy Minister be fired. The Auditor General said that he would not comment on how the Prime Minister should manage the Public Service. However, the Auditor General did say that any property manager who handled property in the private sector this way would be handed a pink slip.

To accuse me of McCarthyism is an attempt to throw a red herring into the debate.

Mr. Lewis: That's what McCarthy did.

Mr. Keeper: Government Members laugh. These are serious matters which involve millions of dollars of public funds. The Government ran on the promise to cut waste. I want to know how it will do that. I want it to be specific in its assurances to the House that it will in fact do that. When the Parliamentary Secretary says that he has complete confidence in the Deputy Minister, I want ot know on what basis he has that confidence. The Parliamentary Secretary has mentioned that the Minister has complete confidence in the Deputy Minister. I would like

to know on what basis the Government has that confidence. Is there a level of the wastage of the public moneys which are under the direction of the Deputy Minister at which the question can legitimately be put: Is the person who is managing these public funds competent or incompetent?

Mr. Stewart: Mr. Chairman, if the Hon. Member would look at the appointments which were made by the Prime Minister in the past, he would see that the Prime Minister has confidence in people of all stripes. In addition, if he reviewed the Conservative task force on income tax he would find that we went to great lengths to ensure that people were innocent until proven guilty. Unlike the Hon. Member, we believe that all senior civil servants should have the opportunity of proving themselves under a new Minister before they are judged guilty and sentenced.

• (1240)

Mr. Keeper: Mr. Chairman, the Parliamentary Secretary simply refuses to answer the questions on all bases. The question is: Upon what criteria does the Government judge the competence or incompetence of a senior civil servant? And does not the wastage of enormous amounts of funds raise questions about his or her competence? I ask that question because when I pursued the other question—

Miss MacDonald: It is the 250,000 civil servants he is going after now.

Mr. Lewis: Yes, 234,000 civil servants.

Miss MacDonald: Why don't you speak up on behalf of the civil servants?

Mr. Keeper: Mr. Chairman, I am beginning to get a lot of heckling from the government side. Obviously, that is because those people opposite are not willing to deal with the issue at hand.

If the Government cannot tell us upon what criteria it bases its confidence in the competence of a senior civil servant, then will it tell us what new procedures it is going to put in place to assure us that those civil servants who will continue in those positions will in fact not waste taxpayers' money in the future?

Miss MacDonald: He is accusing them all of wasting money. Shame on you.

Mr. Stewart: Mr. Chairman, the sacred trust of every Minister is to protect taxpayers' money. That is what our Minister is going to do. I cannot keep going over the same old ground with the Hon. Member. He is just regurgitating the same old stuff. The Minister will evaluate his Department once he has gotten a complete grasp of the situation, which he has travelled across Canada to asertain. It will be done on the basis of competence and on the principle of saving the taxpayer of Canada money.

Mr. Foster: Mr. Chairman, I would like to ask the Parliamentary Secretary if this Bill would provide relief for people renting buildings or facilities to the federal Government. I am thinking in particular of the post office building at Richards Landing, Ontario. The owner, who was previously the postmaster but is retired now, and served in the Canadian forces in his earlier years, rents the building to Canada Post. He signed an agreement, I believe, in 1977 for a period of five years, to 1983. He was then forced to renew for another five years at the rate of rent which existed during the previous five-year period. The building has 720 square feet and was rented for something like $160 a month, including light, heat, maintenance and caretaking. That figure is very unrealistic today and, of course, will be even more so by 1988.

A number of representations have been made over the year. The Department tells him that it does not have the option to simply cancel the existing lease. I would hope that this legislation will give the Minister power to cancel an unfair, unjust and unjustifiable lease agreement. In this case, the amount of rent is very low. The individual owner is not in good health. He wants to sell and dispose of the building but is locked in for a five-year period with an unrealistic lease. No one would want to buy the property because they know they are not going to get a fair return on the investment.

I would be interested to know if the Parliamentary Secretary can tell us if this Bill, which gives certain powers to the Minister, will also allow him to change this lease, which is obviously unfair and unjustified? If so, will the Parliamentary Secretary undertake to request that the Minister allow this lease to be cancelled so that this individual, who retired several years ago and wants to get out of the lease, can do so? Surely it is not the design of the Government of Canada to lock a senior citizen into an unfair and unrealistic agreement such as is imposed by the existing arrangement.

Mr. Stewart: I thank the Hon. Member for his concern, Mr. Chairman. I suppose it would be the normal procedure for a five-year option to go to Treasury Board. I have no knowledge of the case in point. I will take his question as notice to the Minister and get him a reply.

Mr. Hovdebo: Mr. Chairman, I have a specific question on the meaning of Clause 1. It states:

> The Minister may, with the approval of the Governor in Council, incur expenditures or perform, or have performed, services or work in relation to
>
> (a) properties belonging to Canada . . .
>
> (b) properties not belonging to Canada.

Does this provision authorize the Department or the Minister to undertake limited housekeeping changes, such as maintenance? Does it allow long-range or far-reaching undertakings or is it only short-term changes?

Mr. Stewart: Mr. Chairman, in reply to the Hon. Member I will say yes, it does. I believe an example where this authority is implemented is where work is required on municipally-owned land and when the federal Government has agreed to participate in a project in order to further widen social and

economic objectives. A specific case in point which I mentioned earlier was the Saint John Market Square where the federal Government built a seawall on municipal land. This was in order to allow multiple use for housing. That is the type of thing which Clause 1 covers.

Mr. Hovdebo: Is that for one-time transactions or long-term transactions, or could it be used for both?

Mr. Stewart: Clause 1 can and does apply to Canada Post, for instance.

Mr. Hovdebo: Would it be possible for this provision under paragraph (b) to be used for work on private property with a no strings attached sort of approach? In other words, can it be used for expenditures on private property which is leased by the Government with no strings attached so that if the lease runs out or the property is returned, there is no recompense to the Government?

Mr. Stewart: Mr. Chairman, I believe not. I think that these specific instances mentioned by the Hon. Member would be covered under criminal law, et cetera.

Mr. Hovdebo: No, I speak specifically of property which is leased by private individuals or companies to the Government. It says that the Minister has the right to do housekeeping work or exercise far-reaching undertakings which would change the status of that particular property. Will there be strings attached to those changes if they are done on private property? Or will that property just return to the private owner at the end of the lease period without any recompense to the Government, if a large amount of money has been expended?

• (1250)

Mr. Stewart: Mr. Chairman, it would, of course, depend on what was written in the contract. In the normal course of events the improvements would stay with the community or person involved.

Mr. Hovdebo: That is exactly what we and the Auditor General have been talking about. Under those circumstances it is quite possible to sweeten the deal during the time of the lease and in that way provide a certain amount of patronage to an individual or corporation. Will the Government give us some indication that these kinds of expenditures by the Minister of Public Works will provide for some recompense if at the end of a lease period the property is returned at double its value to the individual or corporation concerned?

Mr. Stewart: Mr. Chairman, in my experience most of these things normally come under the term "leasehold improvements". We cannot act like the private sector, as the Hon. Member is aware, but we can write very indelibly into any contract the necessary measures to protect the public.

Mr. Hovdebo: Let us take a particular situation. If the Department decided it wanted to change some property and required the permission of the owner, what would be done? Subclause (3) requires that no services or work may be performed in relation to property not belonging to Canada without the consent of the owner. That is perfectly acceptable. What would be the Minister's position if the owner said that he could not accept this particular change to his property even if we had a 20-year lease? Would the Minister have any alternatives in that kind of situation?

Mr. Stewart: Mr. Chairman, it would depend on the terms of the contract. This clause says very clearly that nothing can be done without the consent of the owner. You cannot run a road through someone's property if they do not want it there. In the case of the seawall, if the community had not wanted it there to help bring forward affordable housing, then of course they would have said no. But it was to their advantage to say yes. As I said, it would depend on the terms of the contract. We are not trying to railroad anything through in this Bill, by any means. That is why this clause is there.

Mr. Hovdebo: In most cases the changes are being carried out on behalf of another department, so where will the funds come from? Will they come from Public Works' budget or the budget of another department?

Mr. Stewart: Well, it depends, Mr. Chairman, on the circumstances. Canada Post, for argument's sake, would pay the Department. So it depends on the circumstances.

Mr. Hovdebo: There is a lot of similarity between this and Section 5 of the Public Works Act. Why does this particular section need to be changed? What is the difference between this particular section and the powers under Section 35 of the Act?

Mr. Stewart: Mr. Chairman, as far as I can gather here it covers a transfer of property from the Minister of Transport to Public Works or from Canada Post to Public Works.

Mr. Hovdebo: Does that mean that the Minister of Public Works, through this particular change in the Act, is taking on a great deal of responsibility which other Ministers had for their buildings? What is really the relationship between this clause and Section 35?

Mr. Stewart: I think it is a reciprocal agreement between departments where they want the department to take on the management of the property in question, as in the case with the post office.

Mr. Langdon: Mr. Chairman, the Parliamentary Secretary has indicated that we should be more concerned to ask questions about potential waste associated with this Government rather than the previous Government. Will the Parliamentary Secretary undertake either to report back or have the Minister report back to the House on the complications which might have arisen and the consequent increases in costs associated with the freeze imposed on a vast number of Public Works projects in the aftermath of the new Government taking power?

Mr. Stewart: Yes, Mr. Chairman.

Mr. Langdon: If I could simply expand briefly on that point, there have certainly been cases in our constituencies of projects which have incurred significant costs in the period leading up to the election and, indeed, after the election which, because of the decision to freeze the projects for a period of time, are now in a kind of catch-22 situation. Because of the cut-backs for next year there is no possibility of these projects being run through-on to next year's budget. We do not have enough time left in this particular fiscal year to complete those projects. In at least one case of which I am aware this is more than a possibility, it is a very strong probability. Projects which have incurred significant start-up costs will now be suspended for a period of up to three years because of budgetary constraints. Had they been carried forward according to the original schedule there would be no problem with completing them this fiscal year and the start-up costs incurred would not be wasted. I am deeply concerned that the start-up costs in a number of these projects will, indeed, end up wasted.

The Chairman: Order. It being one o'clock, shall I rise, report progress and request leave to sit again later this day?

Some Hon. Members: Agreed.

Progress reported.

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS PURSUANT TO S.O. 21

[*English*]

THE CENSUS

OBJECTION TO 1986 CANCELLATION

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, since 1955 Canada has conducted mid-decade censuses. The censuses provide important data to all sectors of government and business. This information is used to assess population movements which affect transfer payments, to assess labour market trends, income distribution, living conditions, and many other things.

The information from censuses helps businesses make marketing decisions. The officials of the Minister of Supply and Services admitted that various organizations have protested the cancellation of the 1986 census, but they would not name the associations. One of those joining the list of those protesting the cancellation of the 1986 census is the Canadian Home Builders Association. The Association has 5,000 members, and their objections to the cancellation of the 1986 census are representative of the protests of many others.

As one of their research people is quoted as saying in the Ottawa *Citizen:*

> The cancellation of the 1986 census means the loss of an essential benchmark on housing data. This benchmark now will not be available until 1992.

The article continues:

> The cut to the census which provides free data to everyone, means that only large housing companies will be able to get the necessary information because they have enough money to hire market research firms.

Statistics Canada officials confirmed that businesses request special compilations of census data. The Government is ignoring their needs.

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

* * *

CANADA PENSION PLAN

CONTRIBUTIONS AND BENEFIT LEVELS

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, in the report of the chief actuary of the Department of Insurance tabled in the House of Commons this year attention is focused on the serious underfunding of the Canada Pension Plan. If contribution rates are not increased, costs of benefits and expenses will exceed contributions next year. The CPP account would grow until 1994 and then would start to decline. The account would be exhausted by the year 2004, which is just 20 years hence.

Benefit levels and contribution rates cannot be altered under existing legislation without provincial agreement. Therefore I would urge both the Minister of National Health and Welfare (Mr. Epp) and his provincial counterparts to take urgent action to preserve the integrity of the Canada Pension Plan. If changes are not made now, there will be no funds left in 20 years with which to pay pensions to those Canadians who are now, by law, obliged to contribute hard-earned cash into the scheme.

* * *

PETRO-CANADA

ACQUISITION OF PETROFINA—ALLEGATION CONCERNING PROFITS

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, on February 25, 1981, I called in the House for a special federal inquiry into the share transactions on the Petro-Canada-Petrofina deal. I was prompted to do so by an *Insiders Report* filed with the Ontario Securities Commission in 1981 which showed that four officers of Petrofina had, through the sale of stock options and shares in the short period leading up to the take-over, made excessive profits in excess of $400,000. In March of 1981 I raised the matter again in the House, calling

it "Lotofina". I suggested that the matter be referred to the National Resources and Public Works Committee for investigation. I raised the matter again in June of 1981. In June of 1982 I put 13 questions on the Order Paper. One of the questions asked about the share options of one Pierre Nadeau.

It is time we got to the bottom of this matter and found out what really happened in that deal. In light of the fact that 91 employees are alleged to have made $10.3 million in profits, and that Mr. Nadeau himself made $1 million, I suggest that the Department of Consumer and Corporate Affairs look into the trading of Petrofina's shares on the New York, Tokyo, and London stock exchanges at the time of the sale. Second, I suggest that Maurice Strong and Pierre Nadeau appear before the National Resources Committee. Finally, I suggest that we should think of establishing, in Canada, a National Securities Exchange Commission such as exists in the United States through which we could look into these matters and get to the bottom of the deal.

Mr. Speaker: The Hon. Member's time has expired. The Hon. Member for Nunatsiaq.

* * *

ABORIGINAL RIGHTS

LAND CLAIMS—EXCLUSION OF REFERENCE TO OFFSHORE RIGHTS

Mr. Thomas Suluk (Nunatsiaq): Mr. Speaker, the Inuit have used and occupied the lands and waters of the Arctic for generations. Because of this they are negotiating a comprehensive aboriginal rights settlement with the federal Government. This process of negotiation, also referred to as land claims, is designed to define the rights, ownership of lands, and cash compensation for lands for which title has been relinquished. The focus on the possession of land and other terrestrially based rights neglects an important part of the claim that involves the offshore.

The most recent federal policy statement on land claims, in all fairness, makes no reference to aboriginal rights in the offshore. In light of Inuit dependence on the offshore, and the fact that our rights have yet to be defined, I find the exclusion of any reference to the offshore to be somewhat disturbing. Most of my constituents are heavily dependent upon the sea. In fact all communities, with the exception of one, are located on the coast. I would like to see a clear recognition of this need as government policy.

In the past Inuit have been used to affirm Canada's sovereignty. Inuit were cited as the reason for forming the Arctic Islands Game Preserve, and were relocated from northern Quebec to the islands north of the Northwest Passage to reaffirm sovereignty in the 1950s. Inuit welfare was cited in the preamble to the Arctic Waters Pollution Prevention Act as one of the reasons for the passage of the Act.

I would therefore like recognition from the Government that Inuit aboriginal rights claims to the offshore will be recognized—

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

* * *

[*Translation*]

SOCIAL SECURITY

WORRY, UNCERTAINTY AND INSECURITY FELT BY SUPERANNUATES

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, on November 8 of this year, the Government made a commitment to create an economic climate that would be favourable for investment and economic development. Since then, the Government has succeeded in creating another kind of climate, a climate of anxiety, uncertainty and insecurity, especially among pensioners who are drawing old age security pensions.

Within the last few days, the question that cropped up most frequently among most of my constituents was the following: Are they going to cut our pensions? Mr. Speaker, how are we supposed to answer this question and reassure these people, when the Minister of Finance (Mr. Wilson) says that "at least in his mind", the universality of family allowances and old age security pensions is a thing of the past? Mr. Speaker, what do you think Christmas is going to be like for these people, a season that should be full of joy and peace? If this Government has any heart, it should take steps to correct this situation and give all Canadian pensioners the same feeling of security they had before. Wishing them happiness is not enough. We must have positive statements on old age security pensions and the assurance that these will not be cut.

* * *

[*English*]

RAILWAYS

PRINCE ALBERT DECLARATION—RETENTION OF SASKATCHEWAN LINE

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, on July 4 and 5, 1984, the P.C. Party met at Prince Albert. The results were announced by our Leader in a statement that has become known as the "Prince Albert Declaration". That document embodies the emancipation of western Canada after years of shameful Liberal neglect.

At Prince Albert we said that no rail branch-line would be tampered with until the legislative review of the Western Grain Transportation Act was completed in 1985-86 and all other options and innovations for continued branch-line use had been explored. In 1980 the Canadian Transport Commission ruled that portions of the Shamrock and Gravelbourg sub-divisions in my constituency of Swift Current-Maple

Creek should form part of the basic rail network. The previous Government assured the producers of the Hallonquist and McMahon areas that the necessary Order in Council would be passed to enact that decision. These same Liberals, who now pretend to criticize the Government, did not pass that Order in Council. The previous Minister of Transport said he would, but he did not, thus causing the producers years of anxiety.

I am pleased to announced that the Government, which has a Minister of Transport (Mr. Mazankowski) who understands the West, has now passed the Order in Council. The rail line from Hodgeville to Tyson to Hak will be guaranteed to the year 2000. Mr. Speaker, that is another P.C. promise kept. The historic words of Prince Albert ring true. The loyalty and trust that western Canadians have placed in our hands will continue to be honoured.

Some Hon. Members: Hear, hear!

* * *

HAZARDOUS SUBSTANCES

INSECTICIDE POISONING—EFFECTS ON FARMERS

Mr. Vic Althouse (Humboldt-Lake Centre): Mr. Speaker, the events at Bhopal have focused world attention on the agony of death from pesticide poisoning as more than 2,000 people died horrible deaths. I want to raise the consciousness of the House to the everyday pesticide poisonings that occur amongst the world's farmers. Six thousand farmers, more than three times as many as died at Bhopal, are killed by pesticides every year.

In addition, more than 500,000 farmers are poisoned by pesticides each year. Some recover; some are harmed permanently. These poisonings occur in the developed countries as well, but the majority occur in the underdeveloped countries. The chemical industry says that the reason is illiteracy, but it is also due to a reduction in legislative requirements restricting usage in those countries. Chemicals not permitted here because testing has shown them to be unsafe to the users are used in less developed countries.

In addition to reduced regulation, newly industrialized countries like Mexico, Brazil, and India have tough import taxes to stimulate the growth of domestic chemical industries. They are, to use a familiar phrase, open for business. I urge the House to take action on the clear need for adequate testing, and the inception of a policy to monitor the cumulative effects upon humans who must handle farm pesticides in the fields in our country so that eventually we will know the effects on users and avoid this continued needless waste of farmers' lives.

• (1410)

Mr. Speaker: The Hon. Member's time has expired.

S.O. 21

CAPITAL PUNISHMENT

CALL FOR RESTORATION

Mr. Gus Mitges (Grey Simcoe): Mr. Speaker, most races from the most ancient times to the present have prohibited murder and severely punished offenders.

First degree murder by definition means "the unlawful killing of one or more human beings, by another or others with malice aforethought".

One can easily realize that in this age of violent weaponry, murder is made all too easy.

One cannot exist in a society where one's self or one's family and friends are at the mercy of those who go about casually taking lives.

The stupid, the evil, and yes, some who are insane, seek to solve their real or imagined problems with murder. And they have also been known to commit murder for no reason at all.

Murder, Mr. Speaker, bears the highest priority for any nation in social prevention and retaliation.

There are crimes committed against others which cannot be waived or forgotten. Murder is such a crime.

Therefore it is my hope that the people of Canada will soon be given the satisfaction for which they have been clamoring since capital punishment was abolished in 1976, the satisfaction of a free vote, and I emphasize a free vote, which was not certainly the case in 1976, on capital punishment, the outcome of which, I believe, would satisfy the majority of the people of Canada.

* * *

CANADIAN BROADCASTING CORPORATION

ANNOUNCED CLOSURE OF GANDER RADIO STATION—DEMAND FOR REVERSAL

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I want to bring to the attention of the House, and to the attention of the Minister of Communications (Mr. Masse), who is in the House right now, that the CBC, in closing down and announcing the closure of radio station CBG in Gander, is violating the terms of union between the Province of Newfoundland and the Government of Canada. Term 31 reads:

> At the date of Union, or as soon thereafter as practicable, Canada will take over the following services—

Sub-clause (k) reads:

> The public radio broadcasting system—

CBG was operative at that time. Later on in Term 33 we read "radio stations" at the time of union. In sub-clause (i) it reads:

> —real and personal property of the Broadcasting Corporation of Newfoundland—

I am asking the Minister of Communications to intervene and use his power under the Broadcasting Act to reverse the decision taken by the CBC simply because, Mr. Speaker, it

violates the terms of union between a province and the federal Government.

Let me also remind the Minister of Transport (Mr. Mazankowski) that in increasing the rates across the Gulf they cannot be increased beyond the rates charged by rail because of Term 32 in the terms of union between Newfoundland and the Government of Canada.

I wish that some of these cabinet Ministers would really check into the terms of union that certain provinces have with the federal Government and not make such bad mistakes as they are making now.

* * *

AGRICULTURE

ELIMINATION OF LEAD IN GASOLINE—COST TO FARMERS

Mr. Gordon Taylor (Bow River): Mr. Speaker; the trend towards the complete elimination of lead in gasoline is another example of how our society is becoming more and more urban-oriented to the disadvantage of rural Canada.

On December 31, 1983, the then Liberal Environment Minister announced his decision to proceed with a reduction in the lead content in leaded gasoline from its existing level of 0.77 gram per litre to a standard of 0.29 gram per litre by January 1, 1987. I recognize that there are advantages such as to health and pollution control with unleaded gasoline, but there are also some disadvantages. For example, it costs, according to Environment Canada, 0.3 cents more per litre to produce unleaded gas, and also about 160 jobs in the Canadian lead additive manufacturing industry will be lost. And a gigantic disadvantage will be the cost to our farmers.

Millions of dollars have been spent on farm machinery that requires leaded gas. Will the farmers have to write off this tremendous cost? Who will pay for the new machinery? The enormous burden this will place on our farmers seems to be ignored.

Agriculture can only stand so much, and if we keep adding costs to the production of food we will eliminate, through the back door, our family farms.

ORAL QUESTION PERIOD

[*English*]

SOCIAL SECURITY

UPPER AND MIDDLE-INCOME SOCIAL PROGRAMS

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, fundamental to the operations of Parliament is the accepted and understood principle that the Prime Minister and his Cabinet not only speak the truth but do so with one voice. You cannot have the Prime Minister saying one thing, his Finance Minister something else, and now his Health Minister something else again.

Mr. Hnatyshyn: You were the experts when in government.

Mr. Frith: My question, Mr. Speaker, is for the Minister of Finance. You were quoted as having said that upper and middle-income social programs cannot be afforded today, yet that position was repudiated in Question Period on Friday by your own Prime Minister.

Does the Finance Minister stand by his statement and, if so, who is telling the truth?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I made a statement in an interview, which was in the context of the things that were said in the agenda paper that was issued on November 8, as well as—

Ms. Copps: It was on tape.

Mr. Wilson: —in the context of my statement on that same night. There is no question that the background has been clearly established there.

What I was saying, and what the Prime Minister was saying when we were in the House on Friday, is that we are committed to a full consultation on the programs that were under discussion on Friday, a full consultation with Canadians to see whether those programs could be better directed so that the needy in our communities would receive a greater degree of benefit and that, through the tax system, we could redirect some of those moneys—

Ms. Copps: Some?

Mr. Wilson: —that now are being gained by upper income Canadians and put that in the hands of those who need it the most. That is the principle we are following and that is the principle to which we are committed.

MINISTER'S POSITION

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, is the Finance Minister now saying, with respect to that same interview, in which he said that his mind was already made up on what he wanted to do with family allowances, is your mind made up—

Some Hon. Members: Order.

Mr. Frith: —on the position that your Prime Minister has stated to this House, or is it made up about your position in the interview—

Some Hon. Members: Order.

Mr. Frith: —or is it now going to be made up on the basis, Mr. Speaker, of the position taken by the Health Minister?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the Hon. Member is misquoting what I said in that interview. I

never said my mind was made up. The mind of this Government is not made up. We have embarked on a full consultative process that I hope the Hon. Member will be a part of in a positive, open, and productive way.

Mr. Gauthier: Did you tape it?

Mr. Wilson: We are saying that it is important that we receive the views of Canadians as to how we go about the principle that I established, that I set out in my first answer, that of taking some of the moneys now being received as a net benefit and, working through the tax system, redirecting it to those who need it the most.

Ms. Copps: Some?

Mr. Wilson: I ask the Hon. Member to approach this matter in a more positive, open, and productive way than has been the case to date.

REPORTS OF MINISTER'S STATEMENTS

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, when questioned on Friday, the Prime Minister indicated that he felt his Finance Minister's statements had been distorted by the press. My question is for the Finance Minister. Is he suggesting himself that Canadian Press distorted his statements that he made on record?

Hon. Michael Wilson (Minister of Finance): I will say this, Mr. Speaker, that there were statements attributed to me in that interview that were distorted, distorted by himself and distorted by Members of the New Democratic Party in the way that the questions were posed on Friday. I watched the total tape of Friday's Question Period. That's where the distortions occurred, and that's where the Prime Minister was referring to the distortion.

Mr. Blackburn (Brant): Is it accurate or not accurate?

Mr. Wilson: What I have said today is very, very clear. I hope the Hon. Member will think back to what he said during the election period when he was a Minister of the Crown, when he was saying exactly the same thing, that the Government then was in favour of redirecting some of those savings from the upper income brackets to those in lower income brackets, through the tax system.

INCOME LEVEL—REPORTED CUT-OFF POINT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, the only thing that is distorted in this House is the position of the three Ministers on the government side of the House.

Some Hon. Members: Oh, oh!

Ms. Copps: My question is for the Prime Minister.

• (1420)

[*Translation*]

Mr. Speaker, does the Right Hon. Prime Minister agree with his Minister of National Health and Welfare who said last Friday that an annual income of $26,000 is being considered as the cut-off point for universal benefits? Does he agree with a Conservative policy that would sacrifice more than half of the Canadian population?

Right Hon. Brian Mulroney (Prime Minister): First of all, I wish to welcome the Hon. Member after her extraordinary performance in the Ontario by-elections.

The Hon. Member is clearly, though perhaps inadvertently, twisting the Minister's words. What we are trying to do with some measure of success and after consultation, I hope, is to find a formula for allocating more money to the neediest in our society—those who really need help.

It seems to me that this is an honest issue that deserves to be considered in a sensible manner.

[*English*]

GOVERNMENT POLICY

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I would like to direct my question to the Prime Minister, the Johnny Carson of the Canadian House. Two-thirds of Canadians—

Some Hon. Members: Oh, oh!

Ms. Copps: Mr. Speaker, the Prime Minister is—

Mr. Dick: Back to Queen's Park.

Ms. Copps: At Queen's Park the Government took its responsibilities at least as seriously, if not more seriously, than you are doing in this case.

My question is directed to the Prime Minister. Two-thirds of Canadians today fear losing their jobs. Now he and his Government are saying that they are considering cutting off family allowances and old age pensions to more than 50 per cent of working Canadians. Is this the Conservative Christmas present to Canadians?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, may I say, with respect, to my hon. friend, that I am somewhat mystified as to why a comment like that would be made when in point of fact it bears no resemblance to anything said by a Minister of the Crown or to any intentions of the Government. All we are trying to do is to share declining resources, modest resources, with those in our society who need it most—the disadvantaged, the widows, those people who need assistance. We are trying to be helpful to them, and we hope that you would help us rather than criticize.

Some Hon. Members: Hear, hear!

Oral Questions

STATEMENT ATTRIBUTED TO MINISTER—PRIME MINISTER'S REPLY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. It concerns the question of distortion. The Minister of Finance said a minute ago that there was distortion on this side of the House on Friday. I say to him that the only side of the House on which there was distortion on Friday was from the government benches, including the Prime Minister himself.

My question, specifically for the Prime Minister, concerns a reply which he gave to the Hon. Member for Essex-Windsor in the House. It was a question about what the Minister of Finance said outside. The Minister of Finance said outside the House that "upper and middle-income social programs cannot be afforded today". I was in Toronto. I heard it on the radio. I subsequently checked three newspapers. All attributed these precise words to the Minister of Finance.

Considering that the Prime Minister said in the House, and I quote, "the Finance Minister never said that", will he now take the occasion to withdraw his comments?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it is unfortunate that my hon. friend was not here on Friday because, had he been here, he would have gotten the flavour of the entire exchange which dealt with a very serious question of context. For example, in the discussion paper set forward by the Minister of Finance on November 8—and I think in fairness my hon. friend would agree that it bears upon the subject matter—it states:

> The Government agrees that a frank and open discussion is timely, and that there is considerable scope for improving and redesigning social programs based on the twin tests of social and fiscal responsibility. *Social responsibility* dictates that wherever possible, and to a greater extent than is the case today, scarce resources should be diverted first to those in greatest need.

Mr. Broadbent: What does that have to do with the question?

Mr. Mulroney: That is the fundamental point which was set out by the Minister of Finance on November 8. It bears importantly on the context within which the exchange took place on Friday. This Government has been thoroughly consistent from November 8 to today in defending those who need help in our society.

REQUEST FOR WITHDRAWAL

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Prime Minister took another minute and a half to say nothing. He once again gave us his puff 'n stuff routine. He didn't deal with the question. I am going to ask him once again, since what is involved here is a very important matter of trust, since all kinds of reporters, Members of Parliament, as well as a majority, or a good number of Canadians, heard the Minister of Finance say what he said, once again will the Prime Minister take the occasion now to correct the record and withdraw the words that he uttered last Friday in the House when he said, "the Finance Minister never said that"?

Some Hon. Members: Withdraw.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, why would I withdraw something that is completely true? I was indicating, in the absence of my hon. friend, that the context was very important. For example, on *Question Period*, the television program, Mr. McDermott of the CLC said on December 9 that they can get at these people and I think everyone will agree they don't need it. He said Trudeau doesn't need the baby bonus for his children—get at people like that through the tax system, and get it back from them that way without tinkering with the universal aspect of it. That is exactly what we are trying to do. If we got help and mature debate from my hon. friends, we could make progress in this area. The people of Canada understand what we are trying to do, and I am surprised at my hon. friend's persistent refusal.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order, please.

Mr. Broadbent: Mr. Speaker, the Prime Minister has seen nothing yet. You just start tampering with those social programs and you'll see a political fight like you've never seen before in this country.

Some Hon. Members: Hear, hear!

Mr. Broadbent: Since the Prime Minister had the occasion to withdraw his comments, and since what is at stake is both the integrity of our social programs and the trust of the Prime Minister, I say with care he has deliberately misled the House.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Some Hon. Members: Withdraw.

Mr. Speaker: Order. The Hon. Member for Oshawa knows that I must ask him to withdraw that comment.

Mr. Hnatyshyn: Do you have any respect for this institution?

Mr. Broadbent: I have a lot of respect for this institution. I have never, especially with the Prime Minister, said what I just did. The Prime Minister had two occasions to correct the record. I am interested in truth. I wish he were.

Some Hon. Members: Order.

Mr. Gauthier: He really wants you to name him, Mr. Speaker.

Mr. Hnatyshyn: No respect for Parliament.

Mr. Speaker: Order, please. We are now into a parliamentary matter. I ask the Hon. Member one more time to take the occasion, if he would, please, to withdraw the comment he has just made.

Mr. Broadbent: No.

Mr. Speaker: I believe the Hon. Member knows full well that I am left no choice but to name the Member. For the sake of Hon. Members, what I must do now is name the Hon. Member for Oshawa for disregarding a direct request from the Chair. He is, therefore, in a position of disrespect of the Chair itself.

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, it is with great regret, because of the respect we hold for this institution, that I am obliged to move the following motion—

Mr. Blackburn (Brant): How about the three weeks you walked out?

Mr. Hnatyshyn: I move, seconded by the Hon. Deputy Prime Minister:

That the Hon. Member for Oshawa be—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order. I cannot hear the motion of the Hon. Government House Leader because of the noise in the House. We are now in a very deep parliamentary matter. Could I please have quiet? I have named the Hon. Member for Oshawa.

Mr. Blackburn (Brant): You guys walked out for three weeks. That is some respect for Parliament.

Mr. Hnatyshyn: Mr. Speaker, should I repeat the motion?

Mr. Speaker: Yes. The Chair did not hear the Hon. Member.

Mr. Hnatyshyn: I move, seconded by the Deputy Prime Minister:

That the Hon. Member for Oshawa be removed from this Chamber for the balance of this day.

● (1430)

Mr. Speaker: This motion is not debatable and cannot be amended. The House has heard the motion. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

Mr. Speaker: All those opposed will please say nay.

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Speaker: Call in the Members.

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

(*Division No. 7*)

YEAS

Messrs.

Andre
Attewell
Beatty
Belsher
Bertrand (Mrs.)
Blais
Blenkarn
Blouin (Mrs.)
Bouchard
Bourgault (Mrs.)
Boyer
Browes (Mrs.)
Champagne (Champlain)
Charest
Chartrand
Clifford
Coates
Comeau
Côté (Langelier)
Crofton
Danis
Darling
Daubney
Desjardins
Dick
Domm
Dorin
Duguay
Elzinga
Epp (Provencher)
Fennell
Ferland
Forrestall
Fraleigh
Fraser
Gagnon
Gass
Gervais
Gormley
Gottselig
Graham
Gravel
Greenaway
Gurbin
Gustafson
Halliday
Hamilton
Hees
Hicks
Hnatyshyn
Holtmann
Horner
Howie
Jardine
Jelinek
Johnson (Bonavista-Trinity-Conception)
Kelleher
Kempling
King
Landry (Mrs.)
Lanthier
Layton
Lesick
Lewis
MacDonald (Miss) (Kingston and the Islands)
MacKay
Mailly (Mrs.)
Marin
Masse
Mayer
Mazankowski
McCain
McCrossan
McDougall (Mrs.) (St. Paul's)
McGrath
McInnes
McKenzie
McKnight
Minaker
Mitges
Mulroney
Murta
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
Oberle
Paproski
Peterson
Plourde
Porter
Price
Redway
St. Germain
St-Julien
Schellenberger (Wetaskiwin)
Scott (Hamilton-Wentworth)
Sparrow (Mrs.)
Speyer
Stevens
Stewart
Suluk
Tardif (Mrs.) (Charlesbourg)
Taylor
Thacker
Toupin
Towers
Tremblay (Lotbinière)
Tupper
Turner (Ottawa-Carleton)
Valcourt
Vankoughnet
Vincent
Wenman
Wilson (Swift Current-Maple Creek)
Wilson (Etobicoke Centre)
Winegard
Wise
Witer—119.

NAYS

Messrs.

Althouse
Axworthy
Baker
Benjamin
Blackburn (Brant)
Boudria
Caccia
Cassidy
Chrétien
Copps (Ms.)
Deans
de Corneille
Foster
Frith
Fulton
Gagliano
Garneau
Gauthier
Gray (Windsor West)
Guilbault (Saint-Jacques)
Hopkins
Hovdebo
Isabelle
Jewett (Ms.)
Kaplan
Keeper
Langdon
Lapierre
MacLellan
Marchi
McCurdy
Mitchell (Ms.)
Nicholson (Miss) (Trinity)
Nunziata
Ouellet
Parry
Prud'homme
Robichaud
Rossi
Skelly
Waddell
Young—42.

Mr. Speaker: I declare the motion carried. I must direct the Hon. Member for Oshawa to withdraw in compliance with the order which the House has just made.

And Mr. Broadbent having withdrawn:

● (1510)

POINT OF ORDER

REMARKS OF MR. MULRONEY UNPARLIAMENTARY

Mr. Speaker: Order, please. I have received notice of a question of privilege from the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy). I must advise him that I must take it, given the substance, as a point of order, but we will take it now.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, as you say, I had notified you about a statement that was reported in *Hansard* on Friday, at page 1238. In this ongoing parliamentary examination as to where the truth lies, I suggest that the statement made on Friday by the Prime Minister (Mr. Mulroney), suggesting that I had wilfully distorted the comments of the Minister of Finance (Mr. Wilson), were a matter of privilege. I have now received a communication from the Prime Minister saying he will withdraw the matter. Therefore, my question of privilege would be ended at that point in time if the Prime Minister would in fact take that action.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend conveyed to me this morning his intention to raise as being unparliamentary the words that I used on Friday, which were, I believe, "wilfully distorted". I was advised that indeed that phrase is unparliamentary and earlier today, at 12.30 or one o'clock when I found out about it, I immediately wrote to my hon. friend conveying my apologies for the use of that phrase and indicating my intention to apologize to the House.

I believe that the magnificence of Parliament can function only when the Speaker's rulings are sustained and when Members display appropriate humility and understanding. So without hesitation I convey an apology to my hon. friend and I withdraw that phrase.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: That is respect for Parliament.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

TOUGHER PENALTIES FOR CRIMINALS

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, I have a petition from several thousand people calling for the automatic early release program to be withdrawn, for tougher bail and parole laws to be enforced, for tougher penalties for violent crime, especially rapists, child molesters and murderers to be enforced, and for life sentences to be in fact life sentences.

DEREGULATION OF TELEPHONE SERVICE

Mr. Stan J. Hovdebo (Prince Albert): Mr. Speaker, I am privileged to present a petition to this House on behalf of approximately 100 constituents from the Prince Albert area who ask that the Parliament of Canada reject any proposal to deregulate Canada's telephone service. These Canadians are satisfied with the current telephone service and feel that deregulation would result in poorer and costlier service. Therefore, the undersigned call upon this House to stop deregulation of telephone service.

CANADIAN WILDLIFE SERVICE

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I have the honour and duty to present two petitions from groups of residents of the town of Sackville who deplore the cuts in the Canadian Wildlife Service. These cuts mean the total curtailment of research activities on the effect of budworm spray and the toxicology program that monitors the build-up of toxics in the ecosystem. They humbly call upon Parliament to reinstate the programs of the Canadian Wildlife Service.

PROTECTION OF THE UNBORN

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, I rise to present a petition signed by constituents in the Barwick, Emo and Fort Frances areas of my riding requesting that the Criminal Code be amended so that unborn human beings are afforded legal protection.

ASSISTANCE FOR WOODSTOCK, ONT., FIRM

Mr. Bruce Halliday (Oxford): Mr. Speaker, I have a petition signed by 3,784 residents of the City of Woodstock and environs who are dismayed at the possible loss of the King Truck Engineering Canada Limited firm in Woodstock due to financial difficulties. They hope that when a suitable financial package is put together the federal and provincial Governments will come to their assistance if appropriate.

* * *

PRIVATE MEMBERS' PUBLIC BILLS

On the Order: Introduction of Bills

December 7, 1984—Mr. Dick—Bill intituled: "An Act to amend the House of Commons Act and the Canada Elections Act (by-elections)".

December 7, 1984—Mr. Dick—Bill intituled: "An Act to amend the Canada Elections Act (partisan poll officers)".

December 7, 1984—Mr. Dick—Bill intituled: "An Act to amend the Interest Act".

December 7, 1984—Mr. Dick—Bill intituled: "An Act to amend the Criminal Code (reporting names of accused)".

Mr. Paul Dick (Lanark-Renfrew-Carleton): Mr. Speaker, I would like to withdraw all the Bills that are listed in my name.

Mr. Speaker: Technically that takes the consent of the House so I will assume that the House agrees with the Hon. Member for Lanark-Renfrew-Carleton (Mr. Dick).

Some Hon. Members: Agreed.

Orders discharged and Bills withdrawn.

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, the following questions will be allowed answered today: Nos. 11, 23 and 41.

[*Text*]

CONTRACTS RE GRAVEL BULLDOZERS

Question No. 11—**Mr. Howie:**

1. In the fiscal year ending March 31 (a) 1981 (b) 1982 (c) 1983, what were the names of persons or firms who supplied trucks for hauling gravel at CFB Gagetown, New Brunswick, and what amount was paid?

2. For each fiscal year, what were the names of persons or firms who supplied bulldozers and/or front end loaders for this purpose and what amount was paid?

3. In each case, were tenders called and did tender specifications indicate a required volume capacity for the trucks?

4. Were payments made for the time on the job or for the volume of material conveyed and what was the reason for the method of payment?

Hon. Robert C. Coates (Minister of National Defence):

	Supplier	Local Hire	Supply & Services Contract
1.	(a) D. R. Noble	50,492	171,118
	J. D. Cogswell	—	15,648
	B. MacDonald	4,620	—
	D. & J. Enterprises	6,960	—
	G. Phillips	546	—
	(b) D. R. Noble	76,836	198,839
	C. T. Charters	107,172	17,280
	(c) C. T. Charters	—	173,259
2.	(a) Brick Hill Eqpt. Ltd.	6,715	—
	Ideal Electric Ltd.	301	—
	D. R. Noble	19,735	—
	G. Phillips	6,000	—
	D. & R. Sutherland	2,600	—
	Tractors & Eqpt. (1962) Ltd.	15,000	62,313
	(b) D. R. Noble	21,340	—
	Brick Hill Eqpt. Ltd.	16,200	—
	Ludford	1,735	—
	M. E. Phillips	15,000	—
	Tractor & Eqpt. (1962) Ltd.	—	70,437
	(c) C. T. Charters	2,400	3,746
	D. R. Noble	—	1,484
	Landall Ltd.	—	944
	Tractors & Eqpt. (1962) Ltd.	—	24,050

3. For all Supply and Services Canada (SSC) contracts/ Standing Offer Ageements with stated volume specification tenders were called. For local hire all dump truck rentals are obtained off SSC one time contract or standing offer. SSC does not advertise in newspaper but as it pertains to CFB Gagetown SSC requests bids from 23 companies in the Gagetown region. Those invited to bid are taken from a locally complied suppliers list. In order to be placed on such a list suppliers must apply in writing in accordance with SSC brochure "Selling to Supply and Services Canada". Furthermore it is confirmed that on one from NB has been refused listing.

4. The method of payment is usually on a time basis, i.e., per hour, per week or per month, etc. Dump truck hire is to replace NDN-owned vehicles undergoing maintenance or to meet peak workload periods. Primary usage is on small maintenance projects scattered over an 1100 square km area and often shifted from job site to job site on a daily basis. To charge the hire on a ton mile basis would require a large number of weight scales or the constant move of portable scales which would produce costly time delays. Gravel pits available for use on Base are small and widely scattered. For a single project, different types of gravel/sand could be required thus compounding scale problems. The pits are operated by DND personnel and equipment. If the operation is slow, the supplier is subject to a decrease in revenue if hired on a ton mile or volume mile basis. The only two instances where time hire rates were not used involved projects under the total operation of the supplier. One was on a project/lot basis for construction and the other was on a volume basis for stockpiling gravel.

DEPARTMENT OF NATIONAL DEFENCE LAWYERS

Question No. 23—**Mr. Howie:**

How many lawyers are employed by the Department of National Defence?

Hon. Robert C. Coates (Minister of National Defence): There are 64 legally qualified officers of the Canadian Armed Forces including the Judge Advocate General (JAG). In addition, there are three civilian lawyers of the Department of Justice who are currently seconded to the office of the JAG for such duties as he may assign.

CADET PROGRAM—GAGETOWN

Question No. 41—**Mr. Howie:**

Did any persons partcipate in Cadet programs at Canadian Forces Base Gagetown during the summer of 1984 and, if so, how many?

Hon. Robert C. Coates (Minister of National Defence): Yes. During summer 1984 a total of 1,052 cadets participated in the Summer Cadet Camp Argonaut at Canadian Forces Base Gagetown.

[*English*]

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

Mr. Speaker: The questions as enumerated by the Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

PUBLIC WORKS ACT
PUBLIC LANDS GRANTS ACT

MEASURE TO AMEND

The House resumed consideration in Committee of Bill C-13, an Act to amend the Public Works Act and the Public Lands Grants Act—Mr. Hnatyshyn (for Minister of Public Works)—Mr. Danis in the chair.

On Clause 1—*Other properties*

Mr. Hovdebo: Mr. Chairman, I have one more question on Clause 1 before we leave it. Earlier I asked the Parliamentary Secretary about where the money would come from, the budget of Public Works or of the Department. I also asked whether or not the Minister of Public Works would proceed with changes to property without the consent of the people who are operating or using the building.

● (1520)

I will ask the question by assuming a hypothetical situation. I am not sure whether this is correct, but I presume that if a building occupied by a post office were to be repaired in some way the post office would be charged for it. What if the post office decided it would not pay for it? Would Public Works proceed under those circumstances anyway? Would you proceed with the repair of a building over which you had jurisdiction but which you did not operate?

Mr. Stewart: Mr. Chairman, if the Hon. Member will look at the explanatory notes he will see that it says "management, charge or direction, and also, with the consent of the owner". It is very clear. With regard to the second part of the question, they do not operate anything that they do not have a contract with. There is a contract with the post office for any buildings that Public Works operates.

Mr. Hovdebo: It seems to me that the amendment could work out so that the Minister of Public Works could be required, in the case of saving a building which belonged to the Crown, to do repairs on it while the people operating the building would not give their consent to do so. What would you do in that case? Would you proceed with the repairs without consent?

Mr. Stewart: Mr. Chairman, the building belongs to the Crown. I do not understand the relevancy of the question. The building belongs to the Crown so the Crown would do what it has to do.

Mr. Hovdebo: But the repairs would be charged to each different department?

Mr. Stewart: Could be, yes.

Mr. Nickerson: Mr. Speaker, I would like to use this opportunity to ask a question of the Parliamentary Secretary. A number of very long-term leases have been entered into by the Department of Public Works with private lessors. Although the amount of rent that has been charged may have been a fair market value 15 years ago, it is now no longer a fair market value. In fact, in several circumstances with which I am familiar, the amount of rent paid by DPW does not even cover the local taxes. The owners of buildings are finding themselves in a very serious predicament. There is, I understand, authority for the Government to renegotiate leases of this type. The previous Government was certainly not prepared to do that. I do not know of one instance in which it did that. As a result, some of these buildings have been run down, especially residential buildings which have been leased to the Government. No maintenance has been done on them because there is no money coming in to the landlord. Could we be advised of the position of the new Government with respect to this problem? Will it be prepared to renegotiate leases even though there might not be a strict legal requirement for it to do so?

Mr. Stewart: Mr. Chairman, I thank my colleague for the question. Of course, the leases he is talking about are under contract to the Government. That can be changed by Treasury Board. I will have to take the question as notice and ask the Minister whether he will be taking such cases to Treasury Board for renegotiation.

The Chairman: Shall Clause 1 carry?

Some Hon. Members: Agreed.

Clause 1 agreed to.

On Clause 2—*Lease on other disposition of Public Works*

Mr. Hovdebo: Mr. Chairman, I would like to ask the Parliamentary Secretary why Clause 2 is in the Bill at all.

Mr. Stewart: Mr. Chairman, once again it is a simple housekeeping matter. As the explanatory note to Clause 2 says:

> This amendment would provide for the lease or other disposition of public works in which the Crown retains occupancy rights.

It is that simple.

Mr. Hovdebo: Does that mean that you did not have that authority before?

Mr. Stewart: In essence, yes.

Mr. Hovdebo: If that is the case, all of the lease-purchase agreements in the past have not been legal agreements.

Mr. Stewart: Mr. Chairman, no, that is not the case. It was an interpretation which used to come before the Speaker for clarification. This would mean that this will not have to happen in the future.

Mr. Hovdebo: If the process of lease-purchase was legal before, why are these clauses being put in there at all? If you have been doing it, you should have had that authority before.

All you are doing here is putting into the clause another legal requirement.

Mr. Stewart: Mr. Chairman, previously this was implied. It is now spelled out clearly and in detail without any doubt as to what is meant by the Act.

Mr. Hovdebo: If that is the case, Mr. Chairman, one would think that after the Auditor General's report and his comments about lease-purchase this kind of clause would be left out and the authority for lease-purchase would be taken away. The Auditor General states specifically that the cost of lease-purchase is considerably more than any other method of getting space and that the full cost of future funding requirements arising from acquisition of real properties through lease-purchase are not being disclosed to Parliament.

I think that in this case we are adding to something that the Auditor General thinks is bad and which the Department was not sure whether it had the authority to do but which it had been doing. Now we are making it legal for the Department to do it. At least, we are clearing away some of the smoke so that it can do it with that legality in the Act. That is my interpretation of your answer. It would seem to me that this is not the time to be giving further powers to the Department for lease-purchase considering the cloud that has been put over lease-purchase by the Auditor General's report.

Mr. Stewart: Mr. Chairman, we are speaking about a recommendation of the Auditor General. As I said this morning, the Minister has been touring Canada from coast to coast to get a handle on this Department which has been grossly neglected. For example, the Minister addressed 350 people in the Department of Public Works in Toronto who had not seen a Minister of Public Works in 10 years. That is the kind of negligence that went on in that Department. The Minister is travelling from coast to coast listening to the people in Public Works, the Auditor General and Treasury Board. I stated that this morning. I do not know how many times I must say it to get it through your head. When the Minister comes back and has had time to digest what he is attempting to do, he will be making recommendations to see that that Department works in the manner in which it should.

● (1530)

Mr. Keeper: Mr. Chairman, it would be helpful to see the Minister of Public Works in this House listening in this Chamber. Maybe that is an old fashioned notion, but it is one that should be respected.

I want to deal with the question of lease-purchase which is the essence of this clause. In connection with this, I would like to move an amendment to this clause and seek your guidance, Mr. Chairman, as to whether I should speak before or after I move the amendment.

The Chairman: Go ahead.

Mr. Keeper: I move, seconded by the Hon. Member for Prince Albert:

Public Works Act

That Clause 2 of Bill C-13 be amended by adding a new section 39.2 as follows:

39.2 Within 90 days of any lease and occupancy agreement or lease-purchase agreement being entered into under the provision of Section 39.1, the Minister shall report to Parliament the full cost and funding requirements related to the lease.

The reason I move this amendment has to do with the cost overruns identified by the Auditor General with regard to the practice of lease-purchase and also, more specifically, because the Auditor General himself has recommended this sort of action. On page 13-19 of his report, the Auditor General makes this recommendation:

The Department of Public Works should disclose to Parliament the full cost and future funding requirements arising from acquisition of properties through lease-purchases.

I am attempting to do what I asked the Government to assure us of this morning. I have asked the Government numerous questions in this Chamber. I have asked it to take some specific action that would ensure that that kind of cost overruns would not be repeated in the future. We have had no more than general assurances from the Parliamentary Secretary.

This is a specific recommendation which addresses a couple of things. It addresses the concerns of the Auditor General about the administration of real estate by the Government, a specific recommendation he made. Second, it addresses the general concern about Treasury Board having adequate information in order to make decisions with regard to lease-purchase arrangements.

In his report the Auditor General has made the claim that the Department of Public Works withheld information from the federal Cabinet two years ago when it leased three downtown office buildings from Campeau Corporation for a total of $400 million. The transactions resulted in unfavourable terms that cost the Canadian people more than $50 million and in the missed opportunity to obtain a $46.5 million building for $15 million. This lack of information has cost the Canadian taxpayer large sums of money.

By moving this amendment what we are doing is ensuring that all the information is on the table when the decisions are made. This will act as a prod to make sure that the Department of Public Works provides all information to the Treasury Board so that when it makes decisions with regard to lease-purchase arrangements, Treasury Board will have all the information before it.

The concern about lease-purchase is that there are large sums of money tied up in lease-purchase arrangements, some $1.919 billion. The way we handle these arrangements is very crucial. These arrangements have already led to excess costs for the taxpayer. For example, as I said this morning, a study of four lease-purchase agreements in the Ottawa area resulted in the cost being $85.8 million more over a 35 year period than otherwise would have been the case. The way the Government up to now has been handling lease-purchase arrangements has meant increased costs for the Canadian taxpayer.

I have asked the Government over and over again to give specific recommendations, to tell us just how it is going to avoid such extra costs for the taxpayer. The Government has come up with nothing specific today. We feel compelled to offer some concrete suggestion, at least in one area, where these overruns might be avoided in the future.

We are asking this Government to put in place a procedure whereby, after the Government has signed a lease-purchase arrangement, it would be required 90 days thereafter to share the information with the House of Commons as to the costs entailed in these lease-purchase arrangements.

The Chairman: I regret to interrupt the Hon. Member. But the Hon. Member for Gander-Twillingate is rising on a point of order.

Mr. Baker: Mr. Chairman, the Hon. Member read an amendment then proceeded to discuss it. As I understand it, the very basic requirement of parliamentary procedure is that the Chair, first, has to rule whether an amendment is admissible before the Hon. Member can engage in a discussion of such an amendment.

The Chairman: It can be done both ways. In any event, I have just received a copy of the amendment. I will read the amendment now. The Hon. Member for Winnipeg North Centre moves:

That Clause 2 of Bill C-13 be amended by adding a new section 39.2 as follows:

39.2 Within 90 days of any lease and occupancy agreement or lease-purchase agreement being entered into under the provision of Section 39.1 the Minister shall report to Parliament the full cost and future funding requirements related to the lease.

Mr. Nickerson: Mr. Chairman, I rise on a point of order. It is up to the Chair to determine whether that amendment is in order. It would seem to me, on the face of it, that that amendment is not in order for a very simple reason.

Under Clause 2 we are dealing with the case where the Government of Canada, the Crown, is to be the lessor or the vendor. The amendment presented by the Hon. Member for Winnipeg North Centre contemplates the very reverse, the case where the Crown is to be the lessee or the purchaser. It does not make sense. The proposed amendment cannot be an amendment to the proposed Clause 39.1 because it just does not make any sense whatever. I hope the Chair will take that argument into account when the determination of the admissibility of the amendment is made.

Mr. Baker: Mr. Chairman, I would like to hear from the Parliamentary Secretary as to the meaning of the last three sentences in the clause under discussion and whether those three sentences mean generally what the Hon. Member is talking about.

In relation to the point of order, I understand the Chair's difficulty in trying to rule on a point of order raised by the Member for Western Arctic in that one would have to be totally aware of what is in the clause, what the intent of the clause is, and where it is in the Act in order to rule on the amendment put forward by the NDP.

• (1540)

Mr. Stewart: Mr. Chairman, the point of the Hon. Member is already covered in the Bill. The Bill addresses all his concerns. It is just application and the difference between application and technique which we are talking about. What he was talking about in terms of the former Government has no relevance to what is going on now.

The whole matter comes under the normal accounting procedures of the Government of Canada. It already goes to Treasury Board for approval. Therefore I do not see the relevancy of the amendment at all.

The Chairman: After having heard the arguments, the Chair rules the amendment in order.

Mr. Keeper: Mr. Chairman, the Parliamentary Secretary said that the concerns which I addressed in the amendment were already covered in the legislation. He did not enunciate specifically how they were covered. The purpose of my amendment was to follow on the recommendation of the Auditor General that the cost of lease-purchase arrangements be disclosed to Parliament. The words of the amendment are simply that after the Department of Public Works enters into a lease arrangement, it be required to table that information in the House, that is, the full cost and the future financial requirements of those arrangements, so that the House is made aware of the costs of any lease-purchase arrangement. That should help to prevent any future abuse of the lease-purchase arrangement and to ensure that it is only used when it makes economic sense.

I am surprised that the Conservative Government would not jump at the idea. It is an idea which is very similar to notions which the Conservatives advocated themselves when they were in Opposition, for example, the fact that programs should have sunset provisions. In other words, after a program had run for a period of time, it should automatically come up for review.

The Conservative Party has claimed to be the Party of the House of Commons and to want Parliament to function. Obviously one of the fundamental purposes of the House of Commons is to hold the executive or the Government to account in financial matters. This is a concrete step we could take to prevent waste of public funds in the future. It is a concrete procedure which will ensure that the waste of the past will not be repeated. I would be curious to know why the Parliamentary Secretary would not find this to be a friendly amendment and why he would not be prepared to support it at this point. Maybe he is prepared to support it.

Mr. Stewart: Mr. Chairman, I am not prepared to support the amendment. The Hon. Member should look a little further into the Auditor General's remarks, particularly at paragraph 13.54 on page 13-21 which reads:

The Department should seek clarification of its authority to enter into lease-purchase arrangements including, if appropriate, legislative amendments.

All these matters will be reviewed in the Estimates of 1985-86. These prices and costs are submitted to Treasury Board prior to having the project approved. Therefore, I still cannot go along with the amendment.

Mr. Keeper: The legislation before us deals with one recommendation of the Auditor General. It is the recommendation indicating that the authority of the Department of Public Works should be clarified. That is clear, but certainly it does not deal with the need for disclosure to Parliament. Obviously in the past the Estimates of the Department of Public Works went to committee and came before the House of Commons. However, that did not prevent the kind of abuse which the Auditor General documented with regard to lease-purchase arrangements.

We need further provisions which will ensure that public moneys are not wasted. A Government concerned about the dollar would welcome arrangements that would bring to light or bring to public debate the costs and benefits of any lease-purchase arrangement. The specific purpose of my arrangements should be disclosed to Parliament. This amendment would provide a mechanism to ensure that that happens.

Mr. Taylor: Mr. Chairman, I appreciate the point of the Hon. Member, but will the Government's hands be so tied that it cannot even enter into a contract without coming to the House of Commons? If it is afterwards, then it is too late. If it is afterwards, it will be caught by the Auditor General. What are they trying to do? Are they trying to tie the hands of the Minister so that he cannot do anything? We do not sit in July or August. Many of these things could come up in July and August. Legislation has to be sensible. This would make it completely nonsensical. It is saying that the Government must bring it to the House of Commons. If it is after the fact, what is the difference since it is already in the Bill? If it is before the fact, the Minister could not do a thing on that particular phase before coming to the House of Commons.

We set out the general lines in legislation. If the Minister makes a mistake, he takes the blame for it.

An Hon. Member: Just like the last one.

Mr. Taylor: Yes, like the last one did. Our Ministers are determined not to make such mistakes. If they do, they will be called to account by the Auditor General and by Members of the House. Let us not tie their hands and say, "Do the job, but we will handcuff you first.

Mr. Stewart: Mr. Chairman, I welcome the comments of the Hon. Member for Bow River. That is the point I have been trying to get across since this morning. Just to clarify it, the fact is that Part III of the new Estimates will highlight for fiscal 1985-86 a complete financial disclosure of what the Hon. Member across the way is seeking. Again it comes back to the fact that we have a new Minister who will be going in a new direction with public works in conjunction with Treasury. As I said before, it will all come out in the wash in Part III of the Estimates for 1985-86.

Mr. Nickerson: Mr. Chairman, I should like to clarify exactly what we are doing under Clause 2. Would the Parliamentary Secretary give us an example of that which is contemplated under Clause 2?

Is it not a situation where the Crown is to be the lessor and some private individual or corporation is to be the lessee? Or is it the circumstance envisaged by the Hon. Member for Winnipeg North Centre, where the situation is to be the reverse of that and the Government is to be the lessee rather than the lessor?

Mr. Stewart: Yes, that is correct.

Mr. Hovdebo: Mr. Chairman, I should like to make one or two comments following those of the Hon. Member for Bow River. We are suggesting in this amendment that after the deal has been made, the Department will be required to table the information before the House. The reason is well documented in Chapter 13 of the report of the Auditor General. If the Department has reason for doing it correctly because it will show up immediately, or within 90 days, whether or not it will be a good or a bad deal, rather than waiting from three years to possibly five years for the Auditor General to find it, the Auditor General is saying that we should get it before Parliament as quickly as possible. That is the reason for our amendment.

Also I should like to comment on the fact that it will be in Part III of the Estimates. I agree with the Parliamentary Secretary that Part III of the Estimates will be a lot better and that possibly it might do what we are trying to do. However, the Auditor General also knows what will happen in Part III of the Estimates, but still he made his recommendation. We think that the recommendation is sound and that the amendment is sound.

● (1550)

The Chairman: Is it the pleasure of the committee to adopt the amendment?

Some Hon. Members: Agreed.

Some Hon. Members: No.

Amendment (Mr. Keeper) negatived: Yeas, 4: Nays, 25.

The Chairman: Shall clause 2 carry?

Some Hon. Members: Agreed.

Clause agreed to.

Clause 3 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

Investment Canada Act

INVESTMENT CANADA ACT

MEASURE TO ENACT

The House resumed from Thursday, December 13, consideration of the motion of Mr. Stevens that Bill C-15, an Act respecting investment in Canada, be read the second time and referred to the Standing Committee on Regional Development.

Hon. Herb Gray (Windsor West): Mr. Speaker, the purpose of Bill C-15 is to replace the Foreign Investment Review Act and the review process it enables the Government to carry out with a new Act creating Investment Canada. The Government says its purpose is to attract foreign investment to Canada and, as a result, create jobs and other benefits for our economy.

The kindest thing I can say about the Bill is that while it may be well-intention, it is thoroughly misguided. In my view, it will not bring the results intended. It will do just the reverse. If the Bill passes, it will seriously weaken the ability of the Government to ensure that the limited kinds of foreign investment covered by the present Foreign Investment Review Act brings real and significant benefits to Canadians, especially when it comes to jobs, but also including such factors as more research and development, more sourcing of parts and components here, and more exports.

Even though the level of foreign control in some sectors here has declined somewhat in recent years, Canada still has more of its economy owned and controlled outside of its borders than any other developed country. Study after study has shown that foreign investment, while it can bring benefits to our economy, has real costs attached to it for Canadians. Yes, it may bring access to markets and new technology and jobs that might not otherwise be here, but the evidence is clear that foreign-controlled firms generally do less research and development in our country. They purchase more of their parts and components outside of Canada and they tend to export less than their Canadian-controlled counterparts.

A recent Statistics Canada report indicates that foreign-controlled firms tend to import substantially more of the parts required for their products than Canadian-controlled firms. The Progressive Conservative Party's task force on Canada's high-tech future issued a report earlier this year. It stated that recent data indicates that research and development intensity of foreign subsidiaries tends to lag behind domestically owned operations of comparable magnitude. All this means a branch plant economy for Canada, one that will not be able to prosper, much less survive effectively in a tough world marketplace which demands of countries and their companies a high degree of efficiency, productivity and innovation.

Foreign direct investment which owns or controls companies and assets in Canada means key decisions about our economic well-being are made outside our borders. It means outflows of interest and dividends to the extent where they help to create and perpetuate balance of payment problems. I have to say that as long as our capital needs cannot be filled from domestic sources, there is certainly a place for foreign capital in Canada, a welcome place to the extent that it brings real benefits to our economy, to the extent that these benefits can be maximized and their cost minimized.

That is the purpose of the FIRA process. It is not primarily to block foreign direct investment, but to strive to maximize its benefits and to minimize its costs for Canadians, in short, to ensure a good deal for the foreign investors and for Canadians. That it has been able to do this is demonstrated by the high level of approvals, averaging 92 per cent since the process began in 1974. Until recently, at least, this high percentage of approvals was criticized by many as showing that the FIRA process was too lax. In reality, it shows that investors have been able to meet the test of the significant benefit to Canada in such things as more jobs, research and development and exports, either in their original applications or as a result of negotiations by the Government, resulting in a good deal for the investors and for Canada.

This high level of approval helps demonstrate that FIRA has not discouraged or prevented from entering Canada foreign direct investment needed by and beneficial to Canada. This fact is also demonstrated by statistics on foreign capital movements, showing that these inflows in the years after FIRA began operating in 1974 were substantially higher than in the years preceding its beginnings. In fact, foreign direct investment in Canada has steadily increased each year since the FIRA process began in 1974, perhaps dropping somewhat only in the depths of the recession which affected not only Canada, but the entire world. During that recession, capital flows slowed down everywhere, including the United States. However, in the first quarter of 1984, foreign direct investment in Canada reached its highest level in many years.

All of this demonstrates one important point. Capital moves to a country in response to expectation of profits. It comes when investors seek the opportunity to make a profit. Dismantling FIRA, replacing it with a truncated remnant called Investment Canada, will do nothing to respond to this essential point. The Bill does nothing to create more real opportunities for profit by investors.

In any event, FIRA never dealt with more than about 3 per cent of foreign direct investment. It does not deal at all with the largest potential source of foreign investment, the existing foreign-controlled sector in Canada. Projects for expansion, modernization or for new plants by firms already here do not require review and approval by the Government. Investment in the form of loans does not require approval by the Government under FIRA, nor does equity investment in quantities not sufficient to control an enterprise.

To repeat, the Investment Canada Bill does nothing to help our economy offer more prospects to make a profit, more prospects of success to potential investors, whether foreign or Canadian. Nor does it create markets for their production, another factor bringing investment to a country. It does nothing to create consumer or industry demand in Canada or abroad. Using this Bill to dismantle FIRA will not bring more beneficial investment from abroad, either in the limited area covered by the Foreign Investment Review Act—and basically this covers takeovers of companies and new projects by compa-

nies not already established here—or the much larger area of the kinds of investment not dealt with by the present FIRA process.

● (1600)

A very serious flaw among the many in the Bill is that while the Government says the new Investment Canada agency will have a mandate to encourage Canadian investment as well as foreign, there is nothing in the Bill offering any real encouragement or incentive to Canadian investment. Yet there is a great potential for more investment by Canadians in their own economy. Canadians have a very high rate of savings; at least twice that of people in the United States. The basic thrust of the Government is to seek out foreign investors to sell off more of our economy abroad rather than to give priority to encouraging our capital needs to be filled from Canadian sources. However, a substantial capacity to do so definitely exists in our country according to studies done by the Investment Dealers' Association.

In September 1981, the President of the Investment Dealers' Association said in part:

> Our capacity to generate savings in Canada is now very large and growing quickly. It would appear that some 94 per cent . . . of the new savings required in the 1980s can be generated in Canada . . . the balance of 6 per cent will have to be imported.

He went on to say:

> This reliance on foreign capital will be slightly less than over the past 10 years and indeed on a net basis will disappear entirely mid-way through the 1990s.

Last week, my office asked the staff of the President of the Investment Dealers' Association of Canada if it could update those projections. We were told that they are generally the same except that they would now indicate that 95 per cent rather than 94 per cent of the savings needed for the investment required by our country in the 1980s can be generated right here in Canada.

The Minister has said that Investment Canada will be given the job of going out and encouraging investment in Canada. However, that has always been the job of the entire Department of what is now called Regional Industrial Expansion and its regional offices across Canada, the Department of External Trade, especially its overseas trade commissioner services, as well as other high-tech Departments like Communications. Apparently the Tories intend to change all that and limit the work of the Government in encouraging investment to the tiny agency they intend to call Investment Canada. It will be composed of no more than the present staff of FIRA, some 130 people, many of whom will have to carry out the remnants of the review process that will still exist if this Bill is passed. I submit that the results will be less effort and less real work by the Government to promote beneficial investment for Canada than was the case under the previous Liberal Government.

The decision made by American Motors after it had been taken over by Renault to invest hundreds of millions of dollars in expanding its Brampton, Ontario, plant and to increase jobs there substantially came after negotiations by the previous Liberal Government through its Department of Regional Industrial Expansion and FIRA. The decision of MBB of Germany to create a joint venture with Fleet Aircraft, a Canadian company, to manufacture helicopters in Fort Erie also came following negotiations by the previous federal Government through Regional Industrial Expansion and the FIRA process. As well, this was generally the case with the deal with Bell Helicopter to establish a plant near Montreal. This also involved investments of hundreds of millions of dollars. These are concrete examples to show how the previous Liberal Government helped attract beneficial foreign investment to Canada involving new technologies, world competitive products and thousands of jobs.

The FIRA process, rather than discouraging or preventing this kind of investment, helped maximize the benefits flowing from it to Canadians, and the investors in question certainly were not discouraged or turned away by the FIRA process. The present Conservative Government, through recently cutting back and limiting of the Industrial and Regional Development Program of the Department of Regional Industrial Expansion and now apparently intending to concentrate the Government's investment promotion efforts in little Investment Canada, will be decreasing the likelihood of getting more of these kinds of good deals for Canada and for Canadian workers.

Also, if this Bill passes, the Government will no longer be able to review any new investment projects proposed by a company not yet established here or by one established here if the proposal is totally unrelated to what that company is already doing, regardless of the size of the project. This means the Government will not be able to negotiate to seek binding commitments from the investor to maximize the benefits to Canada in areas of jobs, research and development and world product mandates as a condition of allowing the transaction to proceed. In other words, the bargaining power which helped the Government to confirm that there were realistically defined maximum benefits for Canadian workers and the Canadian economy in projects like AMC in Brampton and MBB-Fleet in Fort Erie or Bell Helicopter near Montreal will no longer be there.

As well, if this Bill passes, no direct takeover of a firm in Canada worth less than $5 million and no indirect takeover where control of the parent changes abroad worth less than $50 million will be subject to review by the Government. The door will be open for firms below these thresholds to be taken over and closed down and the products they make exported into Canada by the new parent firms from abroad with jobs being lost to Canada.

If the Bill passes, in addition to the risk of this very difficult kind of situation, the door is open for firms below these thresholds to be taken over and, if not closed down, then turned largely into warehousing operations with the production and technology they have developed transferred abroad. The Government will not be able to do anything to protect Canadian jobs and Canadian technology. As well, the Government will not be able to negotiate and get commitments not simply

to preserve but also to confirm additional jobs and other economic benefits if takeovers are below these new thresholds.

The Minister spoke about not wanting to deal with applications to set up peanut stands. If I can mix a metaphor, that is a very big red herring. In many sectors and especially those in the high technology areas, firms are generally small, especially in the beginning stages. As organizations like the Canadian Federation of Independent Business always remind us, Canada's small businesses, generally Canadian-controlled, are a major potential source of new jobs and innovation. The Conservative Government, in pushing for the adoption of Bill C-15, is ready to see all this lost to Canada. Also, many firms below these thresholds may be small but they are major employers and are very big in the economies of the communities in which they are located. This point has also escaped the Conservative sellout artists.

Of course, every government organization and every government program which has been in existence for a number of years has room for updating and improvement. This includes FIRA. As Minister, I made changes in the administrative side of FIRA which did not require legislation to achieve. These changes were made to simplify, smooth out and greatly speed up that process. It is strange that the Conservatives, in developing this Bill, left intact one of the major points of concern both for business and the general public regarding the existing Foreign Investment Review Act. I am talking about the high degree of confidentiality which the law requires of all FIRA operations. Among other things, this confidentiality prevents the Government, except in very general terms in FIRA reports, from setting out the facts on the thousands of additional jobs, research and development and exports which resulted from the application of the FIRA process.

As well, it is strange, in light of the concerns about the so-called arbitrariness of the current FIRA process, which I believe are not justified, that this Bill would make the successor to that process truly arbitrary. It places all powers of decision over the few large takeover cases, which would still be reviewed and could involve the futures of thousands of workers, in the hands of the Minister alone rather than having those decisions be collective decisions of Cabinet.

To conclude, Mr. Speaker, I would say that we do need more investment, both foreign and Canadian but especially Canadian. However, if this Bill is passed, it will not be the way to go about getting it. This Bill, if passed, would weaken the ability of our Government to protect existing Canadian jobs and technology. It will weaken the Government's ability to obtain a realistically defined maximum in terms of more jobs and other economic benefits for Canadians from direct foreign investment.

● (1610)

This Bill should be looked at along with the harm to our cultural identity which will likely be caused by the cuts to the CBC budget, the Prime Minister's speech in New York confirming his desire to have even more of our economy sold off abroad, as well as the Government's seeming willingness to undermine our political and economic sovereignty and prospects for growth through pushing for complete continental free trade. All this forms a disturbing pattern. It is one that should greatly alarm Canadians. Over-all, the Bill is deeply flawed. It requires a major study by the House as well as by Canadians. It does not deserve the support of the House. Therefore, I move, seconded by the Hon. Member for Saint-Jacques (Mr. Guilbault):

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

"Bill C-15, An Act respecting investment in Canada, be not now read a second time but that it be read a second time this day six months hence."

The Acting Speaker (Mr. Paproski): Hon. Members have heard the amendment of the Hon. Member for Windsor West (Mr. Gray). Debate is now on the amendment. Are there questions or comments?

Mr. Blenkarn: Mr. Speaker, I was wondering if the opposition House Leader, who is a former Minister, had an opportunity to confer with the Hon. Member for Laval-des-Rapides (Mr. Garneau) with respect to his attitude toward the Bill. When the Bill was before the House the other day, the Hon. Member for Laval-des-Rapides indicated that he would not support it because it did not go far enough. He said that it was a Bill which would control foreign investment. I was wondering if that is the opinion of the Hon. Member for Windsor West and, if so, why would he object to a Bill which significantly controls foreign investment? The Bill would control over 80 per cent of anticipated foreign investment. Why would he object to the Bill when he knows, as a former cabinet Minister, that his Cabinet gave tremendous consideration to one foreign investment proposition after another? That Cabinet made some 860 determinations a year.

Mr. Gray (Windsor West): Mr. Speaker, my hon. friend has raised an important point. I think the contradiction is not on our side; it is on his side. If we listened to the rhetoric of the principal spokespersons for the Conservative Party regarding the FIRA process and how difficult and harmful it has been, then we could wonder why the Government has not introduced a Bill which would completely remove that process instead of leaving a tiny remnant for the delectation of the Minister of Regional Industrial Expansion (Mr. Stevens).

There is a contradiction inherent in the Conservative position. If one takes its point of view literally, it should not have left a review process of any kind in the hands of the Minister. Yet the Government left a review process. That means it must admit that the problems that both I and the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) I have outlined in our speeches are real. Rather than the Conservatives facing up to those problems, they will make it more difficult for the Government, on behalf of the Canadian people, to deal with them in a constructive and beneficial manner. The Government may say that it will review a limited number of large cases, but the sensitivity, for the future of Canadian communities, in many ways will arise from what will happen in the small cases, particularly in high-tech areas.

I would like to respond to the last point made by the Hon. Member which dealt with the time that was taken by Cabinet on FIRA cases. The responsible Minister indicated that 20 per cent of cabinet agendas were filled with FIRA cases. That may have well been correct. However, I would like to tell the Hon. Member—and I believe that I can say this without breaching the concept of confidentiality which is so important to his Prime Minister—that consideration of FIRA cases did not take 20 per cent of cabinet time. There was a process for the quick handling of cases. There was an assurance for full interdepartmental consultation, an assurance for full consideration of regional effects and of a whole range of policy concerns. That will be missing totally in this misguided and truncated Bill C-15. That is why I say that we, on behalf of the Canadian people, must oppose the Bill.

Mr. Hovdebo: Mr. Speaker, I feel a certain amount of sympathy for the Hon. Member for Windsor West (Mr. Gray). He introduced FIRA shortly after his election four years ago and it has gone down the drain. In the last year of FIRA his Government allowed 96 per cent of the takeovers. What is the difference between his position of the last four years and that of the present Government? I cannot see much difference.

Mr. Gray (Windsor West): Mr. Speaker, there is a world of difference. I am sorry to say that it is the usual NDP tunnel vision which prevents it from seeing the difference.

First, we oppose changing the present process so that direct takeovers under $5 million in value would be totally exempt. We oppose changing the present law so that indirect takeovers below the $50 million threshold would be totally exempt. We oppose excluding all new transactions from the FIRA process. We oppose leaving the sole authority for the truncated remnant of a review process totally in the hands of the Minister. I could go on, but I think I have given enough examples of the very substantial difference between our view and that of the Conservative Government.

Second, we have a straightforward point of view, which the Conservatives do not. We believe there are problems as well as benefits connected with a high level of foreign control, and we want to maximize the benefit to the extent that we require foreign capital and minimize the costs, while at the same time we do something substantial and constructive to encourage Canadian investment. That is totally missing from the misguided Bill C-15. As I said in my speech, if there was a high level of approval of applications under FIRA by the last Government—and there was—it meant that investors were willing to structure their deals to meet the test of significant benefit. The law was not an impediment. The Government and its officials did their duty and found that the test of significant benefit was met in a way which brought a good deal for the investor and, more important, a good deal for Canadians, especially Canadian workers.

Mr. Taylor: Mr. Speaker, I would like to make three quick points. One, the Hon. Member for Windsor West (Mr. Gray) mentioned foreign control. We are not giving foreigners control. They will be working under our laws. They will hire our people and they will pay taxes in Canada. We are not giving them control.

I could give the Hon. Member an example. When we requested money in Alberta to develop Canada's oil and gas industry—and if that had not happened we would not have the industry which we have today—eastern Canada would not provide a cent. England would not provide a cent. But when we went to the United States the Americans came in with money and drilled about 200 dry holes. It cost the U.S. investors millions of dollars before they struck oil. We did not sell out to the Americans. They invested their money under our laws and our rules. That is what this Government plans to do.

Second, the Hon. Member mentioned that Canada would lose its identity. We are not losing any identity. We are Canadians and we will remain Canadians. Just because we accept foreign money to help develop our resources does not mean that we are losing our identity. We will keep our sovereignty and our identity. They use their money to hire Canadians. We get taxes from them and the country becomes more buoyant. That is the difference in our proposition.

The Acting Speaker (Mr. Paproski): The Hon. Member for Windsor West—

Mr. Taylor: My third point—

Ms. Copps: He's not a member of the Reagan administration—

The Acting Speaker (Mr. Paproski): Order please. If the Hon. Member for Bow River (Mr. Taylor) has a third point, will he please make it.

Mr. Taylor: Mr. Speaker, the Hon. Member mentioned that during the regime of the Liberals, millions of dollars came into the country and thousands of jobs were created. Why did $9 billion leave the country? Why are their 1.5 million people unemployed? Where are those millions? Where are those jobs?

• (1620)

Mr. Gray (Windsor West): Mr. Speaker, even though my hon. friend has spoken in a way which sheds more heat than light on the whole issue, he has raised some points which I believe will help clarify the debate. The fact is that there have been net inflows during this whole period of foreign investment. The outflows largely result from the coming into Canadian hands of major assets, Canadian ownership of major assets, particularly in the oil and gas industry, about which the Hon. Member is talking. I do not know why he would want to oppose that. If we buy something from people in another country, then, obviously, we have to pay them for it. I hope the Hon. Member is not opposing that and calling for confiscation of those assets, because, in that case, I would certainly oppose his point of view.

Second, the Hon. Member is right when he says that foreign investors have to be here under our laws. Someone asked, I

believe the Minister of Regional Industrial Expansion (Mr. Stevens), if not the Prime Minister (Mr. Mulroney), what is going to stop someone from taking over a Canadian firm and closing it down so that he would not have to face competition from that firm, or so that he could export from a foreign base. I believe the answer was that he would act honourably, but in any event, he would be subject to our laws. That, Mr. Speaker, is just the point. We will not have the laws we have now to ensure—

Mr. Mayer: Don't be silly. No one is going to buy something and close it down.

Mr. Gray (Windsor West): What we want is to have constructive conduct both for the investor and for Canada.

Third, when I talked about the CBC—

The Acting Speaker (Mr. Paproski): Order. The time for questions and comments is now terminated.

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

The Acting Speaker (Mr. Paproski): Before I recognize the next speaker, it is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Notre-Dame-de-Grâce-Lachine East (Mr. Allmand)—the Constitution—(a) Unilingual Quebec traffic ticket appeal. (b) Federal Government's factum; the Hon. Member for Algoma (Mr. Foster)—Farm Credit Corporation—(a) Moratorium on farm foreclosures. (b) Proposed United States program; and the Hon. Member for Winnipeg North (Mr. Orlikow)—Canadian Broadcasting Corporation—(a) Effect of budgetary cut-backs on writers. (b) Effect on incomes.

GOVERNMENT ORDERS

[*Translation*]

INVESTMENT CANADA ACT

MEASURE TO ENACT

Mrs. Claudy Mailly (Gatineau): Mr. Speaker, it is a pleasure to speak this afternoon to the Bill before the House, an Act respecting investment in Canada. I have been in the field of public economic development policy for five years, and during that time I had occasion to examine the work done by the Foreign Investment Review Agency. My conclusion was that dogmatic and ideological considerations have no place in economic development.

Mr. Speaker, representations made by the Opposition, both by the Liberal Party and the New Democratic Party, have, until now, been highly emotional, ideological and dogmatic. We have seen the damage done by the National Energy Program because it was based mainly on dogmatic considerations. The program was created out of a desire for centralizing control over the oil industry at the federal level, mainly in order to restain the producing provinces which were showing too much independence to the federal, then Liberal, Government's taste.

Mr. Speaker, we have seen the damage done by the 1980 MacEachen budget, which was also based on dogmatic concepts and the desire to weaken the private sector and those people who, according to the Liberal Administration, appeared to favour business methods and development and growth priorities that differred from those sanctioned by the Government at the time. Because Bill C-15 is a step in the right direction towards removing the impact of dogmatism, I am supporting this Bill and I would like to see it referred without delay to the appropriate committee of the House, for thorough analysis in a constructive and a responsible manner, and subsequent amendments as appropriate.

When considering ways of promoting economic development, Mr. Speaker, we should simply ask ourselves whether a given method or measure or the withdrawal of a measure will or will not promote development. That is the question we must ask. Today, environmental protection and employment are some of the aspects that must be considered as a matter of course. We are not talking about development at any cost, on the contrary.

The Bill now before the House recognizes that investment is the linchpin of economic growth and job creation and the key to technological development. That is why we make the assumption that investment in Canada, either by Canadians or non-Canadians, is likely to benefit this country.

The Bill provides for the establishment of a new agency, to be called Investment Canada. It also provides for the review of significant investments by non-Canadians to ensure that the assumption that the investment will benefit Canada is justified. Non-Canadian investors intending to make minor acquisitions or create new businesses need merely notify the agency of their intentions.

This legislation is therefore not sounding the death knell of Canadian ownership or of our pride in our Canadian businesses. It is simply a new Bill that takes a more positive and less dogmatic approach than the legislation it is going to replace.

Mr. Speaker, I noticed that the existing FIRA had approved more than 90 per cent of applications for acquisitions in this

country, so the first question that comes to mind is whether the huge amounts budgeted for that exercise have been well spent or even well allocated. Our economy and our country have had other priorities, and I am wondering whether such funds allocated for an exercise which did not seem to be all that essential were indeed wisely allocated, particularly if we consider that, since the advent of FIRA, Canadian ownership has increased regularly despite rising direct foreign investment in Canada.

Mr. Speaker, I have the CALURA report which contains a table on percentages of foreign controlled non-financial industries in Canada for 1971, 1976 and 1981. As an example, I will refer to a few sectors only. In agriculture, foreign ownership declined by 9 per cent, 32 per cent in mining, 17 per cent in foodstuffs, 28 per cent in primary processing of metals. Overall, foreign ownership in those sectors decreased by 11 per cent, notwithstanding the fact that FIRA approved more than 90 per cent of foreign applications for acquisitions.

Mr. Speaker, I would also like to stress that, in the same report, indirect investment is said to have gone up accordingly. That is another aspect of the whole question of foreign investment which I want to discuss. Investments in the form of direct funding are better than investments in the form of debts, because they create jobs and are profitable to the investor and the host country. The investor cannot make profits and declare dividends unless he succeeds.

As stated in a Conference Board of Canada report:

• (1630)

[*English*]

In the 19th century foreign investors favoured this country by buying the bonds of its municipalities and railroads. In the early years of this century such portfolio investment was rapidly superseded by foreign direct investment. The economic significance of this distinction is that direct investment typically involves the transfer form the parent to the affiliate of an intangible and proprietary asset such as technology, managerial control, a unique or differentiated product, or a market position. Alternatively, direct investment may involve backwards integration to ensure security of supply for raw materials used in the parent company's production process. The circumstances surrounding direct investment make it desirable from the investor's point of view for the parent to exercise a managerial control that is not possible with portfolio investment in order to protect its unique and non-transferable assets or market position.

[*Translation*]

Mr. Speaker, this means that direct investments bring us jobs and profitable businesses. On the other hand, indebtedness creates a return for the foreign creditor while the country in debt has no employment, no productivity or return on its investment. The country with borrowed rather than directly invested capital will find itself with growing debt which affects inflation and domestic interest rates and undermines its development opportunities.

Indeed, it is because Canada has irresponsibly accumulated debts that we find ourselves in an economic deadend today. Because of that, we found ourselves compelled to agree to policies we find repugnant, such as the 1 per cent increase in sales tax which was advocated by the previous Liberal Government, and the rate increase for various services provided by the Government, and also to impose cut-backs in certain areas. While it is true that most of these cut-backs are related to administrative costs, we hate having to implement them because of the current unemployment problem.

Mr. Speaker, all Hon. Members are aware that an individual can give the appearance of economic stability, affluence and ownership. He can do so by driving a leased car, by living in a house with a 90 per cent mortgage and by buying his clothes with credit cards. However, they also know that, when his income is reduced and he can no longer meet his payments, he is faced with disaster. He may feel that he owns all this, but it is only an illusion of ownership.

Therefore, I believe that as a country under previous governments, we have, in a similar way, increased our indebtedness as opposed to acquiring the kind of direct capital investment that creates jobs and gives us the flexibility required to assume our responsibilities as a just society anxious to look after those who have the direst needs.

Over the last decade, Mr. Speaker, Canada has been driving a rented Buick. It has been entertaining friends at the golf club using a Visa credit card. The most recent bill handed to the Minister of Finance (Mr. Wilson) added up to at least a $34 billion deficit and an indebtedness of over $150 billion.

It is time we destroy some of those credit cards, Mr. Speaker. Not all of them, of course, because credit is also a tool for economic growth, but some of them.

Moreover, I also believe it is high time we asked ourselves whether we are not entertaining the illusion of ownership, whether our debt is not the one most important amount or property we wholly own.

Mr. Speaker, I said earlier that theorists have no place in the area of development. I would like to refer to that study by the Conference Board which commented on the establishment of the screening agency along the lines of the "Gray" report's recommendation.

I am sorry that the Hon. Member for Windsor West (Mr. Gray) has left the House, because I think he would be interested in this comment.

The Conference Board stated in its report:

[*English*]

Public and political reaction to the Gray report was in large measure dictated by the foreign investment issue's high public profile and the precarious political balance after the 1972 federal election when I believe the Liberal administration had

a minority. The key factor in the situation was the New Democratic Party's espousal of some form of foreign investment screening. Finding itself pressured by the Waffle group, a radical fragment of its Party, the NDP in turn exploited its position as the Party holding the balance of power to exert pressure on the ruling Liberals. In this atmosphere, the Gray report rapidly became a cause célèbre.

[*Translation*]

A celebrated law case. And the report goes on to state that—

[*English*]

There are a number of academics, politicians and business leaders who are sympathetic to the notion of abolishing FIRA. It is difficult, however, to assess whether these forces opposing FIRA are capable of overcoming the political interests which view FIRA as an important electoral and policy symbol. It goes on to say that the suggestion to permit new investments to enter Canada without being subjected to FIRA would certainly alleviate FIRA's caseload and therefore speed up the process. New business applications comprise about one half of the total applications FIRA receives. This suggests that on close scrutiny FIRA's decision on new acquisitions is based on the fact that it does not believe that these bring significant benefit to Canada. In addition, some domestic companies may not welcome the idea of an open door policy regarding new investment since FIRA provides these companies with an element of protection from foreign competitors. I know, Mr. Speaker, that this is an unhealthy sign for a trading nation such as we are, one which needs strong industry and must cease to take refuge behind non-tariff barriers.

As Hon. Members know, there is both fear of growing protectionism in our major commercial trading partners and a growing need to free trade between nations in order to increase employment growth in various countries, including ours. Canada should be working toward strengthening its industrial sectors to meet competition at home and to go out and secure other markets outside. Therefore, we must strike a balance between leaving our weaker sectors exposed to competition and making every effort to seek new markets, which will only be open to us if we are ready to be open to them. Countries which need to sell to us their specialties would not look kindly on our closing our markets to them or their investments. The whole question of world economic stability and debt service in developing countries is also tied to our ability to trade the world over. This is why—

Mr. Benjamin: Who wrote that?

Mrs. Mailly: I did. This is why I recommend to this House that the Bill should be sent immediately to the pertinent standing committee of the House so it can be studied seriously to ensure that it is all we want it to be. We also want it to ensure that the Minister's responsibilities for the enactment of Investment Canada are also all that they should be.

[*Translation*]

—because we are not dealing any death blow to the principle of essential screening nor to the protection of Canadian ownership with this legislation, Mr. Speaker. On the contrary, we are introducing a positive investment dimension, combined with a realistic protection of our best Canadian interests.

I note in the Bill, Mr. Speaker, that the responsibilities of the Minister and of the agency are to encourage business investment by such means and in such manner as they deem appropriate, assist Canadian businesses to exploit opportunities for investment and technological investment.

I found out in the Conference Board report I was referring to that France has taken such an open approach. Although France has a Socialist Government, that Government is sufficiently concerned with the country's development to realize it must provide other nations and private enterprise with incentives to come in and invest. Therefore, in their screening provisions, they have that positive aspect we want somehow to copy here, that is to help businesses acknowledge investments here while being very careful to protect Canadian ownership and interests.

Its responsibilities also include making studies of investment both at the national and international level. I noticed that in the definition given of France's screening agency, there was the same attitude, namely to provide an investment information service to promote economic growth, to help develop economic and industrial policies that foster investment and to ensure that investment notification and review is done in accordance with the legislation. I see here some very positive aspects. I see here some serious and responsible interventions on the part of the Minister and his agency in the area of investment in Canada. I do not see what we have been hearing during the last few days, which was that our interests are being sold down the river and that we have forgotten and neglected our pride in Canadian ownership.

Mr. Speaker, I think this Bill is a valid one which should be given serious consideration in committee, with no thought of partisanship, keeping in mind what binds us together which is our country's interests, the interests of today's youth who are unemployed and also the interests of future generations. In considering this legislation, we should make this the first Bill where Parliament has been able to agree that the interests of young Canadians, of the elderly who need funds for their pension plans, of women who need a sound economy to attain equality, are of primary importance. In committee, Mr. Speaker, we ought to consider this Bill carefully and make it one of which we can all be proud, whatever our political affiliation.

The Acting Speaker (Mr. Paproski): Questions and comments. The Hon. Member for Essex-Windsor.

Mr. Langdon: Mr. Speaker, I would like to ask the Hon. Member a few questions, if I may. First of all, I would like to say I found the Hon. Member's speech very interesting, and that it is indeed important to consider this concept in a non-partisan way. However, I think there are a number of very important factors the Hon. Member should not forget.

First: Why did the Government decide to do away with the review process for new investment? Is it not important for small Canadian businesses to look at these small investments?

Second, there is the matter of—

• (1640)

[*English*]

I switch to English here because my grasp in French of some of the technicalities such as an indirect takeover is simply not sufficient to permit me to proceed in French. How does an indirect takeover, which this Bill now permits, help us to achieve the improvements in employment which I think the Member is quite sincerely attempting to search for?

[*Translation*]

It is important the Hon. Member should consider what is happening in France, because in France, the Government decided that it was important to have foreign investment in that country. To achieve this, however, it is unnecessary to eliminate all investment regulations, because, as far as I know, if a foreign corporation wants to set up a factory in France, it must first have the Government's permission. And they did not change the regulations to change all that.

[*English*]

In short, Mr. Speaker, I think that we must seriously consider this in a careful and conscientious way. I agree with the Member that it is important to do so in committee. To do that it is important that the matter of the takeover limit for small investments coming into the country, the matter of whether we will be able to have some review of new investments coming in, and the matter of the size of the indirect takeovers will have to be open to question. I wonder, as a fellow member of that committee—

[*Translation*]

—whether the Hon. Member can say whether it is true that all Progressive Conservative Members want to look at these things with an—

[*English*]

—an open mind, as the Prime Minister (Mr. Mulroney) says. Can we expect that?

[*Translation*]

Mrs. Mailly: I want to thank my colleague for asking these questions.

In reply to the first one dealing with the limits set to exonerate acquisitions under $5 million, I believe that this should in fact be discussed in committee to determine whether this amount is realistic and will help protect small businesses. According to available data and in view of the fact that the number of acquisitions approved by the former screening agency did not cause any harm to small businesses, the amount of $5 million chosen by the Minister seemed appropriate to solve the problem of how not to interfere with investment favourable to Canada while protecting small businesses which may be weaker than others. However, this is a very serious subject which should be reviewed in committee, and this is why I would like us to reach this stage as soon as possible instead of spending many hours in the House letting off steam, which I do not consider particularly constructive.

As for the second question of why a change should be made at this point, it is because, as I mentioned at the beginning of my remarks, over 90 per cent of the applications submitted were approved by the screening agency, which might suggest that the rules were not realistic. Otherwise, perhaps half of the applications or even more would have been turned down. In fact, nearly all the applications were approved in spite of the fact that they were screened at a cost, I believe, of $6,000 each. This is why a change is needed and it is partly motivated by the wish to reduce expenses and to determine whether existing agencies truly play an essential role, especially when they are costly to run, and whether we could not obtain the same results at a lesser cost. This is one aspect of the matter.

Another aspect has to do with indirect transfers between non-Canadians. If a business was already controlled by foreign interests and everything was going well, we have to ask ourselves this question: Does the state have any business interfering in an exchange between two individuals or moral persons for reasons which are mostly ideological? However, this is another issue that my hon. colleague will certainly want to discuss in committee.

As for the last question asked by the Hon. Member, or rather his comment on the situation in France, I believe that he will agree that France has recently taken a new direction, because earlier, the tendency was mostly to direct the economy in a traditional manner with traditional socialistic methods.

But people realized that France does not exist in a vacuum, that she lives in a world where trade reaches beyond frontiers, otherwise there cannot be economic growth in the country.

Canada is in the same situation, perhaps more so for Canada because we do not have the Common Market which does give some protection to France. I therefore think that France is leaning much more on our side than the Hon. Member would care to admit, but I have the impression that we are headed in the right direction and that other countries, for which it is not a traditional approach, seem to be doing the same thing.

But again those are aspects which will be debated in committee, I hope.

The Acting Speaker (Mr. Paproski): I recognize the Hon. Member for Hamilton East (Ms. Copps).

• (1650)

Ms. Copps: Mr. Speaker, I think we would fully support this Bill if it were renamed "Abandon Canada" because, to be frank, that is exactly what is happening with this piece of legislation as it is.

I have only two small questions to ask the Hon. Member.

[*English*]

Yes, I would support it if you renamed the legislation "Abandon Canada".

Some Hon. Members: Oh, oh!

The Acting Speaker (Mr. Paproski): Order, please.

Ms. Copps: If you renamed the legislation "Abandon Canada"—

Some Hon. Members: Oh, oh!

The Acting Speaker (Mr. Paproski): Order, please. The Hon. Member for Hamilton East (Ms. Copps) has the floor.

Ms. Copps: It would certainly reflect the context of this legislation.

[*Translation*]

Mr. Speaker, I have two short questions. First, what guarantees will be provided by the legislation once it is enacted? What guarantees will be provided for instance for the Sainte-Thérèse workers, who are now faced with the situation that the American General Motors Corporation has decided not to proceed with a $1 billion investment in Canada, but rather to redirect it to the United States? What guarantees will be provided for the Quebec workers so that a corporation such as General Motors, which has already made the best of the Auto Pact . . . what guarantees will be provided not only for existing jobs but for future investments?

Because workers, especially automobile workers, really fear that now the United States and the American automobile manufacturers will attempt to invest in the United States because we have tried to organize labour unions in Canada. What guarantees will your Government allow to ensure that the billions of dollars in investments such as we once had in Sainte-Thérèse, Quebec, will not be called off by American corporations who think only in terms of their own profits in the United States without concern for the interests of Canadian workers?

My second question is this:

[*English*]

What kind of guarantee? The Government has already put on the chopping block companies like Canadair and deHavilland.

Mr. Benjamin: Nobody will buy them anyway.

Ms. Copps: I would like to know, as a result of this legislation, what kind of job guarantees this Government would give to the workers of companies like deHavilland if a foreign purchaser were to be found. What job guarantees is this Government prepared to give to deHavilland, and specifically what changes is this Government prepared to make to the auto pact to ensure that the kind of investment cancelled in Sainte-Thérèse—

The Acting Speaker (Mr. Paproski): Order, please. The time for questions and comments has expired. The Hon. Member for Gatineau (Mrs. Mailly) will have to answer the question at another time or meet the Hon. Member for Hamilton East (Ms. Copps) later. Questions and comments are now terminated.

Mr. Mayer: Mr. Speaker, I rise on a point of order. The Hon. Member for Hamilton East (Ms. Copps) raises some interesting questions. Would the House give unanimous consent to having those questions answered?

Mr. Gauthier: No.

The Acting Speaker (Mr. Paproski): Is there unanimous consent to allow the Hon. Member for Gatineau to answer the questions of the Hon. Member for Hamilton East?

Some Hon. Members: Agreed.

Mr. Gauthier: No.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I will be very brief. Perhaps I can dwell for a few moments, until five o'clock on a section of this Bill that has been overlooked so far. What is the primary reason, as I see it, for the six-month hoist? Why should this Bill not be allowed to proceed unless certain actions are taken by the Government of Canada? Let me tell you, Mr. Speaker. The very Minister who introduced this Bill did so to promote economic development in Canada and to try to create an atmosphere for investment, not only, as the Bill says, for foreign countries through FIRA, but for ordinary Canadians and Canadian investment. But that very Minister had to cut $175 million from the industrial and regional development program in his Department, what he calls adjustments to regulations. This program provides the very industrial incentives that businessmen need when they want to develop in high unemployment areas of Canada. I am talking primarily about a province like Newfoundland. That very Minister, Mr. Speaker, also approved reductions in what he called other Drie industrial incentive programs to the tune of $25 million for a total of $200 million.

Prior to about two years ago we always had the DREE program in the high unemployment areas. That program guaranteed 25 per cent of the capital costs. Along came the departmental reorganization into DRIE. All of a sudden, costs amounted to 50 per cent to 60 per cent overhead plus 65 per cent of the cost of a study. Now we see there is drastic reduction in the very Department of the Minister who brings in a Bill and says, "We want to encourage investment in Canada by foreigners and by Canadians". Then there was the industrial training program with its cuts. In other words you have a businessman wanting to set up in a high unemployment area of Canada. You could always use what was called on-the-job training. Cuts were announced by the Government amounting to $40 million.

First, if you want to set up, you cannot. That has been cut. If you want to train people, you cannot. That has been cut. The Government was not content with that. It looked at modes

of transportation from high unemployment areas. The Government said, "Let us take a crack at that". What about transportation by air? An investor says, "I want to move certain commodities by air". The Government then announces that there will be an air cargo tax coming into effect in 1987. What if you want to go by rail, or by land? We have fare increases, and operating costs. There was a cut of $93 million from VIA rail. What if you want to go by ocean, Mr. Speaker? Surely the ocean method is going to be overlooked by this Government. Not so. Along came the increases in CN Marine and the coastal boat service of Newfoundland. If that were not enough, to the company that wants to export to foreign nations, there were cuts in various departments, even to the extent of cutting out completely the Canadian commercial corporations. There actually was a corporation that dealt in negotiations between governments for the exports of commodities from Canada.

That is why the Liberal Party today introduced a six-month hoist. On the one hand the Government is saying this, and it is saying that it is in favour of investment in Canada by Canadians and by foreign countries. On the other hand, however, this Government turns around and cuts and cuts and cuts the very areas that influence investment. It makes cuts in the very areas in which people would need assistance if they were going to set up in high unemployment areas, or in any part of Canada for that matter. It is a poor reflection upon the Government of Canada.

I see my time has run out, but I think I have made my point. I think I can continue with my additional 15 minutes when the Bill is returned to the House.

● (1700)

The Acting Speaker (Mr. Paproski): Yes, I think you can.

* * *

BUSINESS OF THE HOUSE

Mr. Hnatyshyn: Mr. Speaker, I rise at this point to announce the almost certain but still tentative business for tomorrow. Until further notice, as we are in the process of negotiating with the opposition Parties about making progress, it would be my intention to call Bill C-12 tomorrow morning, followed by the Bill relating to Investment Canada once we have concluded deliberations on Bill C-12 or, as the House will see tomorrow morning, the final product of Bill C-12 after unanimous consent.

That is my present intention for tomorrow. It is subject to change if circumstances or priorities change or if a consensus is arrived at. We look forward to making progress.

Mr. Deans: Mr. Speaker, though many in the House might not understand the ramblings of the Government House Leader, they are perfectly clear to me. It is obvious that being the Government House Leader is indeed a chore which only this particular Member could undertake with any degree of proficiency at the moment.

[*Translation*]

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

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*Translation*]

The Acting Speaker (Mr. Paproski): Shall all orders and items preceding item No. 155 stand?

Some Hon. Members: Stand.

The Acting Speaker (Mr. Paproski): Stand.

* * *

OFFICIAL LANGUAGES

MEASURE TO AMEND

Mr. Jean-Robert Gauthier (Ottawa-Vanier) moved that Bill C-203, An Act to amend the Official Languages Act (supremacy of the Act) and to amend other Acts in consequence thereof, be read the second time and referred to the Standing Joint Committee on Official Languages Policy and Programs.

He said: Mr. Speaker, for a number of years I have been submitting Private Member's Bills to this House, aimed at correcting certain discrepancies in the Official Languages Act, and I must say it is a source of great satisfaction to me that every time in the past eight or nine years that I presented a Bill, there was a good debate in the House and the Bill was given serious consideration by the Committee on Official Languages. Moreover, suggestions made in these Bills were adopted both by the Committee and the Government.

Today's legislation, Bill C-203, is therefore one more in a series of Private Members' Bills presented by me in the House, and I may remind Hon. Members that the last time the matter was discussed in 1980, the Bill or Bills were referred to the Special Joint Committee on Official Languages for study and consideration, resulting in very substantial amendments both to the Criminal Code and to the Official Languages Act.

To give Hon. Members some historical background, in 1978, Bill C-210 which I presented in the House was aimed at correcting certain discrepancies in the Revised Statutes of Canada of 1970 and deleted certain references to bilingual districts, which, in any case, were never established. Hon. Members will recall that at each census, a committee was to be formed to examine the establishment of bilingual districts.

These bilingual districts were examined by two commissions, after the 1971 and 1981 census, and Parliament never followed up their recommendations. When the Government fails to follow the recommendations made by a committee established under an Act of Parliament, one would think the legislation was not terribly important and that anomalies such as bilingual districts, for instance, should be deleted from our statutes.

The same Bill C-210, in 1978, gave the defendant the right to be heard and judged by a court or a judge speaking the language of the defendant, and the Bill also amended certain Acts including the Railway Act, the Winding-up Act, the Bank Act and a number of other statutes in order to remove certain discrepancies from the Statutes. I would like to give one example which I find rather obvious, and that is the Railway Act.

The Railway Act provides that, in Quebec, the station agent shall write, with white chalk on a blackboard, the arrival and departure of trains as well as the time of overdue trains. The Act states clearly that this is to be done in French and English in Quebec, whereas it is to be done in English in the other provinces. Well, we all know that today that measure does not apply only in Quebec, thanks to the Official Languages Act. I have colleagues from Ontario, western and eastern Canada—and yourself, Mr. Speaker—who would readily acknowledge that nowadays the proper thing to do for a national carrier is to abide by the Official Languages Act and that it is irregular to have in our statute books a provision under which that procedure applies only in Quebec. The same thing applies to banks, the same thing applies to liquidations: only in Quebec must it be done in French and English, which leads one to believe that the rest of Canada is unilingual and anglophone.

In any case, here I am again with Bill C-203, an Act to amend the Official Languages Act, and I move that it be read the second time and referred to the Standing Joint Committee on Official Languages Policy and Programs. Mr. Speaker, Bill C-203 is similar to others like C-214 and C-210 which I introduced in Parliament in May 1980 and whose general intent was to be given approval by the Special Joint Committee on Official Languages. Indeed, in its fourth and fifth reports, the committee refers to the recommendations contained in Bill C-214.

Bill C-203 is based primarily on considerations of a legal nature, but also on considerations of a political nature, in the non-partisan sense of the word. If I may sum up those two aspects in a single statement, I would say that this Parliament must consolidate one of the main foundations of our federal system, the principle of linguistic equality, by deleting from our statutes any ambiguity concerning the importance and supremacy of the Official Languages Act which, coupled with the Canadian Charter of Rights and Freedoms, happens to be the legal foundations of that linguistic equality. In short, the purpose of this Bill is to assert the political will of this Parliament with respect to the supremacy of the Official Languages Act.

Bill C-203, about which this Parliament is called upon to make a decision, is aimed at asserting the primacy of Official Languages Act Section 2 over any other legislative and regulatory provision of the Parliament and the Government of Canada. Secondarily, it also stipulates that banks and railway companies shall publish, in Canada's both official languages, certain notices and other documents intended for the public. The Acts to be amended now prescribe that only in the Province of Quebec shall they publish certain notices and documents in French and English.

● (1710)

Section 2 of the Official Languages Act passed in 1969 says the following:

> The English and French languages are the official languages of Canada for all purposes of the Parliament and Government of Canada, and possess and enjoy equality of status and equal rights and privileges as to their use in all the institutions of the Parliament and Government of Canada.

It was therefore 15 years ago that this Parliament decided to legislate to entrench the principle of linguistic equality in the Canadian Federation. This was an important decision, a symbol of the progress made at the time. However, legally, the Official Languages Act does not necessarily have supremacy over other pieces of legislation passed by this Parliament. However, in our legal system, depending on how the general principles of interpretation of our laws are applied, Section 2 of the Official Languages Act might not have precedence over another legislative provision where there is a conflict. The courts have even recognized that a simple regulation may occasionally, in case of conflict, have supremacy over Section 2 of the Official Languages Act.

Mr. Speaker, this is basically the situation which Bill C-203 wants to change. From now on, if the Bill is passed, in case of a conflict between Section 2 of the Official Languages Act and another federal Act or Regulation, Section 2 would have precedence. I invite the Hon. Members to read the proceedings of the Committee on Official Languages, which was first a Special Joint Committee and is now a Standing Committee, on this issue to learn about the full impact of this Bill.

This Parliament would clearly establish that, as a first step, the courts would attempt to see whether it is possible to interpret federal Acts and Regulations in such a way that they would not cancel, restrict or violate the rule stated in Section 2. If this proves impossible, they would have to give precedence to Section 2, and any other legislative or regulatory provision in conflict with it could be declared nul and void. However, Bill C-203 leaves Parliament free to go against Section 2 of the Official Languages Act by an express statement to this purpose. Thus by giving Parliament the right to go against Section 2 Parliament would be fully empowered to make the political decisions it deems appropriate to ensure linguistic equality in federal institutions. Thus, while some progress will be made as far as linguistic equality is concerned, exceptions to this principle will still be possible.

Once more, Mr. Speaker, I invite my colleagues in this House to examine the submissions made to the Committee in this regard. For instance, there was the submission made by Professor Gerald Beaudoin, who told us clearly and precisely that, in fact, the purpose of such a clause was to give to the

Official Languages Act supremacy over any other piece of legislation so that it would have the status of a linguistic charter.

If the Official Languages Act contains a provision which allows Parliament to make exceptions, this also provides some flexibility and thus establishes a linguistic charter, which is essential in my opinion.

The principle contained in Bill C-203 has already been approved by the Joint Committee of the Senate and the House of Commons on Official Languages. Hon. Members will recall that this Committee was asked to examine Bill C-214 introduced during the previous Parliament, whose purpose was the same as that of the bill now before us. It made a recommendation to that effect, even though the Canadian Charter of Rights and Freedoms enshrines this in almost similar terms, in its Section 16 that is well known to us all. It is the same wording, the same principle. The Official Languages act, as pointed out by a witness in Committee, and I quote:

—can cover fields that are not directly provided for in Section 16 of the Charter of Rights.

To illustrate, Mr. Speaker, let me add that the coming into force in 1982 of the Canadian Charter of Rights and Freedoms has not done away with the relevancy of the Canadian Bill of Rights. On the contrary, it will be remembered that the Canadian Bill of Rights Act was enacted in 1960 and that we also passed in 1977 the Canadian Human Rights Act.

That has not changed anything, those Acts are still in the books and they do not conflict with the Canadian Charter of Rights and Freedoms.

The Official Languages Act, especially Section 2, therefore remains a necessary element to the promotion of linguistic equality in federal institutions in this country. Bill C-203 proposes to give precedence to that principle, while providing Parliament with a notwithstanding clause. Briefly, such is the extent of the measure submitted to this House.

In a non-partisan spirit, Mr. Speaker, let us now look at the political aspect.

In the Throne Speech, the Government stated on November 5, 1984, and I quote:

My government is committed to ensuring that the equality of the two official languages—so vital to our national character and identity—is respected in fact as it is in law. My Ministers acknowledge the need for ongoing improvements and for vigilance in this indispensable area of our national life.

This is a goal I endorse wholeheartedly, Mr. Speaker, but we are forced to conclude that the Government is not very specific with respect to its legislative intentions. It is my view that if this Parliament were to give all the attention needed to Bill C-203 I am introducing today, a major step would be made in respect of the linguistic reform started in 1969.

Since 1969, the linguistic reform has made undeniable progress. Within the three political parties in this House, there is at the official level at least a wide consensus on the principle of linguistic equality and its implementation. As evidence you have the two resolutions passed by this House during the previous Parliament at the time of the linguistic crisis in Manitoba and the three-party consensus which marked the proceedings in the Special Joint Committee on Official Languages, to which I referred earlier and of which I was a co-chairman.

You will also remember, Mr. Speaker, the wide consensus which prevailed when the Canadian Charter of Rights and Freedoms was adopted, which as we know included important linguistic provisions. The fact remains, however, that the Official Languages Act is somewhat outdated. In many respects, it does not reflect the progress made in the linguistic reform process it had launched and which, in the view of some people, it is not hindering. I am thinking especially of the whole question of language in the work place within the Public Service of Canada. Linguistic equality having been enshrined at the highest level in the Constitutional Act of 1982, consistency now requires that we do more, that we give the Official Languages Act the status it deserves. In so doing, this Parliament will clearly indicate to the Canadian people its determination to actualize the principle of linguistic equality.

Language tensions are still a political fact of life in Canada, Mr. Speaker. Recent events in New Brunswick and Manitoba show that the road to linguistic equality is not an easy one. French-speaking and English-speaking Canadians need reassurance from the federal legislators that, despite the pitfalls, there is unswerving determination at the national level to attain linguistic equality. This is the least we can do, Mr. Speaker, and I conclude my remarks on Bill C-203 by expressing the hope that I will get the support of Hon. Members, in order that the motion on this legislation may carry today.

In past years, Mr. Speaker, one or our colleagues would suggest that the Bill be deferred to a committee for consideration. I think that such an issue could be covered in a resolution by a member of this House. I would greatly appreciate it if this very important and extremely relevant question could be thoroughly dealt with by the joint Committees on Official Languages Policy and Programs chaired by a government member. I think that the committee should meet and thoroughly examine the proposal so that one day true linguistic equality will be achieved in this country.

• (1720)

Mr. Doug Lewis (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I should like to warn the House that I will make my first comments in French.

[*English*]

I thought it was only fair to warn you, Mr. Speaker.

[*Translation*]

Mr. Speaker, I thank you for this opportunity to put into perspective the bill under consideration. It contains an amendment to the legislation on official languages that would give it precedence over all other federal laws, orders, rules and regulations, past as well as present.

I am sure that Hon. Members understand the vital importance of that proposal which has numerous present and future consequences. It is therefore crucial that the underlying princi-

ple of the bill be considered in the light of existing legislation, of events which occurred during the past four years and of its impact on our future.

[*English*]

Over the past four years, we have listened with considerable admiration for the persistence and the single-minded dedication with which the Hon. Member has introduced proposals to amend the Official Languages Act.

I do not know how it is done in Queen's Park, Mr. Speaker, but in the House of Commons, one does not pass between the Chair and the Member who is speaking.

The Acting Speaker (Mr. Paproski): That is a point of order. I think we should bring that to the attention of the Hon. Member for Ottawa Centre (Mr. Cassidy) and of other Hon. Members. One does not pass between the Member who is speaking and the Chair. I would hope that all Hon. Members, and particularly the new Members, would keep that in mind.

Mr. Lewis: Mr. Speaker, I am sure it was unintentional.

I was making reference to the Hon. Member's persistence and dedication to the cause which he espouses. I can say that we have watched this dedication with a great deal of admiration.

In 1980, the Hon. Member sponsored Bill C-214, to which he has referred today, which proposed to amend the Official Languages Act to assert its primacy over other federal legislation. In June 1984, the Hon. Member introduced an identical Bill, Bill C-255, with the addition of the consequential amendments which are now attached to this Bill. However, Bill C-255 died on the Order Paper as a result of the election called by the Hon. Member's Party. Our roles have now changed.

Our Party has an opportunity to deal with a broad spectrum of concerns which affect all Canadians. I can assure the House that it is our intention to fulfil our mandate in a thoughtful and comprehensive manner.

I suggest to the House that we examine what happened to Bill C-214, the Hon. Member's previous effort to which I referred a minute ago. That Bill was referred on second reading to the Special Joint Committee of the Senate and the House of Commons on Official Languages. This was a committee which included the Hon. Member on its roster. I mention this because the discussions which took place in the House and particularly in the joint committee at that time raised important issues of principle, just as Bill C-203 does at this time. It is my opinion that it is relevant to review some of those discussions as reported in *Hansard* and in the minutes of the joint committee's proceedings of May 12, 1982.

When the Hon. Member for Ottawa-Vanier (Mr. Gauthier) spoke on behalf of Bill C-214 in July, 1980, he noted that he was pleased with the progress made in the official languages field since the inception of the Official Languages Act. However, he felt at that time that there were still problems that remained to be solved. He pointed out that the official languages policy had remained consistent over the previous two years and that this was evidence of a high degree of unanimity among the Parties of the House, despite the changes in Government which had occurred in the interim.

From time to time, the Hon. Members has stressed that for some Members, linguistic equality is one of the main principles of the Canadian federation and one which needed to be recognized in the new Constitution in order to be protected against possible infringement.

[*Translation*]

As we all know, the equality of both official languages is now entrenched in the Canadian Charter of Rights and Freedoms which is part of our new constitution. The Charter has been enthusiastically endorsed by all three parties.

In the past, the core of the argument made by the Hon. Member was that the principle of linguistic equality as set in section 2 of the Act on Official Languages did not take precedence on all other laws and regulations made by Parliament and the government of Canada. Well, such was perhaps the case when the Hon. Member introduced his first bill but that basic principle of linguistic equality is now part of our constitution.

[*English*]

As a fundamental part of our Constitution, it would have primacy over all federal legislation and regulations, I would submit. I suggest with respect that the Hon. Member's argument is lost on that score.

I believe that I am on sound ground when I say that the best guarantee of continuity for the principle of equal status and rights of the official languages is not the embodiment of a primacy statement in the Official Languages Act but, rather, the fact that we have now enshrined it in the Canadian Constitution. At this juncture in our history, we have Sections 16 and 20 of the Charter of Rights and Freedoms. Those provisions establish the equality of the status of the official languages of Canada and guarantee equal rights and privileges as to their use in federal institutions.

Section 20 of the Constitution entrenches the right of any member of the public to communicate and receive services in either French or English at the head office of any Department, agency, institution, et cetera, of the federal Government wherever such office is located. Members of the public also have the same right to such services from any other office where there is a significant demand or where the nature of the office makes it reasonable to have bilingual services available. In addition to these fundamental rights, Section 24 of the Charter now permits any member of the public to seek redress in the courts if he or she believes that these rights have been infringed upon. Section 20 of the Charter already places some qualifications on the requisite availability of bilingual communications and services.

The basic criteria to be applied are the provision of such services from head offices and from offices where there is significant demand or where the nature of the office requires a bilingual service. With these criteria in the Charter, it is

difficult to understand what the absolute primacy provision of Bill C-203 will add to the linguistic guarantees that already exist with respect to service to the public in Section 20 of the Charter.

I stated earlier in my remarks that it is the Charter of Rights that provides the protection, not the primacy sections of the Official Languages Act or the primacy provision which my hon. friend seeks to insert by way of this Bill. By saying that, I know I am impinging upon the Hon. Member's intentions. In the testimony of the Deputy Minister of Justice and the Deputy Attorney General of Canada before the special joint committee they expressed the opinion of the Department of Justice that the principle enunciated in Section 16 of the Charter was indeed binding and obligatory. Moreover, it was pointed out that anyone feeling prejudiced in the application of Section 16 could appeal to the courts for a remedy under Section 24 of the Charter.

● (1730)

I would suggest that the issue of whether or not Section 2 of the Official Languages Act is supreme over other provisions of any legislation passed by Parliament appears to have been settled by the passage of Section 16 and other related sections of the Constitution. As a matter of fact, the Hon. Member has agreed with this view.

In his presentation to the Joint Committee on Official Languages concerning Bill C-214, the Hon. Member for Ottawa-Vanier stated:

> As far as I am concerned ... Section 16 of the Constitution is binding. Moreover, Section 52(1) of Part VII of the Constitution is quite explicit in this matter.
>
> The Constitution of Canada is the supreme law of Canada, and any law that is inconsistent with the provisions of the Constitution is, to the extent of the inconsistency, of no force or effect.

Therefore, it is clear, according to the Member, that the principle of linguistic equality alone is adequately covered by the Constitution.

[*Translation*]

Many Hon. Members are aware that in its fifth report which was tabled before Parliament in April, 1983, the Joint Committee proposed a number of amendments to the Official Languages Act. These amendments, which would have defined both the declaratory and executory characters of the Official Languages Act, provided that Canada's two official linguistic groups were to be equitably represented within every institution of the Parliament and government of Canada and at every level; that all federal Civil Servants could work in the language of their choice, subject to provisions governing the Civil Service, and that the provisions of the Act would apply to all Crown corporations and their subsidiaries as well as joint ventures.

[*English*]

With respect to the recommendation concerning Crown corporations, it is noteworthy that the joint committee's notes make it clear that the Act was to extend to any corporation or mixed enterprise in which the Government of Canada had a controlling interest. I would like to take a minute to consider the implications of this particular proposition.

Since many subsidiaries of Crown corporations are private sector companies operating under the relevant laws, and probably cannot be considered as institutions of Parliament or the Government of Canada, I suggest that there could be problems if the primacy principle of Bill C-203 were enforced. The question I raised is this: Would all such private corporations in which the federal Government had a controlling interest, have to apply the provisions of the Official Languages Act or the Constitution which relate, or are presumed to relate, to service to the public, publication of notices, and language of work?

In addition, the Government of the day—which now sits in Opposition—in its December, 1983 response to the joint committee's recommendation noted that the Official Languages Act applied to Crown corporations as defined in Part VIII of the Financial Administration Act. In its response, that Government pointed out that attempts to bring all subsidiary corporations and mixed enterprises within the ambit of the Official Languages Act presented significant legal problems and that such a proposal needed to be thoroughly examined at all levels before such steps could be taken. I raise this point in order to identify the complexity of attempting to apply the Official Languages Act to Crown corporations and their subsidiaries. I do not say that it is something which should be studied thoroughly by the House, but I do not think we can rush into it.

For example, if the primacy proposal contained in Bill C-203, which my hon. friend has proposed, were to apply, what would be its effect on the question of the Official Languages Act in its application to Crown corporations and their subsidiaries?

As Members of the House know, Bill C-24 which was passed by the House on June 28, 1984, was an Act to amend the Financial Administration Act in relation to Crown corporations. Its provisions included a new Part XII in the Financial Administration Act which defined wholly-owned subsidiaries, and which made it possible for the Governor in Council to give a directive to any parent Crown corporation when it was in the public interest to do so.

If a directive were issued to certain corporations to apply some, but not all, official languages policies, because of the nature of the Crown corporation, would such a directive then be invalid if the primacy provision were in the Act? This possibility was raised by the representative of the Department of Justice in his testimony before the special joint committee in May of 1982. I would like to quote the relevant portion of his statement. He said:

> In our opinion, Orders in Council not in accordance with the provisions of the Official Languages Act, as amended by Mr. Gauthier's Bill, could be cancelled, because in a very broad sense they are instruments of a regulatory legislative nature; from that point of view, they will have to conform to the principles incorporated by Mr. Gauthier's proposition into the Official Languages Act, just like actual regulations or Acts.

In my opinion, this illustrates the difficulties which are inherent in an absolutist provision such as the primacy proposal. I would remind Members of the House that the Constitution, in Section 1 of the Charter of Rights and Freedoms, recognizes the need for flexibility in the operations of government by providing for such reasonable limits to the guarantees provided by the Constitution as may be prescribed by law. The principle of recognizing limits to the applications of laws is a most important dimension in the legal framework which governs our Canadian society. If such limitations were absent, as appears to be the case with the primacy proposals contained in this Bill, indeed the consequences could be serious.

While Section 16 of the Charter of Rights states the general principle of equal status for both official languages, some limit to this right for French or English and to equal rights is in the very nature of government activities. I suggest that this is why it is in that section of the Constitution. We cannot read Section 16 of the Charter alone and give it an absolute content. It must be read in conjunction with the other sections of the Constitution. We have to consider exactly how Section 16 is going to be applied to any government activities, which do not exist by and of themselves but are there to provide services to individuals and to the public.

● (1740)

I see my time is up, Mr. Speaker, and I would like to thank the House for this opportunity to bring forward this point of view.

[*Translation*]

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, I wish to congratulate the Hon. Member for Simcoe North (Mr. Lewis) for the quality of his French and for his effort to participate in the debate in both official languages of this country. For my part, I would like to support the bill introduced by my friend the Hon. Member for Ottawa-Vanier (Mr. Gauthier) and his suggestion to have the said Bill referred to the Joint Committee on Official Languages Policy and Programs for further study.

I remember that when Mr. Walter Baker, the then Hon. Member for Ottawa-Nepean, was the spokesman of his party on this issue, he had supported in principle on behalf of the Progressive Conservative Party a similar Bill introduced by the Hon. Member for Ottawa-Vanier (Mr. Gauthier). He had definitely supported also his effort to have the Bill referred to a committee for further study. And frankly I am quite disappointed by the decision which the Progressive Conservative Party seems to have made, now that it is in power and unfortunately deprived of Mr. Baker's wise advice, not to allow the bill to be reviewed by the Committee on Official Languages.

Mr. Speaker, I would like to congratulate also my hon. colleague for his Bill and I, for one, suggest that it would be quite appropriate to consider again this proposal and the motion that the Official Languages Act be given primacy over all other legislation and not only in the Constitution.

The Hon. Member from the Progressive Conservative Party who has just spoken has indicated that since the Canadian Constitution refers to the official languages and grants equal status to both of them, that is enough, and there is no need to require legislation to assert the primary of the Official Languages Act over all other legislation adopted by the House or orders in council, and so on. Frankly, Mr. Speaker, I would be very skeptical about a statement to the effect that only judges, following an appeal made by a citizen, could rule whether the wishes of Parliament in the official languages field have been met. I would say that if we definitely and actually want to guarantee rights pertaining to the official languages, the concept of primacy makes much more sense than simply providing for such rights in the Constitution. The reason is that court proceedings are time-consuming. Since it is a costly process as well, it is not within the means of the average citizen. There have been recently the Bilodeau case in Manitoba and also a similar case involving a Montrealer, both of whom went before the Supreme Court for a parking ticket. Up to now those cases have cost thousands of dollars for the defence of rights provided under the Official Languages Act. Then, if those cases can be so expensive and so difficult in spite of the experience we have gained, the idea of giving primacy to those rights in the law of the land makes good sense.

[*English*]

I would say as well, Mr. Speaker, in replying, I suppose, to the comments made by the spokesperson for the Conservative Party, that it is surprising to find those Hon. Members changing their point of view from the days when they were in the Opposition now that they are in Government. It is also surprising to hear the argument that because the Constitution is there, therefore, this Bill is negative and should not be proceeded with, even to the extent of having it studied within the Official Languages Committee, a joint committee of the Senate and of the House.

The declaration in Clause 1 of this Bill is quite simple. It says that the Official Languages Act has primacy unless there is a specific declaration by Parliament in another Bill to the contrary. And there remains flexibility in the Bill because it is left up to Parliament to make the decision in each case as to whether or not it wants to exempt a particular piece of legislation from the primacy of the Official Languages Act. That is something which is quite easy for Parliament to do.

I believe, however, it is very important that that be done as a specific act of Parliament and not as something which is done offhand or, quite possibly, Mr. Speaker, something which is done as a consequence of the desires of some officials who might persuade the Minister to let a piece of legislation slip through, one which may not apparently touch on the Official Languages Act but which may, in fact, do so at the expense of the bilingualism which we seek to achieve in this country under federal law.

I have not had the experience of studying this project in the Official Languages Committee. If it goes there, I would certainly hope to have that experience. I am not aware of whether this Bill is totally ideal in its drafting or whether in fact changes or amendments might need to be made.

The question of Crown corporations has been raised. I do not see any fundamental problems there. If those problems are there, they can ventilated before the Official Languages Committee. However, simply to leave the matter now on the grounds that perhaps there were members of the Conservative caucus who felt that the Official Languages Act was a mistake, who declared themselves publicly beforehand—

Mr. Lewis: That is nonsense and you know it.

Mr. Cassidy: Well, I believe there are members from the Manitoba wing of the Conservative Party who made their feelings quite clear—

Mr. Lewis: It is not only a lot of nonsense, but unparliamentary.

Mr. Cassidy: —except when they were called to discipline by their Leader. At that point they reluctantly and grudgingly said they supposed that they supported the Official Languages Act.

Mr. Lewis: Absolute nonsense.

Mr. Cassidy: But it was grudging, and we all know, Mr. Speaker, that some of those people have been quite active in their support of the other side of the issue, as has been the Leader and the entire caucus of the Conservative Party in the Province of Manitoba. It is to the discredit of the Conservative Party that its colleagues in the Province of Manitoba sought to exploit the language issue and sought to inflame that particular issue over several months in the course of the last year or so.

I say, Mr. Speaker, that this House should acknowledge the great courage of Howard Pawley, the Premier of Manitoba, his Cabinet and the New Democratic Government.

[*Translation*]

The courage demonstrated by Premier Howard Fawley, his Cabinet and the New Democratic Party, the Government of the Province of Manitoba, faced with the opposition of the Conservative Party in that province and the efforts made by the NDP Government in Manitoba, not to solve a problem of their own making but one which began with the Conservative Party, I do not know precisely when, that problem has been with us for over half a century. So, the courage demonstrated by the New Democratic Party in trying to find a solution, to negotiate a settlement with the French-Speaking community in Manitoba—

Mr. Speaker, we intend to get more votes in the Province of Quebec in the next election. As I said when I was in Quebec City last Friday, our party caucus intends to open the way to Quebec, to co-operate with our party in that Province, to provide Quebecers with a real choice in the next election.

Mr. Speaker, I noticed during the last election that Quebecers very clearly wanted a change in the Liberal Party. They have stated bluntly that they are looking for a change. But in many cases the change they got was not what they expected.

The only option available in the last election was the Conservative Party. That is why the voters elected so many Conservative Members of Parliament. I suspect that many Quebecers have agreed with the policy put forward by the Conservative Party during the election campaign. But I wonder, Mr. Speaker, whether those Quebecers who chose to vote for the Conservative Party really wanted the policies that are now being suggested, that are being implemented by the Conservative Government, now that they are in office and not simply campaigning?

I noted, Mr. Speaker, how the Conservative Party said one thing during the last election but is now admitting frankly that they withheld their policies from voters for fear of not winning public favour—

[*English*]

Mr. Lewis: Will you address the Bill?

Mr. Cassidy: I was simply replying, Mr. Speaker, to the interjections of the Hon. Member for Simcoe North (Mr. Lewis). Perhaps I can now return to the Bill.

I am disappointed, Mr. Speaker, in the fact that the Prime Minister (Mr. Mulroney) has indicated that it is no longer a priority for him to ensure that Ontario take the necessary steps to become officially bilingual. I guess I can comment on the fact that the Premier of Ontario, Mr. Davis, spent his last day in the Legislature on Friday. He is standing down and a new leader will come to the fore after the convention which is being held in January. I am disappointed that not one of the four candidates for Premier of Ontario is prepared to put his reputation on the line and say that he is prepared to make Ontario officially—

Mr. Lewis: I rise on a point of order, Mr. Speaker. I have carefully read the very thoughtful Bill which was put forward by the Hon. Member for Ottawa-Vanier (Mr. Gauthier). In that particular Bill there is absolutely no reference to the leadership campaign in Ontario.

The Acting Speaker (Mr. Paproski): That is not a point of order.

• (1750)

[*Translation*]

Mr. Cassidy: My colleague comes from Ontario, Mr. Speaker, and I do like to talk about matters relating to Ontario. He has criticized my comments on Quebec, and after having made

those comments on Quebec, I will try to switch to another subject.

Reverting to this Bill, Mr. Speaker, I believe it has to be considered in committee. I don't know if all the proposed amendments make sense, but that is why committees exist, to study the details in depth. As I said, I think this House is supposed to discuss not just the Official Languages Act but also the whole question of bilingualism. As I just said, I feel one of the most ignored points to date has been the refusal by the Province of Ontario to accept bilingualism, I mean official bilingualism, for Ontario; and frankly I am very disappointed by the fact that when the Liberals were in power, neither the then Prime Minister, Mr. Trudeau, nor his Cabinet, or his Government, were willing to put pressures on the Conservative Government, their good friends in constitutional matters, to make sure that Ontario would accept Section 133 of the British North America Act with respect to bilingualism in Ontario.

To conclude my remarks, Mr. Speaker, I would like to leave some time for my colleague from Glengarry-Prescott-Russell (Mr. Boudria) who wants to make sure that this legislation will be deferred to the Standing Joint Committee on Official Languages Policies and Programs for detailed study and, hopefully, get back here in this House for adoption in the near future.

[*English*]

Mr. Pierre H. Cadieux (Vaudreuil): Mr. Speaker, before I start my speech on this particular Bill I want to point out to my colleague on the other side that in my riding in the Province of Quebec there was, during the last election, an NDP candidate, but he was not elected. So they had another choice besides the Conservatives.

[*Translation*]

Since it is the first time I rise in this House, Mr. Speaker, I will start with a few remarks about my constituency of Vaudreuil. I would like to convey my gratitude to my constituents who put their trust in me as their representative and I am convinced that they will do so again in coming years. But I want to extend my best wishes to my predecessor, Mr. Hal Herbert, who had been the member for Vaudreuil for 12 years.

That being said, Mr. Speaker, we are considering today an important Bill, as can be seen from the explanatory notes, considering that its purpose is to assert the primacy of the Official Languages Act over other acts and regulations of the Parliament and Government of Canada.

While listening to the previous speakers, Mr. Speaker, I could not help but think that the progress they mentioned was the result of years of efforts, compromise and adjustments of all sorts. Since the very beginning of Confederation, section 133 of the Constitutional Act of 1867 provided that the use of either French or English was to be allowed before the Canadian courts and in the proceedings of Parliament. As well, use of both languages was mandatory in legislation, records, reports and proceedings of this institution. Through the years, we gradually moved towards the Official Languages Act, which was passed in 1969, and more recently the Canadian Charter of Rights and Freedoms in which linguistic rights are clearly defined.

Linguistic reform in Canada bears the stamp of historical continuity as was so rightly put by the President of the Treasury Board (Mr. de Cotret) in the speech he delivered, on behalf of the Prime Minister of Canada, before the national conference on linguistic services organized by the Secretary of State last October for the 50th anniversary of the Translation Bureau. He recalled that, through the years, there was a slow accumulation of progress and improvements. In 1927, for example, stamps became bilingual; in 1934, the government of Prime Minister Bennett established the Bureau of Translation; in 1936, banknotes became bilingual too. In 1945, the government began to issue family allowances cheques in both languages to Quebec homes. In 1962, the Diefenbaker government generalized that practice, making all financial operations by cheques bilingual. Three years earlier, in 1959, the Diefenbaker government established simultaneous interpretation here in the House of Commons. All that became with time normal practice for Canadians to the extent that we have sometimes the impression that it has always been the case.

This demonstrates, Mr. Speaker, that this long development towards equality between English and French as official languages of Canada was only possible because of the joint efforts of the federal governments which have followed one another since Confederation, thanks to the capacity of Canadians parliamentarians to understand all the complexity of these questions, legislating in this very sensitive area only when all the studies had been made and the time was right, which means when there was a certain consensus among the Canadian people.

After extensive preparations and thanks to the reflexion aroused by the work and the report of the Laurendeau-Dunton Commission, the Official Languages Act which we propose to amend today was in 1969 an important benchmark in this long historical evolution which characterizes the Canadian process. This act, which was passed with the support of all the political parties in the House, extended the principles of bilingualism within the federal administration and emphasized the duties of the departments and other institutions of the federal government in their responsibility to serve the Canadian public in both official languages.

I should like to remind Hon. Members that since the coming into force of the Canadian Charter of Rights, in April 1982, the basic principles of the Official Languages Act are finally entrenched in the Canadian Constitution. The entrenchment of our fundamental linguistic rights into our Canadian Constitution, which again was approved by all political parties is in keeping with the best Canadian tradition of tolerance and civility and that the Prime Minister (Mr. Mulroney) has

firmly resolved to revive everywhere. With the Official Languages Act the federal public administration, has become more consistent, both from the viewpoint of its representativeness and the services it offers, with the realities of Canadian life. Through that legislation, we now enjoy a better balanced Public Service, which is just starting to truly serve the Canadian people in the language of their choice.

Therefore, in a few years time, backed by a solid tradition of tolerance and social justice, the federal Government in its Public Service and various institutions, has made some remarkable progress.

Of course, when it was the Official Opposition, the Progressive Conservative Party did criticize some aspects of the administration of the language policy of previous governments with some exaggeration perhaps but, as the Hon. President of the Treasury Board (Mr. de Cotret) recalled on October 9 last, it has always supported the program's objectives as well as its administrative consequences. He then stated that the challenge we now have to meet as the new government, is not only to maintain what has already been achieved in the area of official languages but also improve existing services. In short, to do more and better, and for less money than our predecessors.

In the same vein, even though time is running short, Mr. Speaker, I should like to quote from the statement of the Hon. President of the Treasury Board (Mr. de Cotret) which will indicate to the House how the Progressive Conservative Party intends to tackle the study of the official languages issue, including the consideration of this Bill.

The Acting Speaker (Mr. Paproski): Order. The hour provided for the consideration of Private Members' Business has now expired.

• (1800)

PROCEEDINGS ON ADJOURNMENT MOTION

[*English*]

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

THE CONSTITUTION—UNILINGUAL QUEBEC TRAFFIC TICKET APPEAL. (B) FEDERAL GOVERNMENT'S FACTUM

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, on December 6 I asked the Minister of Justice (Mr. Crosbie) who in the Government had approved of his factum, that is his written argument, in the Duncan MacDonald case before the Supreme Court of Canada. I also raised this same issue on December 10 and December 12. In addition, my colleague, the Member for Ottawa-Vanier (Mr. Gauthier) has raised this issue on several other occasions.

Early in December we learned that the Minister of Justice had, by way of intervention, filed a factum in the Supreme Court of Canada opposing Duncan MacDonald's contention that under Section 133 of the Constitution Act, 1867, he had the right to be summoned to the Quebec courts in the English language. Section 133 of the Constitution is that section which guarantees citizens the right to use their own language, English or French, in the courts of Canada and Quebec, as well as in the Parliament of Canada and the legislature of Quebec.

The question to be decided by the Supreme Court in this case was formulated by Mr. Justice Ritchie when he granted leave to appeal and is as follows:

> Does a summons which is printed and published in the French language only and commands an English speaking person to appear before the Courts of Quebec offend the provisions of S. 133 of the Constitution Act, 1867, resulting in a total absence of jurisdiction of the Court to proceed against him?

The Minister of Justice, who is also the Attorney General for Canada, has given the following answers to my questions. In the first place he said that the factum had been approved by the Liberal Government before him. Mr. Speaker, I checked that point and it is absolutely false. The factum is dated November, 1984. In addition, I checked with the Minister of Justice who preceded the present Minister of Justice, the Hon. Member for Saint-Henri-Westmount (Mr. Johnston) who was the Minister of Justice before September 17 and had been the Minister for several months. He said that the factum was never put before him for approval.

It is possible that some preparatory work on that factum was being done by civil servants in the months that preceded the Conservative Government. However, the fact that preparatory work was being done does not mean that approval was given. As we all know, civil servants prepare documents and positions for Ministers to approve. The approval, as I say, was not given under the previous Government. It was sent ahead under the Government which is in power today.

It is possible that some confusion has arisen in the mind of the Minister of Justice between the decision to intervene in the case and the approval of the factum. It is true that the decision to intervene in the Duncan MacDonald case by the Government of Canada was made under the previous Liberal Government. However, that is a decision simply to intervene in the case and not the position on the factum. The factum is the written argument which, as I said a few minutes ago, was sent to the court and prepared and approved in the month of November, 1984.

The next answer that was given to me by the Minister of Justice was that the content of the factum was decided upon by the legal officers in his Department and that he had no responsibility for it. Mr. Speaker, that is completely unacceptable. The Minister of Justice is the Attorney General for Canada. He is the chief legal officer for the Crown. He is the chief legal officer for the Government of Canada, and he has the responsibility for any document, paper or legal opinion which goes from his office under his name to any court in Canada. This factum, which bears the name of the Attorney General of Canada, certainly should have been his responsibili-

ty. He cannot slough off the responsibility for the contents of that factum on the officials in his Department.

As a lawyer he should know that there are always many legal opinions on any question. In this case we have the Société Franco-Manitobaine which has intervened in the case and supported Duncan MacDonald. This association has looked at the precedents in the law and supported Duncan MacDonald. Alliance Québec, which is an organization of Anglophones in the Province of Quebec, has intervened in this case and decided to support Duncan MacDonald.

● (1805)

The next answer the Minister gave me was that he had not read the factum, and that I had jumped on him because he had not read the factum. I return to what I said a few seconds ago. He has, as the Attorney General, the responsibility to read the factum. It was under his name and there is no way it should have gone forward without his examination and approval. That is his job in the Government of Canada as the Attorney General. To admit that he had not read the factum was a disregard of responsibility.

The Minister also said to my hon. colleague, the Hon. Member for Ottawa-Vanier, when he questioned him about the same thing, that he was making a mountain out of a molehill. I want to say to him and to the Government, the language question in Quebec is certainly not a molehill. That question is being heard tomorrow morning in the Supreme Court of Canada.

We have asked the Prime Minister (Mr. Mulroney) and the Minister of Justice to withdraw this factum, or to say nothing if they cannot say anything good. We had hoped originally that the Government of Canada would support MacDonald as other governments have supported people who were pleading for minority language rights. I hope the Parliamentary Secretary will tell us that the Government is withdrawing that odious factum and will at least be quiet tomorrow morning when Duncan MacDonald pleads his case before the Supreme Court.

Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice and Attorney General of Canada): Mr. Speaker, it is important in the interests of the Canadian system of justice not to argue this case in this House because, as my friend has pointed out, it is to be argued tomorrow morning in the Supreme Court of Canada. However, the Opposition leaves the Government no choice but to mention a couple of matters that pertain to this case.

First, it is part of the traditional role of the Attorney General of Canada to intervene before the Supreme Court when important constitutional issues are at stake. The intervention in this case took place on July 18. I am not sure, quite frankly, what date the factum was filed.

Mr. Gauthier: November, 1984.

Mr. Speyer: But I do know that on July 28, the deadline for the intervention, the Liberals were in power.

Second, there is one thing on which I agree with the Hon. Member and that is with respect to the policy. The requirement of a bilingual summons would be the most desirable policy, for many reasons. One reason is that there may be more than one accused, speaking both languages. Another reason is that it is not always possible to know in advance which language the accused will wish to use; therefore, to be sure of having a summons in that language, both languages are necessary. The difficulty with reading this policy into the section is that Section 133 makes clear that process issued by a court may be in either language. Moreover, this provision is included in a paragraph that makes clear that laws must be in both languages. If this were the intent for process, it would also be clear.

I say to the Hon. Member, who has raised this on many occasions matter over many years in the House, and feels very deeply about it, that the legal aspects are going to be decided by the court tomorrow, based upon an interpretation of Section 133. Whatever the policy is, and the policy was stated by the Prime Minister (Mr. Mulroney) that we will defend minority rights in all provinces—

Ms. Copps: Withdraw the factum.

Mr. Speyer: We will not withdraw the factum because an interpretation of Section 133 has to be made before the Supreme Court of Canada. We take the facts as we get them. We cannot withdraw. It is a public law case and our intervention is important. Notwithstanding my friend's intense interest in this matter, a proper construction on the facts of this case, Section 133, must go ahead and we will not withdraw the factum.

FARM CREDIT CORPORATION—MORATORIUM ON FARM FORECLOSURES. (B) PROPOSED UNITED STATES PROGRAM

Mr. Maurice Foster (Algoma): Mr. Speaker, on December 10 I put a question to the Minister of Agriculture (Mr. Wise) concerning the intentions of the Minister to introduce legislation in the House before the Christmas recess and hopefully have it passed, because of the very serious debt crisis facing thousands of farm families across this nation.

● (1810)

In early November the Minister of Agriculture instituted a moratorium on Farm Credit Corporation foreclosures to January 15. I note that if the Minister was not to take any action in the intervening time between early November and January 15, it was obviously just a cynical trick on his part, not allowing foreclosures to take place. When he put on the moratorium, he indicated that he would put in place policies and programs to assist young producers facing financial crises, yet nothing is on the Order Paper to date.

The FCC has appeared before the standing committee. They have not indicated what is being planned by the Department. The Minister's reply was simply that they were putting in place an FCC appeal process. They talked about a couple of

pilot project review boards in southwestern Ontario. Also the Minister mentioned previously that he lowered the FCC interest rate from 15 per cent to 14 per cent on a 20-year loan.

We are talking about the kinds of promises which the Tories made in the last election campaign. I should like to refer to their campaign material, particularly the document issued by the then Leader of the Opposition on July 5 in Prince Albert. It indicated that since many producers found their economic viability threatened as a result of being locked into long-term, high-interest rate loans, they would immediately allocate the necessary funding to assist producers in refinancing their loans at prevailing rates. When will the Government introduce that legislation? It is very clear. It indicated that it would reduce Farm Credit loans and all farm loans and immediately allocate adequate funding to refinance outstanding loans to current day prevailing rates. They have not done that. They have not brought in legislation. There is nothing on the Order Paper today from the Minister of Agriculture to implement that campaign promise, or any other one.

I asked the Minister whether he would consider putting in place a program tailored to Canadian needs, Canadian resources and so on, such as the one in the United States. Its set aside program provides a set-aside under farmers' home administration loans of up to 25 per cent for up to a five-year period and, for bank loans, where the bank will forgo up to 10 per cent, it will provide a 90 per cent loan guarantee on the balance. I asked him whether the Government would implement such a program to suit Canadian needs. It was done in the United States over two months ago. The Minister displayed his lack of information by saying that the program was only proposed and was not in operation. In fact, it was approved by the U.S. administration on September 18 and has been the law of that land ever since.

The key point is that we have some 39,000 farm families across the country who are facing very serious financial crises. The FCC estimates that some 1,700 of these families are actually facing financial collapse because of the farm financing situation due to low commodity prices, to high input costs, which are gradually rising, including interest rates, and to falling land values. Many farmers who were in very good positions only four or five years ago are now faced with practically no equity at all. Some 1,700 of them are actually facing farm bankruptcy.

● (1815)

We are asking the Minister to come forward and implement the policies which he promised in the election campaign, or implement other programs, not to talk about farm credit review boards as though that would have a tremendous impact on assisting the hard pressed farmers.

Last week before the standing committee it was estimated that farm debt had increased from $5 billion a couple of years ago to approximately $19 billion at this time. The crisis relates to our youngest farmers, our most productive farmers, who produce at least half of our farm products.

I hope the Parliamentary Secretary will indicate that the Minister is going to take some concrete and effective steps to help resolve the farm debt crisis facing this country today.

[*Translation*]

Mr. Pierre Blais (Parliamentary Secretary to Minister of Agriculture): Mr. Speaker, it is for me a pleasure to answer that question because I think our Government is doing a very good job for the farmers. Since the present problems faced by farmers result from disastrous economic policies implemented by the previous Government, the Hon. Member for Algoma (Mr. Foster) should realize it will take more than two months to repair mistakes made by the previous administration over a twenty-year period. Obviously, it is impossible and even unthinkable to lower suddenly the interest rates, even though I agree they are too high.

However, Mr. Speaker, last week the Minister of Agriculture (Mr. Wise) made two very important announcements for Canadian farmers. First, interest rates charged by the Farm Credit Corporation have dropped drastically. Since December 10th, the interest on loans approved under the Farm Credit Act has decreased. Presently, the interest rate is 13.25 per cent for 5-year loans, 13⅝ per cent for 10-year loans and 14 per cent for 20-year loans. Even if 1 per cent seems to be a relatively small reduction, the consequences will be far-reaching because these loans amount to hundreds of millions or even hundreds of billions of dollars. In fact, this represents a ¾ of 1 per cent reduction depending on the loan duration. Besides, the interest rate charged under the Farm Syndicates Credit Act dropped as well to 13¼ from 13¾.

The Hon. Member should also be pleased by the second announcement made by the Hon. Minister of Agriculture. He is wondering about what will happen after January 15 to farms which benefited from an interruption in the Farm Credit Corporation's collection procedures. Moreover, it is interesting to note that it is only recently that members from the previous government have been expressing concerns about agricultural producers. Before that, they were not concerned about this situation.

Mr. Speaker, the Minister has asked, the Farm Credit Corporation to expand the mandate of its appeal boards, in order for them to review the cases in which it is considering the foreclosure of mortgaged assets.

There are 10 appeal boards, one for each province, and each one is comprised of experienced farmers. At the request of borrowers who are on the verge of losing their assets to the Farm Credit Corporation or those placed in a dire financial situation, the appeal boards, and this is important, will review the cases. Each case will be examined without prejudice by a third party. This seems important to me because of the circumstances, Mr. Speaker. The appeal boards will allow the farmer to ask all his creditors to appear before them. In the presence of all those who are interested in the survival of this farmer one has to think about the survival of the farmer, Mr.

Speaker, the appeal boards will be in a much better position to assess the options which would allow the farmer to come through.

The Acting Speaker (Mr. Paproski): I regret, but I must interrupt the Hon. Member. The Hon. Member for Winnipeg North.

• (1820)

[English]

CANADIAN BROADCASTING CORPORATION—EFFECT OF BUDGETARY CUT-BACKS ON WRITERS. (B) EFFECT ON INCOMES

Mr. David Orlikow (Winnipeg North): Mr. Speaker, both in Parliament and outside of Parliament, there has been a great deal of discussion about the $75 million which has been cut from the budget of the CBC. It has been made clear that the CBC has had to issue lay-off notices to 750 of its present employees. What has not been discussed is the fact that there are thousands of people who do not work for the CBC full time who will be affected. These include writers, actors, musicians and dancers, to name just a few who do not work for the CBC but who work occasionally on programs produced by the CBC. The payment these people receive from the CBC has been a substantial part of their total income. Thousands of these people will not be able to do the work they did before the budget-cutting program is put into effect.

Before and during the election campaign the arts and culture community campaigned vigorously by contacting the three political Parties and urging them to continue to support the activities of the arts and culture community which are so important if this country is not to become the 51st state of the United States of America. Each Party made commitments to the arts and culture community.

Members of the Conservative Party, when they were in opposition, promised the arts and culture community that if they were elected, funding would continue at last year's level plus whatever increases were dictated by the cost of living. Now that Conservative Members are in Government, they have announced cuts to all of the culture institutions including the National Arts Centre, the Canada Council and the National Film Board. They have announced a major cut of almost 10 per cent to the CBC. As I indicated, $75 million of this cut relates to programming and $10 million relates to technical equipment.

When the Minister is asked about this, he continually says that he directed the CBC to make the cuts in the administration and to let programming continue. I think the CBC tried very hard to do that but the scope of the cut is such that programming must be cut. When 750 people including writers, producers, sports and news people are let go, the programs which they helped produce do not continue.

The Minister indicated that most of the cuts will be made at the head offices in Toronto and Montreal. Major cuts were made there. However, the fact is that regional cuts will also be very substantial. In the City of Winnipeg, which has played a pretty important role in the operation of the CBC, 80 people are going. In Vancouver, 70 people are going. In Windsor, 50 people are going. In Halifax, 45 people are going. In every community in which the CBC operates, people are going. Those people were not sitting there doing nothing. Those people were in charge of programming.

What happens now to the kind of programming the CBC was directed to do the day it was established in the 1930s by a Conservative Prime Minister, Mr. R. B. Bennett? When he proposed that the CBC be established, Mr. Bennett said that we needed an organization like the CBC to highlight the Canadian identity.

In the City of Winnipeg, programs which were to have been produced next year which would have employed symphony and chamber orchestras will be gone after this year. Drama programs which were produced in Winnipeg and televised will be gone. That is the inevitable result of what this Government is doing. It is a disaster for Canadian arts and culture. It is a disaster for a country such as Canada.

• (1825)

Mr. Geoff Scott (Parliamentary Secretary to Minister of Communications): Mr. Speaker, in responding to my distinguished colleague from Winnipeg North (Mr. Orlikow), I am pleased to comment in somewhat greater detail on the very painful exercise which affects writers, creators, musicians, dancers, singers and others in the Canadian Broadcasting Corporation. The reduction of some $75 million of parliamentary appropriation will affect in a very unfortunate way the people who are involved.

Before specifically addressing the matter, I feel it is important to stress that the Minister, and indeed most Members, recognize that the CBC plays a very vital role in Canada. I am a personal fan of the Canadian Broadcasting Corporation. The Hon. Member is right in saying that the CBC was a creation of a Conservative Government. It was created in the days of R. B. Bennett. We are convinced that it makes a terrifically important contribution to the cultural life of the country. We want the CBC to be as effective in its expenditure of public funds as it is creative in its programming.

The President of the CBC announced on December 11 the Corporation's plans to cut $75 million from its budget. In reducing its budget, the CBC is trying to use attrition, the freezing of vacant positions, early retirement, and, as a last resort, lay-offs. As the Minister announced in the House last Friday, he approved the CBC's request for amendments to its pension plan which will facilitate early retirement, which should minimize the loss of jobs.

In making its budget reductions, the CBC announced that it has not exempted any activities from its review. Therefore, I would expect that all aspects of the Corporation, including contract work, will be examined closely by the CBC. As the Minister has previously stated, he and the President of the CBC, after serious and thorough consultations within the framework of the respective jurisdictional and regulatory responsibilities, agreed that budget reductions would be applied mainly to the CBC's administrative areas so as to

safeguard creativity and production in the cultural areas. This would take place both regionally and nationally.

The Acting Speaker (Mr. Paproski): I regret that the Hon. Member's time has expired.

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

At 6.30 p.m. the House adjourned.

HOUSE OF COMMONS

Tuesday, December 18, 1984

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT
EXCISE ACT

MEASURE TO AMEND

The House resumed from Friday, December 7, consideration of the motion of Mrs. McDougall that Bill C-12, an Act to amend the Excise Tax Act and the Excise Act, be read the second time and referred to the Committee of the Whole.

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, there have been consultations with the Opposition House Leaders with respect to Bill C-12. As your Honour will know, there is a notice of Ways and Means motion which was accepted by the House yesterday with respect to certain provisions of this Act which have the effect of amending Bill C-12. We have had discussions and, if you are prepared to put this order to the House, Mr. Speaker, I think you will find, even in the spirit of Christmas, that there would be a decision to accept this order as an order of the House as follows:

That, the Order of the day for resuming debate on the motion of the Minister of State (Finance) for the second reading and reference to a Committee of the Whole of Bill C-12, an Act to amend the Excise Tax Act and the Excise Act, be discharged and the Bill withdrawn;

Provided that a Bill based on the Notice of Ways and Means motion to amend the Excise Tax Act, concurred in on Monday, December 17, 1984, and on the Notices of Ways and Means motions to amend the Excise Tax Act and to amend the Excise Act, concurred in on Thursday, November 22, 1984, shall be deemed to have met the notice requirement, been introduced, been read a first time and, notwithstanding any Standing Order, to have reached the same stage in debate on a motion for second reading as the former Bill C-12, an Act to amend the Excise Tax Act and the Excise Act, had reached; and

Provided that for the purposes of debate on a motion for the second reading and reference to a Committee of the Whole of the aforementioned Bill the time remaining pursuant to Standing Order 35(2)(b) shall be deemed to be six hours and 46 minutes.

If you are prepared to put that motion before the House, Mr. Speaker, I think you will find there is unanimous consent for the motion.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I want to say on behalf of my Party that we do, of course, give unanimous consent after the consultations. I want to say for the benefit of anyone who is watching that what we did was agree to accept amendments without having to go back over all of the debate that had already taken place. That in essence was what that long motion was intended to accomplish.

Mr. Jacques Guilbault (Saint-Jacques): Mr. Speaker, we also agree. We have been consulted and we give our consent.

Mr. Speaker: Does the Government House Leader have unanimous consent for the motion?

Some Hon. Members: Agreed.

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

Some Hon. Members: Agreed.

Motion agreed to.

Mr. Speaker: The motion is carried. Accordingly, the order for second reading of Bill C-12 is discharged and the Bill is withdrawn; Bill C-17, an Act to amend the Excise Tax Act and Excise Act, is deemed to have been introduced, read a first time and is now before the House as an order for resuming debate on a motion for second reading and reference to the Committee of the Whole.

Order discharged and Bill withdrawn.

Mr. Speaker: Orders of the day.

* * *

EXCISE TAX ACT
EXCISE ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mrs. McDougall that Bill C-17, an Act to amend the Excise Tax Act and the Excise Act, be read the second time and referred to the Committee of the Whole.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I want to say a few words on second reading of Bill C-17. It is important for Members to recognize that much of what was contained in Bill C-12 had been carried over from two previous Budgets, one on April 19, 1983, and the other on February 15, 1984, with some important additions that will bring welcome news to some hard-hit sectors of our economy.

Basically the major changes included in this Bill are the following. There is a special recovery tax which, to all intents and purposes, is an increase in the federal sales tax. It is interesting that the new Government is introducing as one of its first pieces of legislation an increase in the federal sales tax.

Not many months ago when similar matters were raised in the House, a variety of individuals had substantial comments to make about what this would result in.

I want to take a few moments to remind Members on the government benches of quotes of certain of their Members regarding excise tax increases. On December 13, 1983, at page 116 of *Hansard*, the Hon. Member for St. John's West (Mr. Crosbie) had this to say:

● (1110)

This . . . is a huge regressive tax bite, far greater than the hospital insurance premiums collected by Ontario or any other province, that this Government has now introduced legislation to try to stop. Hypocrites, cynics, manipulators guilty of deviousness, deviates; this is what the Government is composed of.

This was uttered by the Hon. Member for St. John's West regarding this particular measure. At that time the measure was referred to as being devious. It was a manipulative move on the part of the Government. It was a cynical move on the part of the Government. It was a hypocritical move and represented a sense of deviousness. A few months later this Government has turned around and is introducing exactly the same kind of legislation.

I make this point not only to indicate that once Members of Parliament change from the Official Opposition to the governing Party they change their tune on a whole set of issues but that it is the kind of thing that encourages people to be cynical about what politicians have to say. For example, on February 13 of this year the same gentleman, the Hon. Member for St. John's West, asked the then Minister of Finance if he would agree to eliminate the federal sales tax increase of 1 per cent next October, a sales tax which he has already imposed on the Canadian consumer. He went on to ask if the Minister did not agree that Canadian consumers must be helped if there is to be a continuing recovery. The Hon. Member for St. John's West was attempting to say that, by taking out of the pockets of Canadian citizens through an increased federal sales tax hundreds and hundreds of thousands of dollars, this money would not circulate in the communities of Canada. He indicated that we are talking about hundreds of millions of dollars that this particular piece of legislation will take from the pockets of Canadians.

It does not take much imagination to recognize that for a recovery to occur in Canada, one of the critical ingredients is that Canadian consumers exercise their buying power and begin to purchase goods and services once again. The Gallup poll of a few days ago indicates that Canadian consumers do not have much confidence in what lies ahead in the next number of months and are consequently keeping their money in their savings accounts. They are not purchasing the goods and services that a recovery requires. What the Hon. Member for St. John's West said back in February, 1984 still holds true today and perhaps even more so.

The Government is trying to generate a sense of confidence in the country and to encourage people to be confident about the ability of the Government to create an environment in which a recovery can inevitably occur. To have as one of the very first acts of the Government the implementation of the increase in the federal sales tax is not the kind of gesture that develops and builds confidence in the country. It does not encourage Canadian consumers to have faith in how the Government is going to treat them.

A few days later, on February 16 of this year, the Hon. Member for St. John's West had this to say:

The Minister calls it the special recovery tax. He should rename it the special recession tax. There is no recovery. This tax is not going to help it, this special recession tax—

Where does the Minister help domestic demand in this Budget? . . . He might help consumer demand if he did away with the 1 per cent increase in the federal sales tax that is coming in October. It is a regressive tax that bears more heavily on lower income people.

Again, the Hon. Member for St. John's West was trying to point out to the Liberal Government of the day that introducing a sales tax at that critical time when the recovery was at a very fragile point in its evolution would not be appropriate. I respect that view. I think it would be in the best interests of this new Government, if it wants to build a sense of confidence and hope for the future, to listen to the advice of the Hon. Member for St. John's West. The Government should stop this nonsense of introducing a federal sales tax which will take hundreds of millions of dollars out of the pockets of Canadian consumers. It will do very little in terms of encouraging a positive atmosphere in the country for economic recovery.

● (1115)

A few days later, on March 30, 1984, the Hon. Member for St. John's West had this to say:

One thing I would not have done is to bring in the tax increases which the Minister of Finance brought in in April and which he confirmed again in February. How could this be the right time to have tax increases when there is not any kind of vigorous recovery going on in the economy? I would not impose another 1 per cent increase in the sales tax on the Canadian people in October, and I would not have made the changes in the child tax credit and the other changes which were introduced in the Budget last April.

Again the Hon. Member was trying to point out to the Liberal Government of the day that an increase in the sales tax was not the kind of action which would encourage recovery in the country.

In the dying days of the last Parliament, on June 28, 1984, the Hon. Member for St. John's West went on to say:

In the next three years the Government is going to take $2.4 billion from Canadian consumers through the new special recovery tax, a 1 per cent increase in the sales tax. This year the Government will take $300 million. How can the Minister justify these increased taxes on Canadian consumers whom he is crucifying with increased interest rates at the same time? How can he justify that, the unemployment it will bring, and the recession that will follow it?

Why is it that I am reminding Members opposite of the words of the Hon. Member for St. John's West which were spoken only a few months ago? As an individual who had been the Minister of Finance and who at that time was the financial critic for the Progressive Conservative Party, he was standing up in his place and saying day after day that an increase in the federal sales tax would work against recovery and that it would not be in the best interests of economic recovery in Canada. A few weeks later the first action which was taken by the Progressive Conservative Government was to turn 180

degrees and impose the regressive sales tax increase which it had argued against so vigorously.

It is that kind of behaviour which encourages many people in Canada to have doubts about the integrity of the new Government. It said that it would not increase the sales tax one month, and a few weeks later it did exactly what it had argued against. It is encouraging the people of Canada to wonder, when they hear the Leader of the Government of Canada stand in his place and say the Government will do this, or a certain Minister stand and say the Government will try that, why they should believe the Government today when it has gone against the very concerns and points which were raised a few weeks ago.

I feel badly. I appreciate the argument which members of the Government make when they say that an environment of confidence must be created for the future, and that we must encourage people to be hopeful and positive about what the future will bring. But when the Government says one thing one day and does something totally opposite the next day, it is no wonder that people across the country are wondering whether they can take what the new Government says as the truth.

This legislation will take in excess of $2 billion out of the pockets of consumers over the next four years. That means there will not be $2 billion circulating in the communities of Canada. When a dollar bill leaves the pocket of a consumer and ends up in Ottawa, it is a dollar bill which does not circulate, week after week, month after month, in the rural areas of Canada and in the large cities and small towns of Canada. What that means is that that dollar bill will not circulate and assist small businesses. It will not be there to encourage and support small retailers in Canadian communities.

• (1120)

The amount of $2.4 billion is a lot of money to take out of the economy over a four-year period, especially during this very critical and fragile time. But this is what this Bill does, Mr. Speaker. That is one reason we feel an obligation to oppose it. We feel an obligation to stand in our places and speak against this Bill because it is not in the best interests of economic recovery, economic development and job creation in our country.

There is as well, of course, a tax now being imposed on telecommunications cable companies in the country. It is called a telecommunications programming services tax. A lot of independent cable operators across the country, economic conditions being what they are, are operating very close to, or on the verge of, bankruptcy and now they hear the news that the Government is going to impose additional taxes on television cable rentals.

One has to wonder, Mr. Speaker, if the right step towards economic recovery is to raise taxes on a variety of businesses as well as on individuals. President Reagan felt that it was not the step to take in that country and he has chopped taxes all throughout the system. One can argue about how and where he chopped those taxes but nevertheless he said: "To have economic recovery in the United States of America, we must reduce taxes". This Government believes that to have economic recovery in Canada we must increase taxation of all people, particularly the poorest people in this country. An increase in the federal sales tax, Mr. Speaker, in fact raises taxes disproportionately on the poor of Canada. We in this Party do not feel that is right. We do not believe it is fair and it is certainly not in the best interests of economic recovery.

There is an up side to this Bill as well, Mr. Speaker. It is one very important part of the Bill about which we feel strongly. My colleague, the Hon. Member for Skeena (Mr. Fulton), has been lobbying the Government for months and months now to bring some relief to the hard-pressed loggers, fishermen and farmers in his community. Other Hon. Members have tried to point out that these people are undergoing particularly difficult times and that one of the steps the Government could take is to remove the sales tax on diesel fuel for fishermen, loggers, miners and farmers. This section of the Bill is a step in that direction. We applaud the fact that this measure will remove the sales tax on diesel fuel sold to the groups I have just named as long as it is not resold, of course, for commercial purposes. We have been calling for this type of tax measure for some time as a type of tax measure which will result in increased economic activity in those sectors, which will give those particular sectors a boost during these difficult economic times.

On the other hand, Mr. Speaker, this Bill now slaps an extra tax on domestic air transportation. We are the second largest country in the world and air transportation plays a very critical role in economic development for the various regions of Canada. I see the Hon. Member for Western Arctic (Mr. Nickerson) is here today. I appreciate his concern about this matter. I wonder how he feels about increasing the domestic air transportation tax. I wonder how this is going to assist economic development in the Arctic and the more remote regions of Canada. I have received many representations from people from central and northern British Columbia who have attempted to point out again that these small airline companies assist in the economic development of the northern interior parts of Canada and that imposing additional taxes on domestic air travel is not going to be in the best interests of assisting those particular sectors.

• (1125)

The total cost, Mr. Speaker, of these measures, excluding the lost revenue from the removal of the sales tax on farm fuels, which we support, will be $3.1 billion for the years 1984-1988. The fact that $3.1 billion is now being taken out of consumers' pockets is something we have a difficult time supporting. As a matter of fact, we cannot support it in all good conscience. It is important that we recognize that in this Bill the new Government is really bringing forward and implementing Liberal legislation. It goes back to the Budget of 1983, and we must recognize that as we listen to our colleagues in the Liberal Party. It has some important additions, particularly assisting those in the mining, logging, fishing and farming businesses, but we have also to recognize that the

federal sales tax is an extremely regressive tax. Everyone must pay the federal sales tax regardless of their income or economic status.

That is just not the kind of taxation that these times require. Taking $3.1 billion of purchasing power out of circulation will certainly not help the Canadian economy. Basically the new Government is taking the wind out of any economic recovery sail with this measure. People in the construction industry are struggling and we are going to be paying more tax on construction materials. As I look at my friends across the way in the Conservative Party—

Mr. Turner (Ottawa-Carleton): Don't forget us on both ends.

Mr. Riis: I ask my colleagues to the left and right to explain how increasing the tax on construction material will assist economic recovery. I ask them to explain how increasing the federal sales tax and taking money out of consumers' pockets is going to assist the recovery, an obviously very fragile recovery.

Mr. Turner (Ottawa-Carleton): It is going to lower interest rates.

Mr. Riis: My friend says it is going to lower interest rates. That is an argument I am looking forward to hearing during this debate.

To close my remarks, Mr. Speaker, I want to say that the $3.1 billion this tax will raise could easily be raised by ending many of the unproductive tax expenditures to the corporate sector. All we have to do is turn to the twenty-third annual report of the Economic Council of Canada where they say all sorts of revenue can be derived from simply taxing the corporate sector in a more sensible way. I think it is time we paid some attention to that. Rather than go out and raise regressive sales taxes, rather than raise taxes on domestic airline companies or small cable television firms, if you like, why not change the corporate tax structure which every single tax adviser has alerted us to? If we want $3.1 billion we can get it from a progressive corporate tax system, not raise it on the backs of Canada's poor, which is what a regressive federal sales tax essentially does.

Mr. Deputy Speaker: Questions and comments.

Mr. Blenkarn: Mr. Speaker, I think the House will agree that any tax is a bit regressive, but the Hon. Member for Kamloops-Shuswap (Mr. Riis) is telling us how disastrous borrowing is. I suppose he would now prefer that we not pass this Bill but increase our borrowing.

I was wondering why he would criticize this Bill particularly when it fulfils one of the promises of this Party to relieve farmers, fishermen, loggers, trappers, miners and others of the burden of high fuel costs in developing the resources of this country. I would have thought that he would congratulate the Government on fulfilling that promise.

He also speaks of the federal sales tax as being regressive. Perhaps it is, but all taxes are regressive and he will know from his commercial experience—maybe he does not have that commercial experience—that when companies were organizing the pricing of goods for this fall they calculated the federal sales tax in their prices. So when we came to analyse the effect of that tax Bill we found we would not reduce prices one bit by not passing it. The tax was already built into the pricing system. Those who manufacture and sell wholesale and retail have already built that tax in.

● (1130)

Has the Member thought about that position? Could we have the support of the New Democratic Party instead of continual harping opposition for no earthly purpose at all?

Mr. Riis: Mr. Speaker, he is a very mean-spirited individual today. I must admit that I did not catch all of the nuances of the Hon. Member's question. I did hear him say that he agreed that the federal sales tax was regressive. I am curious why an Hon. Member with such concern as he says he has for economic recovery would support a tax that he himself admits is regressive. He himself admits it is going to punish the low income earners of Canada the most. It will punish the poor people of Canada. Why a Progressive Conservative Government would introduce such a tax is beyond me.

However, as I indicated in my earlier comments, we were pleased that the Bill included diesel fuel rebates. I do not think I can recall a single week in the last two years when there has not been a representative of the New Democratic Party arguing on behalf of the loggers, miners, fishermen and farmers of Canada for the need to introduce these steps at this critical time. At that time the Liberal Government indicated that it would look into it and was considering it. I think the Government now recognizes that farm bankruptcies are continuing. Due to the financial situation of the agricultural, mining, fishing and forestry industries across the country, the new Government simply had no alternative other than to bring in this measure. I am certain, however, that they did not do it with enthusiasm, being so concerned about the deficit.

All of these measures, many of them extremely regressive, will raise $3.1 billion essentially from the consumers of Canada over a four-year period. I do not know why the new Government did not simply follow the advice of every progressive financial firm with regard to introducing a fair corporate tax system. In its most recent report the Economic Council of Canada made the point that enormous growth in these corporate tax concessions during the 1970s alone have had a questionable impact. It is estimated that the Government will be spending in the neighbourhood of $18 billion in outright grants and tax breaks to the corporate sector this year. These regressive taxes will raise $3.1 billion over four years. As the Chairman of the Bank of Montreal said not long ago, the corporate sector of Canada is awash in tax concessions. He was trying to tell the Government to stop this nonsense but, of course, he could not say that to his political colleagues in the Conservative Party.

If the Government so desperately wants $3.1 billion, then it should be raised. However, let us not raise it on the backs of Canada's poor and Canadian consumers whose participation we require in this economic recovery period. Let us raise it by introducing some progressive corporate tax measures.

Mr. Blenkarn: Mr. Speaker, the Member knows that this is not a corporate tax Bill. He knows that the Minister of Finance (Mr. Wilson), together with the Deputy Prime Minister (Mr. Nielsen), are reviewing all of the corporate tax changes which are appropriate and those will be introduced in the Budget. We are dealing with an excise tax Bill which goes a long way to creating prosperity in the country. It helps the producers of the country but the New Democratic Party does not want to help producers. Sure, it taxes people, but those taxes were already in place in the system and the Member did not answer that point. Sure, it taxes airline tickets, but of course only the poor travel by air, or maybe it is only New Democrats.

Mr. Deputy Speaker: The Hon. Member for Kamloops-Shuswap (Mr. Riis) if he wishes to answer.

Mr. Riis: Mr. Speaker, I am not certain how I can respond to that question, or statement, or whatever it was. I can only say that I and my colleagues in the New Democratic Party will be waiting with bated breath to hear the comments of those opposite as they justify increasing a federal sales tax, taxes on domestic airlines and taxes on cable companies. We will be listening carefully to hear how they can explain that this is in the best interest of the Canadian recovery.

Mr. Baker: Mr. Speaker, I would like to make a short comment with regard to the Progressive Conservative Member who intervened and the New Democratic Member who responded about how wonderful the rebate and the excise tax are.

Mr. Deputy Speaker: Comments must be addressed to the speech of the Hon. Member for Kamloops-Shuswap, if you have a comment to make concerning his speech. Maybe at some other time the Hon. Member for Mississauga South (Mr. Blenkarn) will make a speech and then you can comment on it.

Mr. Baker: I would not want that to happen, Mr. Speaker. In relation to his speech, it is fine to give the primary producers $200 and then to take $1,000 away from them in other measures. That is exactly what the Government has done. It is fine to give them a rebate on excise tax and to raise the price of gas and oil. It is fine to give them a $200 rebate and then charge them for tying up their boats and for weather forecasts, and to do away with the insurance scheme which was run by the Government so that they must pay another $10,000 or $20,000 a year. I wanted to remind the hon. gentleman that the former Liberal Government would never have perpetrated that on the primary producers of the country.

Mr. Deputy Speaker: If there are no further questions or comments, we shall resume debate. The Hon. Member for Swift Current-Maple Creek (Mr. Wilson).

Excise Tax Act

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, I would like to address the two important amendments which are being made to this Bill. The first one involves the extension of the eligibility for this fuel tax rebate, which had previously been granted to farmers, fishermen, loggers and miners, to include hunters and trappers. This comes about at the very welcome suggestion of the Member for Western Arctic (Mr. Nickerson). The second amendment involves the mechanism by which the rebate is to be delivered.

Having raised in the House on November 29 and December 4 the problem of potential discrimination against some bulk fuel dealers under Bill C-12 as originally drafted, I welcome the opportunity to comment on this amendment. Mr. Speaker, you will recall that the problem arose because, owing to various degrees of integration of the oil companies, some bulk fuel vendors held inventory free of sales tax while other vendors held inventory on which they had paid the sales tax. As originally drafted the Act allowed the dealers with tax-free inventory, those who held the bulk fuel on consignment, to pass the sales tax rebate of 4.8 cents per litre, or 22 cents per gallon, straight through to their customers at the time of sale.

However, those with the tax-paid inventory—and those vendors included independents, co-operatives, some Gulf dealers and others—had to collect the tax back from their customers who in turn would submit their invoices and an application form to Revenue Canada, Excise, in order to secure a rebate of the tax paid. Obviously this created an unfair market situation because most primary producers purchasing fuel would naturally buy their fuel from the vendor who could give them the immediate cash benefit of the tax rebate at the point of sale.

The amendment to the Bill today solves this problem by permitting all bulk dealers to give the rebate benefit at the time of sale. Those dealers who paid the sales tax may secure rebate of that tax paid from Revenue Canada. I trust that, pursuant to paragraph 9 of the notice of motion, the regulations will ensure speedy reimbursement to vendors who regularly sell gasoline or diesel fuel in bulk to these primary producers who hold sales tax bulk permits. The system cannot be perfect due to the fact that the tax goes on at an early point in the system and because only certain purchasers of fuel, the primary producers, qualify for the rebate. Hopefully this option will prove to be the most workable in the market-place.

• (1140)

I am pleased to see the return of this Bill with these provisions suitably redrafted to at least eliminate the discriminatory nature of the application of the sales tax rebate mechanism. I congratulate the Minister of State for Finance (Mrs. McDougall) for her prompt legislative response to a very practical problem in the market-place.

The Government is also to be congratulated for fulfilling yet another campaign promise. Each day we are subjected to suggestions by the opposition Parties that we are not living up to our promises. Nothing could be further from the truth. Each day, just as fast as the presses can run, new legislation is coming forward ensuring the realization of these commit-

ments. Initiative follows upon initiative all within a financial framework that was left in a shameful state by our predecessors who laugh about leaving the cupboard bare so that we cannot live up to our promises.

As a Member from Saskatchewan, I was proud to be present at Prince Albert on July 4 and July 5 and to participate in the policy formulation and I was heartened to hear the words of the Prince Albert declaration delivered by our Leader. Let me quote from that declaration:

> A Progressive Conservative government in Ottawa will respect Western Canada as a unique region with its own special challenges and opportunities. To underline this mutual trust and faith, a Progressive Conservative government will adopt five basic principles which will govern a fresh new relationship between Western Canadians and their federal government.
>
> 1. Western Canadian economic development policies and strategies will be developed and implemented specifically by and for Western Canada in the belief that regional strengths and prosperity ultimately benefit all Canadians. No longer will regional differences and concerns be crushed in order to fit a single mold designed in Ottawa.
>
> 2. Federal policies will recognize and welcome Western Canada's role as a powerful engine of growth and job creation across all of Canada. As a special priority, the Progressive Conservative Party will ensure that our youth are able to stay, advance and prosper in their home regions.
>
> 3. Western Canadians will be brought back to the federal Cabinet table in positions of major power and influence.
>
> 4. Western Canadians and their duly elected provincial governments will be respected and listened to as partners. The Liberal record of confrontation and bitterness will be replaced by co-operation, consultation and understanding at all times.
>
> 5. A Progressive Conservative government will prove to Western Canadians by listening and taking action that the federal government is as much their government as that of any region. Westerners will again see Ottawa as a friend—not a threat.
>
> The loyalty and trust that Western Canadians have placed in our hands will continue to be honoured when we form the national government.
>
> While these principles are vitally important and provide Western Canadians with hope that once again the federal government can truly be on their side, only specific policy initiatives can put these principles into practice. That is the objective of the Progressive Conservative Party.

This fuel cost relief to primary producers is but one example of these specific initiatives made in the spirit of Prince Albert. In a mere six short weeks, the Government has done more for Canadians than the previous Liberal Government did in four and one-half long years. I repeat that the loyalty and trust that Canadians have placed in our Government will continue to be honoured.

Mr. Deputy Speaker: Questions or comments? Debate.

Mr. Jim Fulton (Skeena): Mr. Speaker, I am pleased to have an opportunity to speak to this Bill, an Act to amend the Excise Tax Act and the Excise Act.

I was amused by the remarks made by the Member for Mississauga South (Mr. Blenkarn) because the Conservatives who are present in the House today and those who spoke earlier in the debate seemed to be avoiding any response to what their former finance critic had to say.

My colleague, the Hon. Member for Kamloops-Shuswap (Mr. Riis), touched on a number of comments that were made by the Conservatives before the election. It is interesting to note that no Conservatives are rising today to deal with statements which were made by them in opposition. Once they are elected to government, while some new taxes were proposed in a couple of Liberal budgets—

Mr. Blenkarn: Why didn't you ask him?

Mr. Fulton: All he touched upon was one minor section of the Bill. I will certainly be touching on his comments while I am speaking this morning.

I would like to hear some Conservative Members respond to what the Hon. Member for St. John's West (Mr. Crosbie) had to say. Let me quote from *Hansard* of June 28 this year. The Member for Mississauga South can read his *Hansard* to make sure this is correct. I believe Canadians should know what kind of Party the Progressive Conservatives are. Since this is a regressive tax, I am reminded of Allan Fortheringham's line, "Regressive convertibles".

The Hon. Member for St. John's West, when he was finance critic, said on June 28, 1984, as quoted at page 5249 of *Hansard*:

> In the next three years the Government is going to take $2.4 billion from Canadian consumers through the new special recovery tax, a 1 per cent increase in the sales tax. This year the Government will take $300 million. How can the Minister justify these increased taxes on Canadian consumers whom he is crucifying with increased interest rates at the same time? How can he justify that, the unemployment it will bring, and the recession which will follow it?

I would like to hear from Conservative Members whether the Member for St. John's West was simply billowing hot air or in fact knew what he was talking about. He is a former Minister of Finance and is presently the Minister of Justice. I assume that Conservatives throughout Canada supported his view that this increase of 1 per cent in the sales tax would increase unemployment and deepen the recession in Canada.

I have yet to hear some Conservative Members explain either why this tax is necessary—one for which there are many alternatives which I will explain—or why the Member for St. John's West was wrong and the present Minister of Finance (Mr. Wilson) is suddenly so correct.

Let me explain Bill C-17 so that Canadians will know why it is so regressive in terms of its impact on Canadian workers, on poor people, young people and the elderly in this country. The special recovery tax, which is a federal sales tax increase, is a result of the April, 1983 Budget. The rate of federal tax was increased on October 1 of this year and is to expire on December 31, 1988.

The federal sales tax will increase by 1 per cent on a number of items. First, there will be an increase for construction materials. I question the increasingly negative impact that will have in terms of the Canadian housing market. There will be an increase in the tax on alcoholic beverages and tobacco products from 12 per cent to 13 per cent. Again, that is a very regressive tax. Third, an increase in all other taxable goods from 9 per cent to 10 per cent.

This increase was initially introduced in order to offset the cost of the special recovery capital projects which were announced in the April, 1983 Budget. We now know how political those special recovery capital projects were. While

some of them were of benefit in terms of increasing jobs, the Government could have found many other uses for that money in terms of special recovery.

The cost of the federal tax increase alone is approximately $2 billion over the four years. That figure is derived from the economic statement "A New Direction for Canada". It is a new direction all right. According to the Member for St. John's West, the new direction is down. This tax will increase the recession and will in fact remove hard-earned dollars from the pockets of consumers which could have been used to increase demand.

A Statistics Canada report indicates that in the second quarter of this year our manufacturing sector was operating at only 72 per cent capacity. Therefore, why is the Government dampening demand? I challenge Conservative Members to tell us what great benefits we will get from dampening demand, increasing unemployment—according to the Member for St. John's West—and prolonging the recession. I have difficulty understanding why the Conservatives fight against measures such as these when they are in opposition but are suddenly converted into Liberals when they are on the government side.

• (1150)

The second major component of Bill C-17 is in terms of the telecommunications programming services tax. I look forward to hearing from Conservatives in the House as to why this is such a progressive measure. Again it comes from the Liberal Budget of April, 1983. It imposes a 6 per cent sales tax on television cable rental, pay television and movies shown on television in hotels. Why do the Conservatives find this to be so progressive? I do not recall their promoting it, particularly during the campaign. I know they will allude quite quickly to the suggestion that some of this money will go to assist independent producers, but the cost of this tax will be some $55 million per year.

The third main component of Bill C-17 is the wholesale tax for motor vehicles which comes from the February 15 Liberal Budget of this year. Apparently this tax is introduced because the sales tax burden on domestically-produced automobiles is higher than that for imported vehicles, because the tax is imposed on the manufacturers' price for domestically-produced vehicles and at the imported price for those vehicles which are brought in from offshore. In essence, this will cause all automobiles to be taxed on their sale price to automotive dealers. As Japanese and European cars are often imported at much less than their wholesale value, this will cause an increase in their sales price from about $100 to $200 relative to North American produced cars.

Rather than deal with the whole automotive question in terms of getting vehicles with all the research and development design done offshore in Europe, Japan or elsewhere in the world, rather than encouraging through direct negotiations with those countries to get the R and D and the automotive production in Canada, again the Tories are taking an approach which they opposed while in opposition. The cost of that will be about $10 million per year according to the February 15 Budget Papers.

The fourth point was touched on by my colleague, the Hon. Member for Kamloops-Shuswap. It is one for which I have been fighting since I was first elected in 1979. It deals with the removal of sales tax on diesel fuel for farmers, fishermen, loggers and miners. It is intriguing that the Conservatives are not spending a little more time focusing on what has really happened. A few moments ago a Liberal Member pointed out that in many areas of Canada the increase in fuel costs is greater than the rebate. It is a bit of a shell game to introduce a rebate which is in fact less than the increase. In fact, loggers, farmers, fishermen and miners will be paying more for their fuel than they were before the Conservatives were elected, that is, including the rebate.

It has taken some time to get Conservative Members on the government side to agree in principle that the rebate paper process should take place at the bulk plant rather than individuals doing it at home, keeping various meticulous records and basically working for hundreds of hours per year for the Government in doing the paperwork. I hope the Conservatives ensure that that kind of a process is in place right across Canada, that the actual paperwork for the rebate is done at the bulk plant, and that this is not foisted off on independent logging truckers, skidder operators, fishermen and everyone else. It would be much more reasonable and responsible for that to occur at bulk plant operations.

This measure will remove the sales tax on diesel fuel sold to those groups as long as it is not resold for commercial purposes. The information on the lost revenue, at least to this point in the debate, has not been revealed by the Government. It is a measure which is sensible, particularly for northern communities. I can give some examples in my own constituency now where wood fibre is moved about 125 miles on rubber. That could be wood fibre moving down to Watson Island for the pulp mill or wood coming out of TFL-1 or out of the Buckley Valley for sawing in the mills. In terms of fishermen, I represent the largest single group on the Pacific coast. In an indirect way the rebate will be of benefit to them in that many of the larger fishing vessels on the West Coast gobble up 20 gallons per hour or more. I admit it is of benefit to them, on the one hand, but I should like to hear Tory Members explain why there is an over-all benefit to the Canadian economy, particularly to primary industrial producers such as farmers, fishermen and loggers where the increase is already greater than the rebate in areas such as the one I represent. I consider it to be a bit hypocritical that the rebate was not allowed to include the increase which the Government announced at the same time. They have done a little tap dance without telling the whole story.

The air transport tax is an interesting one to look at in terms of who gets the largest single increase. The tax is being increased from 8 per cent to 9 per cent with the cap now being $30 whereas the previous one was $23. Contrary to what the Hon. Member for Mississauga South said, most people in my constituency at some time or other have to move by aircraft.

There are many communities which I represent that do not have roads or wintertime access to ferry service. They have to move by air. This tax is directed more toward people who must move by air than those people who move for travel purposes.

On that very point, it is interesting that the international tax is increased from $12.50 to $15.00. The large national tourism lobby has got to the new Conservative Government. It has told the Government not to increase massively the international tax because tourists will be driven away. In terms of within Canada, there is no special provision for those who must fly for medical, dental, work, business or whatever purpose. They end up having to pay a much greater tax, again a regressive form of tax.

According to the new Minister of Finance the cost for fiscal year 1985-86 will be $34 million and $50 million for two years thereafter. Again it is money taken, to an enormous extent, from people who can afford to pay it the least.

The total cost of these measures, excluding the figures which have not yet been provided by the Government in terms of the removal of sales tax on farm fuels, will be $3.1 billion. The Hon. Member for Kamloops-Shuswap pointed out that there is a variety of other areas within the Canadian economy where this money could be found. Of course, the most visible one is the $18 billion which is given directly to the corporate sector. As my friend pointed out, the Chairman of the Bank of Montreal indicated that there were many tax loopholes and tax credits for the corporate sector. It is awash in them. It cannot even absorb them all, it has so many.

Let me refer to what happened in recent years to the Canadian tax system under continuing Liberal and Conservative regimes. A typical unmarried nurse will pay about $5,800 in income tax this year on a salary of $25,000, a tax rate of 23 per cent. A first-class police constable without dependants will pay about 25 per cent of his $32,000 income in tax. The tax rate for the average single high school teacher will be roughly 26 per cent of a $33,000 salary.

Let us take a look at some of the most profitable and largest companies in Canada which pay the lowest rates of tax. In 1982, TransCanada PipeLines Limited, a firm with $4.7 billion in assets and pre-tax earnings of $182 million, paid tax at an effective rate of 7 per cent. Husky Oil Ltd., with assets of $561 million and pre-tax earnings of $22 million, paid an effective tax rate of 5 per cent. Consolidated Bathurst Inc., with pre-tax earnings of $79 million, paid no tax in 1982 and in fact claimed a credit of $3.6 million to be deducted from future taxes.

Let us go back a few years and look at what has happened in terms of the transformation of the tax system in Canada from the burden being carried by the corporate sector to its being carried by middle and lower income Canadians. In 1954 the federal Government of the day collected $1.17 billion in income tax from individuals, slightly more than the $1.05 billion it collected from corporations. Now, 30 years later, the gap has widened dramatically to the advantage of corporations. In 1982 Ottawa collected $26 billion in income tax from individuals and only $8 billion from corporations. This means that individuals were shouldering 76 per cent of the tax burden compared with the corporations' 24 per cent.

I should like to give another example of what has happened in the tax system as we have seen it completely reversed in 30 years, from where the corporate sector paid three-quarters and individuals paid a quarter to individuals paying more than three-quarters and the corporate sector paying an ever declining amount. Shell Canada is a good example. If one reads its annual report, one will get the impression that the oil giant pays an onerous income tax. Its 1982 annual report pegged the company's income tax at $152 million on pre-tax profits of $302 million. In a note, it calculates that this gave the company an effective income tax rate of 50.4 per cent, a hefty rate by any standard.

• (1200)

Another note further down on the page turns that 50.4 per cent figure on its head. It indicates that Shell deferred $199 million in taxes that year. This wipes out the $152 million tax bill and leaves Shell with no tax to pay at all. In fact, Shell got a tax credit of $47 million. The bottom line is a far cry from the 50.4 per cent tax rate first mentioned. Deferring taxes is one of the key ways in which the tax system allows corporations to reduce their tax burden.

We must now go back for a moment to the statements made in this House by the Conservatives before they were elected. We must get some clarification of where that political party is going. There is none better to quote than the Hon. Member for St. John's West. On February 16 of this year, page 1444 of *Hansard*, the Hon. Member for St. John's West, then the finance critic for the Conservatives, had this to say about the tax measure that the Conservatives later today will vote into law:

> The Minister calls it the special recovery tax. He should rename it the special recession tax. There is no recovery. This tax is not going to help it, this special recession tax... Where does the Minister help domestic demand in this Budget?... He might help consumer demand if he did away with the 1 per cent increase in the federal sales tax that is coming in October. It is a regressive tax that bears more heavily on lower income people.

Where are the Conservatives on this? On September 4, most Canadians who follow tax measures thought in good faith that what the Conservatives said in the House of Commons and said during the election campaign was what they were going to do. We now find that what the Tories said in the election campaign is fantasy. When the next federal election comes, I hope Canadians will remember it. What they say during an election campaign is certainly not what they intend to do.

I see the Minister of State (Forestry) (Mr. Merrithew) here. I would like to hear him explain how it is that this fuel rebate the Tories are touting across the country is so beneficial to loggers and the forest sector. He knows full well that in my area of British Columbia the increase in the cost of diesel fuel brought in by his Government is greater than the rebate.

There has to be some degree of honesty and credibility. They send out, at the taxpayers' expense, from the House of Commons literature to everyone in these sectors saying: "Aren't we great? We Conservatives get elected and we give

you this wonderful rebate". Should they not put in there, at least in small print so you can just barely read it, that the increase they provided in moving toward the world price has stripped away that small benefit and is driving more and more people to the brink of bankruptcy?

I am hopeful that we will hear from some Conservatives in the next few minutes. I would like to read a few more nice, clear quotes from the Hon. Member for St. John's West, the former Minister of Finance and now Justice Minister, because his quotes really hit the nail on the head. I quote from page 116 of *Hansard* for December 13, 1983, where the Hon. Member for St. John's West has this to say in referring to the sales tax increase:

> This . . . is a huge regressive tax bite, far greater than the hospital insurance premiums collected by Ontario or any other province that this Government has now introduced legislation to try and stop. Hypocrites, cynics, manipulators guilty of deviousness, deviates; this is what this Government is composed of.

The Member for St. John's West has aptly described his own Party. I find it amazing. With regard to this tax increase we will vote on today, the headlines in *The Globe and Mail* and the headlines in Gander and Prince Rupert should read "Mulroney Government guilty of deviousness", that they are "deviates, hypocrites, cynics and manipulators", because that is a direct quote from their former Finance Minister. Those are the words that he used this year to describe this measure now being brought forward.

I will put one more quote on the record; they are so good that Canadians have to know where the Tories are coming from. I quote from page 1313 of *Hansard* for February 13 of this year where, talking about the Minister of Finance, he had this to say:

> Would he agree to eliminate the federal sales tax increase of 1 per cent next October which he has already imposed on the Canadian consumer? Does he agree that Canadian consumers must be helped if there is going to be a continuing recovery?

That says it all. In Bill C-17 the Tories have introduced tax measures which they opposed during the election, in the House of Commons and as Party policy. It is a shameful day when we have to watch Tories get up and vote for what they in principle and policy opposed.

Mr. Deputy Speaker: Are there any questions or comments on the Hon. Member's speech?

Mr. David Orlikow (Winnipeg North): Mr. Speaker, if there is one thing the bringing forward of this Bill demonstrates, it is the fact that the more things change, the more they remain the same. When in opposition, the Progressive Conservatives opposed this Bill vehemently. The main provisions of this Bill are proposals brought forward by Mr. Lalonde, Minister of Finance in the previous Liberal Government. The present Minister of Justice (Mr. Crosbie), then finance critic for the Official Opposition, was scathing in his criticism of this Bill. I wish to put on the record a couple of quotes from speeches which he made. On December 13, 1983 he said, referring to the sales tax increase:

> This . . . is a huge regressive tax bite, far greater than the hospital insurance premiums collected by Ontario or any other province that this Government has now introduced legislation to try and stop.

He went on to characterize the then Government as follows:

> Hypocrites, cynics, manipulators guilty of deviousness, deviates; this is what this Government is composed of.

On February 16 of this year, talking about the then Minister of Finance, he had this to say:

> The Minister calls it the special recovery tax. He should call it the special recession tax. There is no recovery. This tax is not going to help it, this special recession tax . . . Where does the Minister help domestic demand in this Budget? . . . He might help consumer demand if he did away with the 1 per cent increase in the federal sales tax that is coming in October. It is a regressive tax that bears more heavily on lower income people.

The then finance critic for the Progressive Conservative Party was 100 per cent right. This is a very regressive tax. The increase of 1 per cent in the sales tax will take from the people of Canada between $2 billion and $3 billion in purchasing power between 1984 and 1988, a time when our manufacturing sector is operating at only 72 per cent of capacity.

The then finance critic of the Conservative Party was correct when he attacked the then Liberal Government proposal to increase the sales tax by 1 per cent. Nothing has changed. The addition of 1 per cent to the sales tax will have exactly the same effect which he predicted less than a year ago. It will lead to a slowing down of the economy rather than improving it.

Why is the Government going back on the position it took when in opposition? They tell us that the Government's financial cupboard is bare and that this tax is necessary to help deal with the deficit. Surely it is now obvious that the large deficit which we face and the deficits faced by all of the provincial Governments, whether they be Conservative, Social Credit, New Democrat or Parti Québécois, have not been caused because Governments have over-expended but because the economy is operating at so much less than its capacity. It is because there are a million and a half unemployed people. People who are not working are not paying income taxes and are not purchasing goods and services thereby contributing to revenues of government through the payment of income and sales taxes. Instead of contributing to the revenues of the country, they are helping to increase the deficit because when they are not working they are collecting unemployment insurance benefits; or, if they have run out of unemployment insurance benefits as so many Canadians have by now, they are on welfare. Both of these create tremendous costs for federal, provincial and municipal Governments. As well, because they are not working they are not in a position to do the kind of purchasing which would help the economy grow.

● (1210)

If the Government wants to deal with the deficit, it needs to do a major review of the entire tax system. Surely it is now obvious to everyone that our tax system is simply not working as it should. What the former Liberal Government did over the years it was in power and what the present Conservative Government is now doing is to skew the tax system so that

individuals will be paying more of the costs of government through increased income tax or through increased charges for the services which government provides. Corporations have been paying less and less and will continue to pay less and less of their share.

As a result of the corporate tax policies of the former Liberal Government which are being continued and made worse by the present Conservative Government, the tax system has mushroomed over the past 12 years into an increasingly large and elaborate set of measures that allow corporations to pay effective tax rates well below the official corporate tax rates of close to 50 per cent. In 1980 corporations were able to use various tax breaks to reduce their effective tax rates to an average of 23 per cent.

The burgeoning list of corporate tax breaks has been a key factor in shifting Canada's tax burden over the years from corporations to individuals. In 1951 corporations paid 28 per cent of all Canadian taxes. By 1981 their taxes, having been reduced by a wide range of special balances and exemptions, accounted for only 17 per cent of the tax bill. Correspondingly, the share of the total tax bill paid by individuals rose from 24 per cent in 1951 to 43 per cent in 1981. This, of course, has cut down on the ability of ordinary citizens to live as well as they should and it has taken away from their purchasing power so that they are not able to buy the goods and services which have been produced by Canadian companies.

Let us see how these tax breaks to corporations really work. One of my colleagues pointed out that at the present time a typical unmarried nurse will pay income tax of $5,800 on an income of $25,000. He also indicated that a single high school teacher will pay income tax of 26 per cent on a $33,000 annual salary. On the other hand, let us look at what some of the large corporations are paying. Husky Oil, with assets of $561 million and pre-tax earnings of $22 million, paid an effective rate of 5 per cent—

Mr. Mayer: Your former leader is a director.

Mr. Orlikow: Mr. Speaker, my friend, the Minister of State for the Canadian Wheat Board (Mr. Mayer), says that our former leader, and I presume he is referring to Mr. Douglas, is a director of that oil company. So what? I am not suggesting that the company is doing anything illegal or improper. The company is doing exactly what the Government tells it it is entitled to do. I would be surprised if the Minister who is the Hon. Member for Portage-Marquette would defend a system in which Husky Oil with pre-tax earnings of $22 million pays an effective rate of 5 per cent as its corporate tax while comparing that rate with the rate paid by the farmers and small businessmen who live in his constituency. I would like him to return to his constituency to see if he can justify that discrepancy to his electorate.

Let us take Consolidated-Bathurst Limited as an example, Mr. Speaker. With pre-tax earnings of $79 million, it paid no taxes in 1982 and in fact claimed a credit of $3.6 million to be deducted from future taxes. Shell Canada, one of Canada's largest oil companies with assets of $4.7 billion and pre-tax earnings of $302 million, paid no income tax in 1982. In fact, it received a credit of $47 million against future taxes. I wonder how many individuals in Canada have that kind of arrangement.

In 1954 the federal Government of the day collected $1.17 billion in income tax from individuals, slightly more than the $1.05 billion collected from corporations. However, by 1982 the federal Government collected $26 billion in income tax from individuals and only $8 billion in income tax from corporations. This means that individuals were shouldering 76 per cent of the tax burden as compared to corporations which were shouldering only 24 per cent of the tax burden.

What actually happens in this kind of tax system, Mr. Speaker? Deferring taxes is one of the key ways in which the tax system allows corporations to reduce their tax burden. Billions of dollars in corporate taxes have been deferred. That is the official description of those taxes. However, the word "deferred" is in fact misleading because in almost every case the taxes are deferred indefinitely and the corporation holds on to its money indefinitely. In fact, Jean-Jacques Carrier, a spokesman for Consolidated-Bathurst, put it very bluntly when he said in reference to deferred corporate taxes:

If you ask me when we expect to pay these, I'll tell you never.

He did not say that he would pay them next year, the year after or a few years from now when the expansion, modernization and improvements in technology which the company is hopefully making will be complete. Mr. Carrier indicated that he will never pay those deferred taxes. What is true of Consolidated-Bathurst is true of Inco and Canadian Pacific. The same is true of virtually every large corporation in this country.

It is that kind of system which explains why Consolidated-Bathurst recorded a tax rate of 34.7 per cent in 1982. That was in its financial statement, even though it paid no income tax.

• (1220)

Deferred taxes have been accumulating in corporate accounts. In 1971 deferred taxes amounted to $2.78 billion. By the end of 1980 deferred taxes had increased almost tenfold to $24.24 billion. One does not need to be very radical to say that is wrong. Former Liberal Cabinet Minister Eric Kierans pointed out that for new small firms the kind of depreciation and tax benefits which are permitted for corporations mean nothing, because those firms do not have the kind of profits which would permit them to defer their taxes.

If the Government is worried about the deficit, it should go after the people who have the money. It should go after the corporations which have received billions of dollars in deferred taxes that will never be paid. I would have much less objection to the corporate tax breaks if I could be convinced that those breaks were being used to improve the efficiency of the companies and the environment which has been damaged so severely by so many mining and forestry corporations over the years. I would have much less objection if the money was being used to provide jobs for Canadians.

Governments, both Liberal and Conservative, have given tax concessions without asking the fundamental questions which should be asked before providing concessions and tax breaks to corporations. What will a company which receives tax deferrals do in order to justify the Government of Canada giving that company the tax deferral? Surely, that is a major, fundamental question which should be asked of every corporation which applies for a deferral of its taxes. Without that, hundreds of millions of dollars will be given to companies and the Government will not ask for anything in return.

I would like to deal very briefly with another aspect of the tax system which I feel requires some examination before a Bill is brought forward to increase the sales tax by 1 per cent. I have already indicated that the increase will have a regressive effect. Information provided by Revenue Canada indicated that approximately 8,000 Canadians who had incomes of over $50,000 a year in 1981—and that is the last year for which we have figures—paid no income tax. We know that there were almost 250 Canadians who managed to pay not one cent of tax on incomes of more than $250,000. How can the Minister of Finance (Mr. Wilson) justify bringing forward a Bill which asks ordinary middle-income Canadians, who are paying between 20 per cent and 30 per cent of their total income on tax, to make that sacrifice when he has failed to approach the individuals and corporations who are not paying their fair share of taxes? It is because the Government has not addressed that question and has not provided its views on that matter that we will oppose the Bill.

I will conclude by summarizing the economic reasons for which we will oppose the Bill. We will oppose it because we believe that the increase in federal sales tax is extremely regressive. Everyone must pay the same amount on goods purchased regardless of their income level. I would remind Hon. Members of the thousands of Canadians with high incomes who pay no income tax, and of the millions who pay a substantial amount of their incomes in taxes.

In addition, we oppose the Bill because it takes over $3 billion of purchasing power out of circulation. That will not help the Canadian economy, it will hurt it. Only by increasing the purchasing power of Canadians can we put the productive capacity of Canadian companies to more extensive use.

Finally, we oppose the Bill because the $3 billion could easily be raised by ending many of the unproductive tax expenditures which are permitted for the corporate sector. In its most recent report, the Economic Council of Canada indicated that the enormous growth in corporate tax concessions during the 1970s had a questionable impact, and more often than not it was a waste of money. It has been estimated that the Government will spend $18 billion this year in the outright grants and tax breaks which will be given to the corporate sector. If the Government needs more money to deal with the deficit, we suggest that it should get the money from those individuals and groups, and particularly Canadian corporations, that have the money but who are not paying their fair share of taxes.

Mr. Deputy Speaker: Are there questions or comments?

Excise Tax Act

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, I would like to make a few brief comments regarding the Bill which is before the House. I would also like to make a few comments regarding the speech that was made by the Hon. Member for Winnipeg North (Mr. Orlikow).

First, when the Member speaks of skewing the tax system, he should refer to the Bill. In fact, the Bill provides relief for farmers and fishermen. As a rule, farmers and fishermen run quite small enterprises and operations. The Bill provides a considerable amount of relief for those people. If he is opposed to the Bill because this Government is doing exactly what the previous Government did—and that is skewing the tax system in favour of large operators and corporate entities—he should understand that the Bill does exactly the opposite. The Bill will provide tax relief for more than 330,000 farmers. In addition, it will provide relief for a large number of hunters, fishers, trappers and people in the logging industry. A large number of those people are very small operators. If the Hon. Member is opposing the Bill, he is opposing tax concessions for those people who very much need them.

The Hon. Member should also know that the only province in Canada which has an NDP Government has a sizeable provincial tax on fuel. The Provinces of Saskatchewan and Alberta do not have a provincial sales tax on fuel. He should be aware that the Government of Manitoba, which I assume he supports, is not carrying through with many of the matters to which he referred.

I congratulate both the Minister of Finance (Mr. Wilson) and the Minister of State for Finance (Mrs. McDougall) in recognizing the need for tax relief for farmers, fishermen and other people who pay a lot of tax.

With respect to the Minister of State for Finance, concerns were mentioned regarding the way the tax relief would be granted to individual farmers and fishermen because of the different ways fuel was held in bulk. We were very pleased that the Minister, with her officials, was able to workout a system where everyone would be able to have the tax reduction at source without paying it and then collecting it. That is in contrast to the previous Government which had on the books what amounted to a seven cents a gallon, or 1.5 cents a litre, tax which was then refundable. That caused all kinds of problems for the people who had to keep records and then submit them for a refund.

● (1230)

The Hon. Member for Winnipeg North (Mr. Orlikow) should understand that some of what the Government is doing is exactly the kind of thing he was criticizing this Government for not doing. I feel that point needs to be put on the record. I believe one of the reasons that the goings on in this place are disconcerting to the people who watch on television is that all they hear is complaining. It is fine that Hon. Members oppose the Bill, but they should oppose it on balance. They should say that there are some things in the Bill they do not like and some things they do like, but on balance they must oppose it.

After listening to Hon. Members of the Opposition speak, one would think there was nothing in the Bill which was of any use to anyone. Clearly, that is not the case. I feel that out of respect for this institution Hon. Members of the Opposition should take a balanced approach every once in a while. I see Hon. Members across the way who represent farming communities. I wonder if any of those Hon. Members have ever risen in their place and said: "Thank you very much; on behalf of my constituency I very much appreciate the kind of tax reduction which has gone forward".

Mr. Riis: Yes, we have.

Mr. Mayer: I hear an Hon. Member opposite saying that that has been done. If that is so, I very much appreciate it because that adds to the validity of the debate which goes on in this place.

I would like to conclude, Mr. Speaker, by mentioning one other point which I feel needs to be made. This Government believes above all we should not be taxing people out of business before they open their doors in the morning, whether they be farmers, fishermen, small businessmen or large businessmen.

Mr. Riis: How about sales tax?

Mr. Mayer: Let us try to do everything we can to support these people so they can stay in business and create jobs and everyone can share in the many resources we have in this country. We should not put all of these taxes up front so that people are put out of business before they even get a fair chance at staying in business.

Mr. Riis: What about the sales tax?

Mr. Mayer: This is what the reduction in sales tax, the excise tax on farm fuels, is all about. It is a reduction in tax.

Mr. Riis: How about tax on construction materials?

Mr. Mayer: The Hon. Member can make the point, and it is a valid point, that the federal Government still takes a large share out of the dollar which goes to purchase fuel or gasoline in this country. However, this Bill certainly is a step in the right direction. It is a recognition of that concept which I just indicated. Let us help people stay in business. Let us make sure they have a chance to make a profit and pay handsomely a tax on the profit they make.

I thought, Mr. Speaker, I should get up and at least try to put in context some of the things which I heard my friend, the Hon. Member for Winnipeg North, say. Even if the Hon. Member does not have farmers, fishermen or a lumber industry in his constituency, he would have to recognize that, on balance, very many people are going to benefit, such as small employers and small businesses in this country which he and his Party likes to think they support.

Mr. Orlikow: Mr. Speaker, I am sure the Minister knows that when we come to dealing with this Bill clause by clause we will support the Bill and give the Government whatever credit to which it is entitled. I would like the Minister to compare the benefits to farmers of the provisions in this Bill, such as the farm fuel tax, with the tremendous burden which high interest rates are causing these farmers in the Minister's constituency and in every other constituency in Canada. If I remember correctly—and the Minister is right, I have only a few farmers in my constituency—a recent study showed that 17 per cent of all farmers are in very serious danger of losing their farms, many of which have been in their families for three or four generations. The burden of high interest rates on loans which they have had to make is so onerous that they simply cannot continue. I wonder if the Minister could not compare that kind of problem with the relatively small benefits—and we do not oppose those benefits—which will come to farmers as a result of changes in the sales tax on farm fuel?

Mr. Deputy Speaker: I would like to advise the Minister that there are only two minutes left for the question and comment period.

Mr. Mayer: Mr. Speaker, at the time you recognized me I thought you recognized me as speaking on the Bill rather than making a comment or asking a question. In any event, it will not take me very long to respond to the Hon. Member.

The Hon. Member for Winnipeg North raises a very interesting question, but let me tell him that farmers have as much at stake in the reduction of interest rates as does any sector of the economy. It is interesting to note—

Mr. Orlikow: What are you doing about that?

Mr. Mayer: —that it takes as much money to create a job in the farming sector now as it does in the manufacturing sector because farming has become so capital-intensive in this country. It is, therefore, in the farmers' interest to see that we do everything we can to reduce our deficit. If we do not do that, instead of paying $1 out of every $3 which is collected in taxes to service interest, it will very quickly increase, and farmers, because they have such a capital-intensive industry, will find it more and more difficult to finance because of the pressure of interest rates. I want to tell the Hon. Member that farmers have a tremendous amount at stake in terms of getting interest rates under control in this country. What we are doing here is trying to look at the over-all picture. Admittedly, there was a reduction in government spending of $4.4 billion. However, at the same time it was done in such a way that there were some benefits provided to some of the sectors of the economy.

It is true that the reduction in farm fuel tax is small, but at least it is not an increase. It is a recognition of some of the problems which are there. If we can manage our fiscal affairs properly as a federal Government, then we have a chance to bring interest rates down, not only to the benefit of farmers but to the whole economy. In that case everyone will benefit.

Mr. Orlikow: Mr. Speaker, the Minister represents a farming community. He is concerned, as he should be, with the welfare of our farmers. Let me ask another question. Given the need for farmers to produce foodstuffs more cheaply, more

efficiently and of higher quality than ever before, and given that the Government cut the $4.4 billion with the intention of creating as little difficulty as possible, how can the Minister justify the very major reduction in the expenditures of the federal Government for agricultural research, which amounts to several million dollars, just at a time when, according to experts in the field, other countries are doing very much more than Canada in the way of research?

Mr. Mayer: Again, I would like to put some facts on the record. If the Hon. Member would like to refer to some of the statements made by the Minister of Agriculture (Mr. Wise), he would see that there was an over-all reduction in expenditure by the Department of Agriculture, some of it achieved by genuine reduction and some of it achieved by a fee for service. However, in terms of the reduction in the amount for agricultural research, there was absolutely none.

I agree totally with the Hon. Member for Winnipeg North that we must do more research. We are behind in many areas of research because of the lack of emphasis put on research by the previous Government, especially in agriculture. That is very sad because the Department of Agriculture in the past, and I believe still to a large degree, has very much of a world-wide reputation for research. Unfortunately, it was not kept up. I will tell the Hon. Member that the amount of money spent by the Department of Agriculture for research has not been cut by one cent as a result of the Minister of Finance's reductions in over-all expenditure.

Mr. Riis: Mr. Speaker, I would like to ask the Minister for his comments regarding the advantages to farmers particularly, but also to loggers, miners and fishermen, of the diesel fuel rebate which amounted to cents. In most parts of Canada the increase in price they had to pay for diesel fuel was more than the rebate. Will the Minister confirm that the Government gave a rebate to assist the farmers, miners, loggers and fishermen with one hand and then raised the price of their diesel fuel with the other, so that, in a sense, they were right back where they started?

• (1240)

Mr. Mayer: Mr. Speaker, I am a little bit surprised at the Hon. Member. I think of anyone on that side he should know better. He should know there was a tax reduction of three cents a litre, which is something like 13 cents a gallon. At the same time there was an increase of 1.8 cents a litre in order that we could balance the books of the energy account, as we are required to by law. That was not collected from farmers. Sure, you can make the argument that we gave with one hand and took away with the other; but the net effect is still a reduction of something like eight or nine cents a gallon on fuel used by the groups the Hon. Member has referred to.

He should also know that the farmers, fishermen and loggers of his area are now eligible for a tax reduction of something like 28.5 cents a gallon. The Hon. Member should know above all, being in the position he is in his Party, that the reduction was genuine and the one did not cancel out the other.

Mr. Deputy Speaker: The period for questions and comments is now over. We shall now resume debate with the Hon. Member for Western Arctic (Mr. Nickerson).

Mr. Dave Nickerson (Western Arctic): Just a couple of comments with respect to the debate which has been taking place, Mr. Speaker. One of the luxuries in which you can indulge yourself, especially when you have no sense of responsibility as is evidently the case with Members of the NDP, is that whenever a tax increase is imposed you can condemn it; whenever a reduction in government expenditure is proposed you can condemn it; and at the same time you can condemn the deficit. You cannot have it both ways.

Mr. Althouse: You used to.

Mr. Nickerson: When you find yourself on this side of the House, a situation in which the NDP will never find itself, then you have to take on that sense of responsibility. You have to work towards a balance in government finances.

Mr. Riis: It is called changing your mind.

Mr. Nickerson: That is precisely what the Minister of Finance (Mr. Wilson) and the Minister of State for Finance (Mrs. McDougall) are doing.

Mr. Murphy: What did they say before the election?

Mr. Nickerson: It has been brought to our attention that the Bill we are dealing with today is largely a Liberal initiative. It is that, with the exception of the fuel tax rebate which the Liberals had no intention of granting to resource producers. This, as we have heard, even from members of the Opposition, will do much to assist the primary producers. It will certainly assist the trappers, miners and fishermen in my area. Equally it will help agriculturalists and loggers in other parts of the country.

However, we are dealing with what is in many respects a Liberal Bill. That would explain why the members of the Liberal Party are almost as quiet as church mice on this issue. Even the Hon. Member for Gander-Twillingate (Mr. Baker), usually one of the most vocal Members of this House, has been deafening in his silence this morning.

The money that will be raised under the measures before us today has already been spent, Mr. Speaker. It was part of the so-called special recovery projects and, if you recall, they were brought in not too long before the previous election. The idea was that the Liberals would spend all this money and buy themselves votes. They were going to try and buy themselves back into office. Needless to say the Canadian citizenry did not buy that idea and they condemned the Liberals to a spot in the Canadian political spectrum from which they will never, in my opinion, recover. The money had been spent and the taxes to pay for it were not to come into effect until after the election. That was a dastardly trick and it is a pleasure for me

to see that it did not work. They were unable to pull the wool over the eyes of the Canadian electorate as they had done on previous occasions.

The problem we are faced with now in government is to pay off those debts. We have to pay off the money that was spent trying to re-elect the Liberals. I am pleased to see that we are addressing that problem in a responsible manner and it is certainly my intention to vote for this Bill and get some of this Liberal legislation which burdens us all out of the way so that in the new year we can come in with our own new Progressive Conservative tax initiatives.

Mr. Riis: Mr. Speaker, I always appreciate hearing from the Hon. Member for the Western Arctic (Mr. Nickerson), particularly when he is very brief. Given the importance of air transportation in his constituency, does he support the tax increase on domestic air transportation from 8 per cent to 9 per cent? Does he think this is a good idea in order to generate more economic activity in his constituency?

Mr. Nickerson: Of course, no one likes tax increases. The unfortunate part is, for reasons I have already stated, that this is something we have to do although we would like not to do it. The Hon. Member should remember that for most of the trips taken by air in areas where there are no roads, usually by small aircraft, this tax will not be imposed. It will not be a burden for most of the people in the area that I represent, which the Hon. Member was so concerned about. They will not be obliged to pay that airline tax; they are exempt.

Mr. Murphy: Mr. Speaker, in his speech the Hon. Member mentioned that trappers would somehow benefit from the removal of the sales tax. Could he explain how that is going to happen?

Mr. Nickerson: Not from the sales tax but from the excise tax on fuel. The Minister of State for Finance tabled in this House just a matter of three days ago, I believe, Ways and Means motions which would extend the fuel tax rebate to trappers. That was presumably an oversight in the earlier Ways and Means motions but it certainly will be fair because trappers are also resource producers in Canada. It will be of great assistance in the constituency I represent and also in the constituency of the Hon. Member for Churchill (Mr. Murphy).

Mr. Fulton: Mr. Speaker, I wonder if the Hon. Member for Western Arctic (Mr. Nickerson) would like to touch on how much more regressive the 1 per cent sales tax increase will be in a constituency such as his as compared with the constituency of, for example, the Minister of Finance (Mr. Wilson). The price of most products, by the time they are available in Yellowknife or elsewhere north of 60, are substantially higher because of transportation, overhead and carrying costs. Whether we are talking about 80 cents for milk here as opposed to $1.60 in the north, or anything else, perhaps the Hon. Member can give us some idea of how much more regressive that tax is in his area than in most other areas in the country.

Mr. Nickerson: The answer is very simple. It is proportionate. One per cent is 1 per cent wherever you live in the country.

Mr. Fulton: Mr. Speaker, I am not sure the Hon. Member wanted to answer the question so let me make it clear. If there is a 1 per cent increase in sales tax, you pay 1 cent more for an item costing $1 in Toronto. If that same item costs $2 in Yellowknife, then a 1 per cent increase in the sales tax is a 100 per cent leap above and beyond the increase in Toronto. The level of taxes that is being imposed on residents of the western Arctic is perhaps 50 to 100 per cent higher than elsewhere in the country. Has the Hon. Member sought some kind of exemption from the Minister of Finance regarding this regressive tax on his constituents?

• (1250)

Mr. Nickerson: Mr. Speaker, I would like to confirm the Hon. Member's arithmetic. Certainly 1 per cent of $1 is one cent and 1 per cent of $2 is two cents.

Mr. Riis: Mr. Speaker, I would like to continue along the line of questioning that the Hon. Member for Skeena (Mr. Fulton) was following. The Hon. Member for Skeena pointed out very clearly that increasing sales tax as a method of gaining revenue for the federal Government is discriminatory in two ways. It discriminates on a geographic basis against the people in more remote areas of Canada who pay, by definition, a much higher cost for goods and services. Therefore, the taxes they pay would be that much higher.

It also has an especially punitive aspect with regard to lower income people. One per cent on a commodity has a much greater punitive impact on a lower income earner than on a middle or high-income earner. Yet presumably he favours this type of taxation.

If he does not favour this, perhaps he could explain why the Government has not simply attempted to raise the $3.1 billion through revisions to the corporate tax system, an area of the taxation system from which every progressive tax lawyer and tax accountant says there is a great deal of revenue to be derived. Can the Hon. Member explain why he supports a punitive tax system as opposed to a progressive corporate tax system?

Mr. Nickerson: Mr. Speaker, that was a serious question and I will try to answer it seriously. Any form of tax that is imposed by government will have some bad effect. There is no such thing as a perfect tax. That is why we have a mix of taxes in the Canadian system. We have income taxes on businesses, income taxes on individuals, sales taxes and excise taxes. By juggling them together we can hopefully achieve a system which is as fair as possible overall.

It is fair and reasonable to say that those people who pay the greatest amount of excise tax or sales tax will be those people in the higher income brackets who are making major purchases. If someone buys a Lincoln automobile he will be paying a lot more sales tax than someone who buys a Volk-

swagon. In that respect the tax is proportionate and not regressive.

What was the second question? I have forgotten it.

Mr. Riis: Geographical.

Mr. Nickerson: There is a certain amount of truth in what the Hon. Member for Kamloops-Shuswap says. It is a matter on which I have spoken on several occasions. This is especially true with regard to goods which are manufactured in remote areas of the country with high transportation costs. If you manufacture something in the south for a cost of $100 and then ship it into a remote area at a transportation cost of $100, your total cost is $200 plus sales tax on $100. However, if you brought the components into the northern area of the country at a transportation cost of $100 and manufactured it there, your cost would then be $200 plus tax on $200. Therefore, there is certainly a serious element of truth in what the Hon. Member said.

Mr. Epp (Thunder Bay-Nipigon): Mr. Speaker, the Member for Western Arctic (Mr. Nickerson) is a candid person who speaks his mind and appreciates truth. Since there is so little participation in this debate by government Members and members of the Official Opposition, it is valuable to have an intercession like his in which he points out some truths. I want to investigate some of those and conclude with a question.

As the Hon. Member says, this legislation is largely the product of the previous Liberal Government. He does not worry very much about that, although he gets in a few shots. That is a matter of considerable interest for us because it suggests that conformity of opinion on vital matters which affect Canadians every day of their lives as they spend, seek to maintain their lives, and face a heavy burden of taxation in one area while watching others get off scot-free. Later in this debate I would like to explore what the consequences of that might be.

Past Governments in the early 1970s launched themselves on a particular course of action which all too often won the support of the Official Opposition. Now that the former Official Opposition is the Government, it is following the same course of action. It is proposing this legislation for our support without any great uneasiness about it, even though there were warnings from others about it and even though, during the election campaign, members of the Conservative Party expressed great concern about the consequences of that action if it were carried out by the other Party. This conformity of opinion between the Liberal and Conservative Parties is surely a matter of enormous concern to the Canadian people who did not vote to have Conservatives pass this kind of tax legislation rather than having Liberals do it. Surely the Canadian people have hopes for prosperity that require some fundamental reconsideration of tax policy rather than passage by the other Party of the same kind of legislation.

There was just a hint in the comments of the Hon. Member, Mr. Speaker, that we might see a change in the next Budget. I would be interested to know what reason there is for thinking that the Government is going to change direction in tax policy.

Mr. Deputy Speaker: Could I ask the Member for Western Arctic for a brief answer, if possible.

Mr. Nickerson: What reason is there to expect changes in tax policy? Mr. Speaker, there are all manner of reasons. Over many years in this House and outside we have stated our intention to have a more equitable system of taxation in Canada which generates interest in business and increases employment opportunities. We ran an election campaign on that. We received a great mandate from the people of Canada. Since coming back to the House there has been a Speech from the Throne which said precisely the same thing. There has been an economic statement issued by the Minister of Finance which outlined the procedure we would follow leading up to significant tax changes in the next Budget. This is all part of the process. The people of Canada can certainly have every expectation that fundamental changes in the approach to taxation will be made by the new Government.

Mr. Deputy Speaker: The period for questions and comments on the Hon. Member's speech is now over. We shall now resume debate with the Hon. Member for Gander-Twillingate (Mr. Baker).

Mr. George Baker (Gander-Twillingate): Mr. Speaker, in the few moments remaining I would like to say that never before in the history of the Canadian Parliament have we seen such a rip-off perpetrated on the primary producers of eastern Canada as has been the case with the present Government. The measures that were introduced in the financial statement of the Minister of Finance (Mr. Wilson) and in the cuts tabled by the President of the Treasury Board (Mr. de Cotret) have removed money from the pockets of our primary producers across the country.

All of a sudden a Bill comes along, for which we are asked to be thankful, which is supposed to provide a small rebate on the excise tax. Actually it is an increase on the rebate of the excise tax available to primary producers. The Minister of Agriculture (Mr. Wise) says that we should thank the federal Government on behalf of the primary producers for this great act of recognition of our primary producers in the country. At the same time, Mr. Speaker, primary producers are faced with the highest increases ever in their cost of living and in the services which are supposed to be provided by the Government of Canada.

I will call it one o'clock, Mr. Speaker.

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

S.O. 21

STATEMENTS PURSUANT TO S.O. 21

[*English*]

PUBLIC WORKS

OFFICIAL RESIDENCE OF PRIME MINISTER—SUGGESTED USE OF REPAIR EXPENDITURES

Mr. George Baker (Gander-Twillingate): Mr. Speaker, in keeping with the Minister of Finance's (Mr. Wilson) public statements on making the best use of scarce resources and having the maximum benefit from scarce resources, I would like to suggest the Prime Minister (Mr. Mulroney) take the $600,000 allocated for repairs to his home and transfer it to the Minister of Employment and Immigration (Miss MacDonald) to be used under a Canada Works application. This would mean work for two months for 231 workers, with expense money of $250,000 which would be adequate. Wages would be $350,000, and there would be 1,857 man-weeks, or stamps, as we say, issued from the project.

Repairs to the Prime Minister's residence could be a symbol of national unity. It could include youths and women working on the project, with 20 from each province and the territories to act as a symbol of national unity, a big Canada Works project.

Alas, there is a problem. The Minister of Employment and Immigration has created this year what she calls Constituency Advisory Boards to screen applications in each constituency and to "direct funds to worth-while activities that demonstrate need". According to that criterion, the application would be rejected.

* * *

EXTERNAL AID

"ETHIOPIA AIRLIFT" ESTABLISHED BY HALIGONIANS

Mr. Stewart McInnes (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, the Right Hon. Secretary of State for External Affairs (Mr. Clark) has requested the co-operation of all Canadians in the Ethiopia relief effort. In this spirit, a group of Halifax residents have established a charitable organization called "Ethiopia Airlift", to provide speedy and effective assistance to the drought stricken people of Ethiopia.

This group of Haligonians has worked assiduously to build a regional network of support enabling it to collect the food, medical supplies, and equipment that will be sent to the Hararghe region of southern Ethiopia. It has succeeded in sensitizing Nova Scotia, and indeed much of the Maritimes, to the urgency of the Ethiopian problem and the need to make contributions.

This spontaneous outpouring of hope and good will was rewarded when, on December 7, the Canadian Government offered the committee two DC-8 freight jets, each with 44-tonne capacity cargoes. This will enable the group, which is now incorporated as a charitable institution, to carry out two airlift operations to deliver emergency goods to a target group of 50,000 famine stricken Ethiopians, 10,000 of whom are children. The first airlift will be leaving from Halifax on December 23. The offloading and distribution of the supplies will be arranged in co-operation with World University Service of Canada.

"Ethiopia Airlift" is intended to provide emergency and interim aid to a relatively small proportion of needy Ethiopians.

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

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IMMIGRATION

PLIGHT OF DETAINED IRANIANS

Mr. Dan Heap (Spadina): Mr. Speaker, 13 Iranians have been held in detention at the Avion hotel near Pearson Airport. Some of them have been held for four months or more, all of them for over two months. They claim to be fleeing from Iran and the well-known bloody dictator there. Ten of them went on a hunger strike for a week in order to draw attention to their situation.

In fact they have not been treated according to the laws of Canada. They have never been informed of the program for Iranians under IS-26 of the immigration guidelines. They were never given the pamphlets which are said to be issued, and it is questionable whether the pamphlets to advise them of their rights under that program have ever been printed.

They were never able to apply, as the program provides, for a ministerial permit to stay in the country for 12 months and earn a living until their situation is cleared up. None of these rights according to our laws were given to these people.

Some are now being released because members of certain churches have individually given a $10,000 bond each in order to get these people out of close confinement.

I call on the Minister to inquire into this incident and to inquire why these people were not informed of their rights according to Canada's laws under IS-26, B-6, 9, 10 of the immigration regulations—

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

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[*Translation*]

REGIONAL ECONOMIC DEVELOPMENT

CO-OPERATIVE FEDERALISM

Mr. Gabriel Desjardins (Témiscamingue): Mr. Speaker, all Members of this House, especially those from Quebec, can take pride in the general agreement on regional economic

development signed last Friday in Montreal by the federal Minister of Regional Industrial Expansion (Mr. Stevens) and the Quebec Minister for Intergovernmental Affairs.

Mr. Speaker, I found that the people I spoke to in my riding last weekend were delighted with the action taken by this Government. This generous agreement, which provides funding totalling $1.6 billion over five years, has put an end to a deadlock that existed for several months because the previous Liberal Administration refused to recognize Quebec's full jurisdiction over its economic development. The truly historic moment when the agreement was signed by both governments put an end to an era of confrontation maintained by the previous Liberal Government. The agreement recognizes Quebec's authority over its own development and is a clear demonstration of the spirit of rapprochement and understanding that pervades federal-provincial relations today.

Mr. Speaker, during the last election campaign, our Party made a commitment to develop co-operative federalism, and the present agreement is a very clear example of what we had in mind.

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[*English*]

DISARMAMENT

CANADIAN POSITION ON UNITED STATES STAR WARS ARMAMENTS PROPOSAL

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, over the weekend Canadians were treated to some very disturbing statements by two senior Ministers of the Government. First, we had the incredible admission by the Secretary of State for External Affairs (Mr. Clark) that the Canadian Government is now waffling on its opposition to President Reagan's plan to promote Star Wars weaponry. This is a total reversal of the position taken by previous Canadian governments and recently endorsed by the Minister himself. In fact the Ambassador for Disarmament stated in a recent speech: "Canada's objective at the United Nations is to encourage talks aimed at limiting outer space as an area for military competition . . ."

We have also had the spectacle of the Minister of National Defence (Mr. Coates) mocking the many thousands of Canadians who belong to the peace movement. The broad support of this movement across the country is clear, and involves many prominent Canadians, such as 34 recipients of the Order of Canada, former Moderators of the United Church, eight university presidents, and many other distinguished Canadians.

These recent statements clearly show the Government's lack of interest in the peace issue within the international community and within the country. I call upon the Prime Minister (Mr. Mulroney) to clarify the position of his Government immediately on the Star War's issue, and to apologize to all those Canadians who are actively involved in the peace movement.

S.O. 21

MEDICAL RESEARCH COUNCIL

IMPACT OF BUDGETARY CUT-BACKS

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, the Medical Research Council of Canada may lose approximately $30 million for research funding in the upcoming year.

Many research foundations and institutes try to provide research operating funds, but a significant portion of their resources is consumed in the provision of research space, care support facilities, and "seed money" for pilot projects. These items are critical to a successful research program but are not funded by any major external funding agency. The scientific community, therefore, looks to external funding agencies for a significant portion of its operating support.

The Medical Research Council of Canada is prominent amongst these funding agencies, and any reductions in its funding capacity will have an immediate drastic impact on established world class research programs. I seek the assurance of the Government that no cut-backs will be implemented in scientific and medical research funding areas.

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EXTERNAL AID

ETHIOPIA—NEED FOR ASSISTANCE

Ms. Lynn McDonald (Broadview-Greenwood): Mr. Speaker, a delegation of representatives of all three Parties has just returned from Ethiopia. There is solid unanimity across the Parties both as to the impression we had of the famine crisis there and what Canada should be doing about it. The famine is as bad as you ever saw it on television. People are starving to death.

It is important that Canada intervene massively with emergency food aid because the situation will only get worse next year. Farmers are not able to form, and pastoralists do not have any pasture, so that production is down drastically. At the same time as we are giving emergency food aid, we should not be cutting back on development.

For Ethiopia to become self-sufficient in agriculture, as well as other countries affected by the famine, massive intervention is needed for reforestation, agricultural improvement, and water projects. This is something in which Canada can engage adequately. We have the technological expertise, and we have food riches that we should be giving generously. The United Nations is calling for 1.3 million tonnes of cereal aid. Canada should be coming up with at least 200,000 tonnes as its contribution to a tragic situation in a world in which we are all together.

S.O. 21

● (1410)

[*Translation*]

HOUSE OF COMMONS

ORAL QUESTION PERIOD

Mr. Gabriel Fontaine (Lévis): Mr. Speaker, first I would like to mention that the form of debate during question period has vastly improved, and you are to be congratulated.

However, as far as the substance is concerned, I would like to point out to Hon. Members that every day, Canadian voters across Canada are being offered a show that is mediocre in the extreme. What is the purpose of these questions? What are the Liberal Party and the New Democratic Party trying to do?

The purpose of their questions is to emphasize the differences in how statements by Ministers and the Right Hon. Prime Minister are interpreted. Their questions are petty, repetitive and full of political rhetoric.

The Liberals ask the same questions as the New Democrats and the New Democrats the same questions as the Liberals. They each want to replace the other as the Official Opposition.

May I suggest to the House that Opposition Members act more responsibly before their constituents and the people of Canada? The role of Opposition Members consists in asking questions about legislation and administration. Let the Party Leaders set an example. Let them stop their childish emoting and show in their questions that they are intelligent and competent.

In fact, their responsibilities and their status as parliamentarians should not leave them any other choice.

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[*English*]

EXTERNAL AFFAIRS

SRI LANKA—CIVIL VIOLENCE

Ms. Sheila Copps (Hamilton East): Mr. Speaker, in the recent past there has been a flood of disturbing news of violence and killings in Sri Lanka, a friend and ally of Canada. Sri Lanka, since its independence from British rule, obtained in 1948, has throughout preserved the democratic process in its Government.

Recent events, reportedly brought about by a Tamil separatist group seeking to divide this small island, include brutal killings of innocent citizens of the country, and are threatening its very carefully preserved democracy. The Government has appealed for calm and urged the Sinhalese majority not to retaliate against innocent Tamils. The Government is struggling hard with meagre resources to bring about peace, and sustain law and order.

The democratically elected Government of this nation is highly vulnerable in this particular case. I call upon the Canadian Government to do everything possible to ensure that law and order, peace and democracy are maintained in the country of Sri Lanka. I would like to know whether the Government is contemplating any steps to assist the Government of Sri Lanka, and what response the Canadian Department of External Affairs will give to try to preserve democracy in this fragile situation.

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ENVIRONMENTAL AFFAIRS

ACID RAIN—TRIBUTE TO WORK OF MUSKOKA COMMITTEE

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, I rise today to throw a bouquet to the acid rain committee which has been so active in the District Municipality of Muskoka. Since 1980 members of this regional government standing committee have been addressing the environmental hazards of acid rain from the grassroots level. Under the auspices of Sheilah Hatch, Mayor of the Township of Muskoka Lakes, this committee serves as a shining example of the impact which can be achieved by municipal government bodies. A small annual budget of $2,000 is used for travelling expenses and correspondence, much of which involves discussions with groups in the United States.

It stands to reason that an acid rain committee should be active in Muskoka. Each time councillors drive to a meeting, they bear witness to stands of hardwood showing ill health, and acidified lakes devoid of fish.

Mayor Hatch attended the meeting on auto emission standards in Ottawa earlier this month. She agrees with me that the technology already in place to reduce nitrogen oxide emissions should be used on Canadian automobiles to bring us up to standards set in the United States.

On their behalf, I challenge other municipalities affected by acid rain to pick up the torch at the grassroots. There can never be too many groups assessing the horrible blight of acid rain in Canada and around the world.

* * *

THE ADMINISTRATION

CRITICISM OF MINISTERIAL STATEMENTS

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, recent ministerial statements and actions are leading Canadians to lose faith in the veracity of their Government. When the Minister of Energy, Mines and Resources (Miss Carney) publicly confuses law and tradition, the Prime Minister (Mr. Mulroney) and the Minister of Finance (Mr. Wilson) ascribe greatly different meanings to the word "universality", and their daily ration of vaudeville, diatribe, dogma and evasion, is described as answers, Canadians must wonder if the Government is deliberately trying to undermine our languages.

Confucius, when asked what would be the most important reform to better the human condition, replied after careful

consideration: "I should insist on the precise meaning of words".

A Government that debases the language is as bad as one that debases the coinage. I call upon the Government to adopt as its New Year's resolution, to say what it means and mean what it says.

ORAL QUESTION PERIOD

[*English*]

SOCIAL SECURITY

GOVERNMENT POLICY—REQUEST FOR PRESENTATION OF BUDGET

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. When I was on the West Coast I read the disturbing statements of the Prime Minister and the Minister of Finance to the effect that they intend to dismantle our social programs.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): We are so outraged about this particular situation that I intend at three o'clock to present a motion for an emergency debate.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): Well, that sacred trust has now become a broken trust.

Will the Prime Minister instruct his Minister of Finance to bring down a Budget at an early opportunity so that we will know the entire scope of what the Government has in mind, who will receive old age pensions and who won't, who will receive family allowances and who won't? I believe the confusion which has now been shored up in the minds of Canadians needs to be dispelled and an early Budget brought down in the House.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in a letter issued on October 6, 1982, it was stated as a recommendation that "it means looking seriously at the universality of the social security programs which now have become the vested interest of the middle class rather than the needy". The author of that is the McMillan, Binch newsletter, and we reject that. We reject that philosophy. We have been defending an important proposition.

Ms. Copps: Get out of the gutter, Brian.

Mr. Mulroney: We have been defending an important proposition. I was asked on Friday:

> When the Minister of Finance of this country says that we cannot afford social programs for middle income Canadians, is the Prime Minister saying that the Finance Minister is wrong?

And I answered:

> I am saying that the Finance Minister never said that.

The reason for that is that, inadvertently or otherwise, my friend from Essex-Windsor amputated two important words—"upper and"—from the answer, which meant clearly—

Some Hon. Members: Oh, oh!

Mr. Mulroney: —which meant very clearly—

An Hon. Member: He wasn't quoting.

Mr. Mulroney: —which meant very clearly that when I said that the Minister of Finance never said that, he never had said that, and the Hon. Member was wrong, and the Leader of the NDP was wrong yesterday in the House of Commons.

Some Hon. Members: Hear, hear!

Mr. Mulroney: We stand for social justice and fairness.

Some Hon. Members: Hear, hear!

OLD AGE PENSIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, the Hon. Member for Essex-Windsor and the Hon. Member for Oshawa will be able to take care of themselves. However, I want to say to the right hon. gentleman that I am getting a little tired and annoyed—

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): —at selective miscitations of what I am purported to have said or written. I did not write that document. I did not write that document.

It is quite clear now that the Minister of Finance and the Prime Minister, throughout the election, had a hidden agenda whereby they were going to dismantle the social contract.

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): By "social contract" I mean the contract by which hundreds of thousands of Canadians paid taxes in order to qualify eventually for old age pensions. How many of our senior citizens will qualify and how many will not qualify, despite the fact that every one of them has paid taxes toward old age pensions?

• (1420)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, all of the senior citizens are going to qualify because we have never placed in jeopardy the notion of universality for our senior citizens. All of them are going to qualify for it.

Some Hon. Members: Hear, hear!

Mr. Mulroney: With regard to the McMillan Binch newsletter, I never accused the right hon. gentleman of writing it. The question is, did he charge for it?

Some Hon. Members: Hear, hear!

AMOUNT OF PENSIONS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I want to tell you that I will stand up to this particular exchange when the senior citizens of the country manage to see it and hear it. I am asking the Prime Minister whether the pensioners, and those who will qualify shortly for a pension, will receive the same statutory equal pension that they now receive. Is that going to be a part of government policy? Is there going to be any discrimination between citizens when they reach retirement age?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have responded once, but let me do it again. The response to the question put by my right hon. friend is yes, all senior citizens will deserve the pensions to which they are entitled notwithstanding the profligacy of the previous Government which placed the public finances of Canada in jeopardy.

[*Translation*]

PRINCIPLE OF UNIVERSALITY—GOVERNMENT POSITION

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, my question is directed to the Right Hon. Prime Minister.

This morning, in an interview on the CBC French network at quarter past eight, the Parliamentary Secretary to the Minister of Finance mentioned that the Minister had said: We no longer have the resources. He is disavowing the basic principle of universality by setting new limits. We must review universality, starting with its basic definition which should be universality of care and social services for those who need it. They are challenging universality and the criteria established by the previous government.

Mr. Speaker, could the Right Hon. Prime Minister inform the House whether the Parliamentary Secretary, the Member for LaSalle, was speaking on behalf of the Prime Minister, the Government, the Minister of Finance or the Minister of National Health and Welfare, when he clearly gave Quebeckers the impression that the principle of universality had been set aside by the Minister of Finance?

Right Hon. Brian Mulroney (Prime Minister): I am delighted to hear that a Bay Street lawyer listens to the CBC French network at eight o'clock in the morning. That is good news.

The Minister of Finance and the Prime Minister have said, and I think to the satisfaction of my hon. friend, that the programs and principles governing those programs are and will be fully effective. What we are trying to do is engage in civilized dialogue and debate with Hon. Members to find out whether we cannot make a better use of the public funds at our disposal, for the benefit of those members of our society who are truly in need. That is what we are trying to do.

[*English*]

REQUEST FOR GOVERNMENT STATEMENT

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, when will we get the clear truth from the Prime Minister? When will the Prime Minister stop covering the debate with his usual thick layer of verbal fudge, as Richard Gwyn said in his column yesterday? When a person is blamed by the Secretary of State for External Affairs, when will we get a clear statement so that Canadian families who make more than $26,000 will know that their programs will not be cut, as suggested by his Minister over the weekend?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think it is important, if my hon. friend is going to be fair and objective in his analysis, that he defer at least for a while to his spokesman on health and welfare, who is quoted in *La Presse* of November 20, 1984—

An Hon. Member: That is not the question.

Mr. Mulroney: Indeed it is the question—as saying the following:

[*Translation*]

If the Government wishes to remove universality of pensions in order to give the money to senior citizens who need it most, I agree with that.

That is what he said, and I am merely saying that we do not want there to be any doubt about the principle of universality. We want to provide benefits for those members of our society who need them most, regardless of the positions taken by the Liberal Party.

[*English*]

Ms. Copps: Slick, slick, slick.

Some Hon. Members: Oh, oh!

Mr. Speaker: Order. Perhaps Hon. Members would like to remember who we are and where we are.

Some Hon. Members: Hear, hear!

Mr. Speaker: The Hon. Member for Oshawa (Mr. Broadbent).

Mr. Broadbent: And we should all remember to tell the truth, Mr. Speaker.

Some Hon. Members: Oh, oh!

UNIVERSALITY PRINCIPLE

Hon. Edward Broadbent (Oshawa): The Prime Minister has said on a number of occasions that he regards the universality

principle in social programs to be a sacred trust. His Minister of Finance said recently that social programs for the poor are a sacred trust. These are two different notions. Does the Prime Minister still regard the universality principle of social programs to be a sacred trust, and will he tell us precisely what he means by the universality principle?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if my hon. friend is going to quote, and if the Hon. Member for Essex-Windsor is going to quote, I ask him to go back and read *Hansard* of Friday with regard to the amputation of language that took place. He ought to begin his comments today by apologizing to the Speaker of the House of Commons, and to me, because I have been consistent throughout the piece, and I will accept your apology as an Hon. Member.

Some Hon. Members: Hear, hear!

Mr. Mulroney: My hon. friend from Windsor will agree with that, that there were important words that were not used in his quotation from the extraction of the statement of the Minister of Finance.

The answer to the question is that indeed we favour the concept of universality. As I indicated in a speech in April in Toronto, and on many occasions thereafter, we would like to use the tax system to introduce an element of fairness that we believe is lacking whereby—

Ms. Copps: Is it a sacred trust?

Mr. Mulroney: She has done all the damage she can do to the Liberal Party of Ontario, and she is doing it here now.

Some Hon. Members: Hear, hear!

Mr. Mulroney: We plan to examine the possibility of using the tax system to introduce a greater notion of fairness for those in our society who need help without doing violence to the principle of universality.

TAX STATUS OF BENEFITS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, we still have not got it clarified. As the Prime Minister knows, for decades Canadians have taken it for granted that if they pay—rich, poor, middle income persons and families alike—either through the tax system or through other means, into pension plans, medicare and family allowances, they would all get those benefits back, none of which would have a specific tax levied upon them. They were counted for taxable income but they did not have a specific tax levied on the benefit. That is what makes them a universal principle. That is what we in this Party defend. That is what the people of Canada want. Is the Prime Minister proposing to introduce, for the first time, a specific tax on a particular social benefit program which, if he does, will undermine the universality principle?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we are prepared to examine various possibilities to try to get more money into the hands of those who need it. For example, the question was asked by Ms. Frum: "Will you be prepared to tax upper income Canadians to get more money into the system?" The Member for Vancouver East said: "We would be prepared to tax them and tax back their old age pensions as well." There is the policy of the Hon. Member for Vancouver East. We are opposed to that. That is what is wrong with the NDP.

• (1430)

NEW DEMOCRATIC PARTY POSITION

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Prime Minister knows that this Party has for years been prepared to include all sources of income as taxable benefits. We stand by that. We do not say one thing during an election campaign and another thing after we are elected to the House of Commons.

Considering that the Prime Minister's proposal—and it is clear that he is going to act on it—is in essence to levy a special tax on particular social programs, to ghettoize Canadians and to create two classes of Canadians when it comes to social programs, will the Prime Minister change his position and maintain the universality principle for Canadians?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I will tell the Hon. Member that we will protect the integrity of universal programs against the rapacious tax attitudes of the NDP as articulated by the Hon. Member for Vancouver East. We want to treat people fairly, and we are going to keep the taxman away from those who are in need the most.

POSITION OF MINISTER OF NATIONAL HEALTH AND WELFARE

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I—

Some Hon. Members: Oh, oh!

Mr. Speaker: Perhaps Hon. Members would at least allow the Chair to hear the question.

Mr. Axworthy: Mr. Speaker, the point of my question is not to find out what the Hon. Member for Vancouver East or members of the NDP believe. We want to know what the Government intends to do, because it will be making the decision.

My question is directed to the Prime Minister and goes back to an answer he gave to the Leader of the Official Opposition. He said that he does not intend in any way to reduce or change the benefits that will go to senior citizens or families. If that is the case, how does he explain the statement made on the weekend by the Minister of National Health and Welfare who said that his priority is to change those programs and in fact to develop a cut-off point through the tax system that would reduce the benefits for parents and the elderly? How does he reconcile those two statements? Is he going to repudiate the Minister of Health and Welfare?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member for Winnipeg-Fort Garry should be careful with his selection of facts, if those are facts at all. I will tell him why. Under the child tax credit system, the Liberal Government which introduced that program had a turning point of $26,330 namely, that a family with a net income at that level would receive the full child tax credit. From that amount of money up to a net family income of $41,000, the child tax credit was totally gone. That was their plan. If the Liberals are arguing that that is a removal of universality or will somehow negatively affect Canadian families, I do not understand, because it was their plan.

When we look at these plans, let's be sensible in terms of what is on the table and what Canadians are receiving, and let's not put forward motives that simply do not exist, motives which are dishonest and which we have never been following.

REVIEW OF BENEFITS

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, my supplementary question is directed to either the Minister of National Health and Welfare or the Prime Minister. I would remind them that when we brought in the child tax credit, we did not reduce the basic benefits to senior citizens or families in those cases. Do the plans that the Minister is preparing, and the examinations undertaken by his Department, in any way involve the reduction of the existing benefit structure or formulae, either through the tax system or through direct benefits to senior citizens or families who presently receive the old age pension or the family allowance? Will there be any form of reduction whatsoever to the existing basic benefit plan?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I would say to the Hon. Member for Winnipeg-Fort Garry that the answer to those reductions that he is trying to impute as a motive of the Government is, no.

Mr. Axworthy: What about the Minister of Finance?

Mr. Epp (Provencher): I will give the Hon. Member an answer, if he just gives me some time. The point I would make to the Hon. Member, and to all Members of the House, is simply this: at the present time the tax system does allow for a tax on income whether it is income of a senior citizen or a family. There is no problem there, I would think. The only question is what NAPA has said, what the Status of Women today and the Hon. Member for Sudbury have said, and I can turn to the debate of July 26 and the words of the Hon. Member for Vancouver East—we were all in the same studio—he said, on behalf of the then Liberal Government, that they would be considering taxing back and re-arranging. Is it fair to re-examine a certain amount of the money that goes to the upper-income level, and to re-direct it to those who are not as well off as the Hon. Member and I?

TAXATION OF INCOMES

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is directed to the Minister of Finance. This Party believes in taxing all incomes, and in taxing the wealthy who pay little income tax now in proportion to their incomes in order to pay for the cost of all social programs. We do not believe in taxing specific social programs. Is this what the Minister is proposing to do?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am not sure that I got the sense of that question. If the Hon. Member is asking whether or not we are intending to tax social programs like Old Age Security and Family Allowances, I would say that today those are taxed. There has been no change. According to what the Minister of Health and Welfare has said, we are looking at the possibility of taxing some of those programs for those in the upper-income brackets to allow us to provide a greater degree of assistance to those who are in greater need, in the same way as the Hon. Member herself said that they would be prepared to tax upper-income Canadians and tax back their old age pensions as well. There is no difference between us. We are trying to have an honest, open, and objective debate on how we should achieve this. I would encourage the Hon. Member and members of her Party to join in that debate.

Some Hon. Members: Hear, hear!

ACCESS TO UNIVERSAL PROGRAMS

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, we are talking about global taxation, not program taxation. I would like to ask the Minister if he intends to undermine a very proud Canadian tradition, the right of all Canadians, regardless of their incomes, to the universal social programs which they have earned by their contribution to Canada and for which they have paid through their taxes. What is his intention?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the answer is no. We have every intention of leaving the principle of universality in place, whether it is for benefits for the elderly, family benefits, or medicare. These are things that we hold as strongly as the Hon. Member opposite. We are committed to holding those, and we are not going to tax back the old age pensions in the way that the Hon. Member described last July.

INCOME LEVELS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, it is interesting that the comments made by the Finance Minister today do not jibe with the comments he made when he said that that there are people who don't need it and that upper and middle-income social programs cannot be afforded today. That is what the Minister said last week.

My question is directed to the Minister of National Health and Welfare. Today there has been an admission in the House that there will be a tax-back on senior citizens' benefits and family allowances. I would like to ask the Minister of National Health and Welfare if he can tell us at what threshold he will stop in the tax-backs. Will it be the $26,000 figure he quoted last week? This would mean that more than half of working Canadians will be caught by his Government's ripoff tax-backs which indicate that the Government is reneging on the social contract with the Canadian people.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I find the Hon. Member's comments passing strange, for the simple reason that the very $26,330, which we have not established or confirmed as a threshold, was used by her Party. Why would she not only call it unfair but use it as a basis of determining that the entire system is unfair? Obviously our system will be more fair than the one she has supported.

• (1440)

Some Hon. Members: Hear, hear!

Ms. Copps: Mr. Speaker, in fact I am quoting the words of the Minister of National Health and Welfare from an interview in which he stated that $26,000 was the base figure being used.

DESCRIPTION OF SYSTEM

Ms. Sheila Copps (Hamilton East): Mr. Speaker, does the Minister still agree with the statement which he made in November when he said:

> If we were to leave the system untouched, we would be leaving in place a system that, strictly speaking, not only is not universal, but is in fact regressive—

Does he believe that the universal system, which we hold dear in this Party, is a regressive system?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I will tell the Hon. Member that I think anyone who has looked at the system sanely and quietly will say that it is regressive. For example—

Ms. Copps: It is regressive.

Mr. Epp (Provencher): Oh, you agree that it is regressive. Let me give the Hon. Member a very quick example—

Mr. Axworthy: There is no—

Mr. Hnatyshyn: Let Sheila speak for herself.

Some Hon. Members: Oh, oh!

Mr. Epp (Provencher): First, I will tell the Hon. Member that the manner in which she used my quotes was inaccurate. I wish she would be accurate.

Second, under the tax exemption plan of Revenue Canada today, it is regressive in the sense that anyone who has a larger income has a greater benefit in terms of reduced taxation because of the tax exemption. Surely that is regressive. The person who does not pay any tax does not get that benefit. So, if that meets her definition of regressive, as it does mine, then in that sense the system is regressive.

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ENVIRONMENTAL AFFAIRS

NATIONAL RESEARCH COUNCIL BUDGETARY CUT-BACKS—IMPACT ON PROGRAMS

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I almost hate to change the topic, but I would like to direct a question to the Prime Minister which deals with another area that is of universal concern to all Canadians, that is, the quality of our environment. It is a universality question, whether or not we like it.

Yesterday my colleague, the Hon. Member for Skeena, released information regarding the scope of the cut-backs in the National Research Council Environmental Secretariat which performs important studies into such things as fetal hazards and the effect of environmental lead on children. Those programs have been cancelled. Does the Prime Minister not think that these programs are important? If he does think they are important, will he have them reinstated?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, indeed I think that all the programs were important. It was a question of the budgetary restraints which were imposed upon us and the priorities which were established. I hope my hon. friend will agree that it was done with care and concern for the total environment of Canada.

Mr. Blaikie: Mr. Speaker, I would remind the Prime Minister that the environmental deficit which this Government will leave Canada if it continues with these programs is every bit as serious, in another dimension completely, as the financial deficit to which the Prime Minister keeps referring.

REQUEST THAT CUT-BACKS BE REVIEWED

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, when will the Prime Minister and his colleagues realize the tragic short-sightedness of the cut-backs in the Environmental Secretariat of the NRC? When will the Government show the kind of willingness to reconsider, that I think the Minister of the Environment showed last week when she indicated that some changes might be made to the cut-backs in research in the Canadian Wildlife Service, and have the entire set of cut-backs reviewed?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, indeed I think the Minister did indicate that last week. She is expected back in the House tomorrow. I am sure she will be delighted to meet with the Hon. Member to review it.

Oral Questions

AGRICULTURE

MARITIME FEED GRAIN COSTS

Mr. Bob Corbett (Fundy-Royal): Mr. Speaker, I would like to direct a question to the Minister of Agriculture. Would he be prepared to consider favourably the representation he has received from the Maritime Farmers Council concerning the disparity in feed prices between there and the rest of Canada? As well, would he agree that the survival and future prosperity of the livestock and poultry industry depends on closing the gap, and accept their recommendation that the Feed Freight Equalization Program be revised to cover 50 per cent of the transportation costs on feed grains from central and western Canada?

Hon. John Wise (Minister of Agriculture): Mr. Speaker, I appreciate the Hon. Member's interest in the subject. Let me respond to his first question by saying yes. With respect to his second question, I would throw in a word of caution. I hope that the financial resources will be available to the extent that we can provide some financial assistance in the foreseeable future to this very deserving problem.

* * *

SOCIAL SECURITY

OLD AGE PENSIONERS

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I am sure there is something upon which all Members of the House will agree, that is, that the Government has succeeded in creating confusion, anxiety, insecurity, and even fear among our elderly citizens.

Some Hon. Members: Hear, hear!

Mr. Johnston: Yesterday I received calls in my riding—and I am sure it is the same in Don Valley West as I am sure it is true in the riding of every Member of the House—because those people are concerned.

Some Hon. Members: Question.

[*Translation*]

Mr. Johnston: Not long ago, a woman asked me—and I am going to put the question she asked me to the Right Hon. Prime Minister—she asked me: Mr. Johnston, are they going to take away my pension, my cheques?

That is the question I now wish to put to the Prime Minister. What is he going to say to the people who are asking us these questions?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I would answer the Member's question very directly—and I hope through him to his constituents and every Member in the House—that this Government has no intention, has had no intention, nor will it, to remove the old age pensions from those Canadians who have contributed to our society of which we are all the benefactors. The simple answer to his question is no.

Some Hon. Members: Hear, hear!

BUDGET PRESENTATION

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I have a short supplementary question which I would like to direct to the Minister of Finance. There is only one way in which we can get rid of the confusion and anxiety, and that is to bring in a budget. Let us see exactly what the Government has in mind, and let us have it quickly. We cannot wait until March, April, May or June.

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I am not sure whether the Hon. Member has directed a question to me, but maybe I could help him out with his concern.

We have tried to put the matter in a very clear way. The comments which were just made by my colleague state what the problem is and what the questions are. We will be putting out a paper on this matter in advance of the Budget so that we can have an ojbective, fair, honest and open debate. I would encourage the Hon. Member, who has expressed some views in this area, which have the effect in a very clear way of removing universality, but—

Mr. Johnston: Creating universality.

Mr. Wilson (Etobicoke Centre): No, removing universality. I would encourage the Hon. Member, the Hon. Member for Sudbury, and the Leader of the Opposition, to join in this debate in an open and positive way, and not to contribute to any misunderstanding on the part of Canadians who want to receive the benefits of these programs.

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ENVIRONMENTAL AFFAIRS

CANADA-UNITED STATES GREAT LAKES WATER QUALITY AGREEMENT

Mr. Jim Fulton (Skeena): Mr. Speaker, I would like to direct a question to the Prime Minister. Article 12 of the Great Lakes Water Quality Agreement with the United States calls for intensified research. Could the Prime Minister explain how the cuts to environmental programs related to the Great Lakes respond to the wording of the Canada-U.S. treaty?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, as I said, the Minister of the Environment will be back to respond tomorrow to that question.

HEALTH ASPECTS

Mr. Jim Fulton (Skeena): Mr. Speaker, on December 14 the Prime Minister stated in the House, and I quote with care:

—the health and safety of people take precedence over everything else.

Why did he agree to allow the savage cuts to the Environmental Secretariat, particularly to the projects which are directed to evaluate the effects of viruses, heavy metals, and toxic materials on the health of the 40 million North Americans who drink from the Great Lakes?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I am assured that no cuts were introduced which would have that kind of dire impact upon anyone. But, as I indicated, the Minister will be back in the House tomorrow and I am sure that she will be able to satisfy any concerns which my hon. friend has.

* * *

[*Translation*]

REGIONAL INDUSTRIAL EXPANSION

REQUEST FOR CLARIFICATION OF AGREEMENT SIGNED IN MONTREAL

Mr. Marcel R. Tremblay (Québec-Est): Mr. Speaker, my question is directed to the Minister of Regional Industrial Expansion.

In Montreal last Friday, the Minister and the Quebec Minister for Intergovernmental Affairs signed an agreement on regional economic development, an important event that demonstrates the improvement that has taken place in relations between the Federal Government and the Government of Quebec. Could the Minister inform the House in what way this agreement differs from agreements signed with his counterparts in British Columbia and Ontario?

[*English*]

Hon. Sinclair Stevens (Minister of Regional Industrial Expansion): Mr. Speaker, in reply to the Hon. Member, I am sure all Members will understand that it is difficult in a short answer to explain the differences in a comprehensive way between British Columbia, Ontario, and Quebec IRDA agreements. Perhaps it would suffice if I assured the Hon. Member that the agreement we signed with Quebec last Friday is one which anticipates extensive sub-agreements and funding to fall out therefrom. The total amount of new money over the next five years which is anticipated will be about $630 million, which the Province of Quebec has agreed to match. That makes a total $1.320 billion. In short, it is the finest such agreement which has ever been reached between the Government of Quebec and the Government of Canada, which the former Liberal Government was unable to do—

• (1450)

Mr. Speaker: Order.

Some Hon. Members: Hear, hear!

Mr. Speaker: Order.

* * *

SOCIAL SECURITY

RELEASE OF WHITE PAPER

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I believe Canadians are justified in their confusion, mainly because on this issue of universality there have been three positions taken by Hon. Members on the front bench opposite.

Some Hon. Members: Oh, oh!

Mr. Frith: Three positions. Is it the intention of the Government to wait until we recess this House on Friday before it releases the white papers on family allowances and old age pensions? Or will the Minister of Finance do the courageous thing and table the documents and those papers in the House tomorrow so that members of the Opposition can have the opportunity to question the direction the Tory Government wants to take, before we break for Christmas?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member will know that on July 26 he, the Hon. Member for Vancouver East, and myself appeared on a national television program in which it was said: "To sum up your position on the medicare question—"

Some Hon. Members: Oh, oh!

Mr. Epp (Provencher): "—and on the social welfare net, you seem to be saying, "No new money". You just want to look at the existing money and redistribute the existing money. No new money for either medicare or poverty programs". That was Mrs. Frum, and Mr. Frith said: "That's correct". Therefore, coming directly to what the Hon. Member has said, and what we have said—

Mr. Chrétien: What about the white paper?

Some Hon. Members: Oh, oh!

Mr. Speaker: I regret to advise the Minister that I cannot hear the answer. The Hon. Member has a supplementary, perhaps. I could not hear the answer because of the noise in the House.

Mr. Frith: I will come back, Mr. Speaker, and ask the same question again. Is it the intention of the Government to wait until Parliament recesses before it has the courage to release its directional papers on family allowance and old age security? Why will the Government not table those documents here this week so that we can have the opportunity to debate them in this House?

Mr. Epp (Provencher): Mr. Speaker, I could table the press releases of the increase in family allowance, the table on old age pension, the increase in the Canada Pension Plan—

Ms. Copps: Table the document.

Mr. Foster: Check with Erik.

Mr. Epp (Provencher): We could table all those documents. The Hon. Member has been in cabinet. I am in cabinet. I want to say to the Hon. Member that when the Cabinet has made its decisions, those papers will be tabled. I hope that, just as the Hon. Member has previously contributed in a rational debate on this issue, including on televison, I hope he will contribute at that time as well.

* * *

FISHERIES

CANADA-UNITED STATES AGREEMENT ON WEST COAST SALMON FISHERY

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, my question is directed to the Minister of Fisheries and Oceans. It is in regard to the recent Canada-U.S. agreement on the management of West coast salmon. Would the Minister agree that this deal is part of the pattern of his Government caving in to American demands?

Some Hon. Members: Oh, oh!

Mr. Waddell: For example, in this agreement, in the transboundary fisheries in the north of British Columbia, on rivers such as the Stikine and Taku, the Americans get up to 85 per cent of the catch without any reciprocal compensation to Canadians. Would the Minister agree with that statement?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, the answer to the Hon. Member's question is, of course, no. As the result of a great deal of hard work on the part of some very able Canadians and Americans they have finally brought together in one place, and on one piece of paper, an accord which is going to go to both Governments. This is after 18 years of effort. I must assure the Hon. Member that under no circumstances am I prepared to accept on behalf of this Government any suggestion that the agreement which was worked out was a cave in of any sort whatsoever.

REQUEST FOR COMMITTEE REFERRAL

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, given the fact that the Minister himself is quoted as agreeing with Jack Nichol, the President of the Fishermen's Union, that Canadian fishermen are carrying the burden created by the need to rebuild the stocks, and given the fact that the negotiations were generally carried out in secret, will the Minister at least refer the treaty to the appropriate House of Commons committee so we can hear from the industry and the fishermen before its ratification by cabinet?

Hon. John A. Fraser (Minister of Fisheries and Oceans): Mr. Speaker, of course the Canadian fishermen are carrying the burden. They are carrying the burden of the fact that, for a decade or more, on both sides of the border proper conservation measures and proper catch allotments were not accepted. So, of course, we have to accept the burden of rebuilding the salmon stocks. That is fundamental common sense.

The Hon. Member, by his own admission, is not an expert in the fisheries. However, he can add and subtract. If we do not have enough fish to go around, sooner or later we have to make an agreement that we are going to rebuild the stock, and that is what this agreement is all about. And it is one of the best things which has happened between our two countries for a long time.

Some Hon. Members: Hear, hear!

* * *

WESTERN GRAIN STABILIZATION ACT

SIZE OF PAY-OUTS

Mr. Jack Scowen (Mackenzie): Mr. Speaker, my question is directed to the Minister of State responsible for the Canadian Wheat Board. Recent media reports indicate that the Western Grain Stabilization Fund will provide pay-outs of $17,000 to 135,000 western farmers, which could amount to $2.3 billion.

Some Hon. Members: Order.

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

Mr. Scowen: Will the Minister indicate if these figures are accurate?

Hon. Charles Mayer (Minister of State (Canadian Wheat Board)): Mr. Speaker, the Hon. Member raised a very serious issue. I do not think it does anyone any good, particularly the farmers who are in financial stress, to engage in idle speculation. The figures are not accurate as to the number of farmers. It is too early to say how much the fund will pay out. I would like to acknowledge the support of the two spokesmen for the opposition Parties for the two small amendments which we will have to bring in in order to make an interim payment. I would also like to thank the Hon. Member for giving me a chance to put some of these things on the record.

[*Translation*]

SOCIAL SECURITY

GOVERNMENT POSITION ON PROGRAMS

Hon. Jean Lapierre (Shefford): Mr. Speaker, I would like to get back to the Right Hon. Prime Minister. Today, we saw the Minister of National Health and Welfare release another trial balloon when he said they were going to give with one hand and take away with the other. I would like to ask the Prime Minister why he does not tell Canadians frankly and honestly that he deceived them during the election campaign and that now he is in power, he is going to cut back social programs one way or another, either through the tax system or directly, but cuts there will be.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, first of all, I feel a little uneasy if I do not hear the Hon. Member for Hamilton East. My hon. friend knows perfectly well that we have no intention of acting in the way he suggests. We had in mind—as the Hon. Member for Sudbury said during the televised debate this summer, it might be a good thing—since this is acceptable, to use the tax system to try and get more funds for those who need help most in our society. That is all we are trying to do, while maintaining the integrity of the principles by which we are governed. We are trying to find a better way of using the funds at our disposal to help the neediest in our society who truly need government aid.

Mr. Lapierre: Mr. Speaker, the Prime Minister has just told the House once again, to raise the level of anxiety among Canadians . . . The Minister of National Health and Welfare has just launched a trial balloon and now the Prime Minister is continuing in the same vein.

I would like to know whether the Prime Minister intends to "come clean" very shortly, in order to put an end to the anxiety that exists among senior citizens and mothers with a family. If the decision is already made, why bother about so-called consultations, Mr. Speaker?

Mr. Mulroney: Mr. Speaker, it is just the usual smoke screen and the usual canards used by the Liberal Party. We all know this is part of the traditional politics and stunts of the Liberal Party in Quebec. They have always made a habit of heaping lies and insults on their opponents. You know quite well what we are saying. We are here to help the average citizen have a better life. That is what we are going to do. We are going to defend the integrity of our social programs against the petty politicking of the Liberal Party. That is what we are trying to do.

● (1500)

[*English*]

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Monday, December 17, with one exception, meet the requirements of the Standing Orders as to form.

DEREGULATION OF TELEPHONE SERVICE

Mr. Speaker: The petition presented by the Hon. Member for Prince Albert (Mr. Hovdebo) does not meet the requirements of the Standing Orders as to form.

* * *

PRIVILEGE

STATEMENT OF MR. MULRONEY DURING QUESTION PERIOD

Mr. Speaker: I have received a note from the Hon. Member for Hamilton East (Ms. Copps) who desires to raise a question of privilege.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, I have a question of privilege arising from a statement made by the Prime Minister (Mr. Mulroney) in Question Period. I understood the Prime Minister to say that I had destroyed the Ontario Liberal Party, and for that I would like—

Some Hon. Members: Oh, oh!

Ms. Copps: —an apology from the Prime Minister.

An Hon. Member: Who do you want to blame it on?

Ms. Copps: I would also like the Prime Minister to know that the only thing he has destroyed is his Government's credibility, and that was self-inflicted.

Mr. Speaker: I could say this is not a question of privilege but it may be a point of order or a matter for debate at some other time.

Mr. Hnatyshyn: Sheila, you could not do it alone; you had help.

Mr. Speaker: I have a question of privilege from the Hon. Member for Essex-Windsor (Mr. Langdon).

Mr. Beatty: Peterson's gain is Turner's loss.

ALLEGED MISQUOTATION OF MINISTER OF FINANCE

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, I raise this question in a search for enlightenment from you, if I could.

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

Mr. Langdon: Yes.

Mr. Speaker: What is the Hon. Member's question of privilege?

Mr. Keeper: He is stating it.

Mr. Langdon: The question of privilege I wish to raise has to do with the allegations made by the Prime Minister (Mr. Mulroney) today during Question Period with respect to my supposed misquotation of the Minister of Finance (Mr. Wilson).

Mr. Stevens: Amputation.

Mr. Langdon: Is this the time when such a question can be raised?

Mr. Speaker: Let me try and guide the Hon. Member. It could be raised now if it were a question of privilege. I take it there is some dispute about the facts of the matter and I have to advise the Hon. Member that cannot normally form the basis of a question of privilege. However, Members have the right, on a matter arising out of Question Period, to present a question of privilege immediately after Question Period or give me notice in writing on a question of privilege tomorrow or later, if that is the earliest opportunity after the Hon. Member has read the "blues".

Mr. Hnatyshyn: Or they can get expelled from the House.

Mr. Speaker: I would advise the Hon. Member that he is, I take it, making some claim with regard to the accuracy of statements made by another Member. It is difficult to form a question of privilege on that basis. I take it that is the advice the Hon. Member seeks. Is he now rising on a question of privilege?

Mr. Langdon: Yes, Mr. Speaker.

Mr. Speaker: What is the Hon. Member's question of privilege? Other than the one he has just mentioned, please.

Some Hon. Members: Oh, oh!

Mr. Langdon: Mr. Speaker, if I could just very briefly put what I see as the question of privilege and allow you to rule—

Mr. Speaker: Let me help the Member, if I may. Citation 19(1) of Beauchesne's says:

> A dispute arising between two Members, as to allegations of facts, does not fulfil the conditions of parliamentary privilege.

Does the Hon. Member have another question of privilege?

Some Hon. Members: No!

Mr. Langdon: Mr. Speaker, the question is not with respect to the fact of the comments made but with respect to a point suggested by the Prime Minister, that I was directly quoting the Minister of Finance (Mr. Wilson) when in fact I was quite clearly, as recorded in *Hansard*, paraphrasing the key comments—

Some Hon. Members: Oh, oh!

Mr. Langdon: —that were made.

Mr. Epp (Provencher): Tell Ed.

Mr. Speaker: Order, please. I am in great difficulty. The Hon. Member is now telling me that something the Prime Minister (Mr. Mulroney) said happened did not in fact happen. I take it that is a dispute as to facts. The Hon. Member is saying that he did a certain thing and the Prime Minister said he did something else. That is clearly a dispute as to fact. Does the Hon. Member have a question of privilege?

Mr. Langdon: I will reserve my—

Mr. Speaker: No, on the point the Hon. Member has raised, he does not have a question of privilege. If he thinks he has one he has the right to submit a notice and we can consider it.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

WORLD PEACE AND HARMONY

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, it is a pleasure for me to present a petition on behalf of the congregation of the Meaford United Church, Meaford, Ontario, in my riding of Grey-Simcoe, who participated in the Prayer for Peace Service and have now delivered their personal petition for peace to the House of Commons to ensure that all government levels continue to work for peace and harmony throughout the world.

Mr. Speaker: Introduction of Bills. Perhaps the Hon. Member for Scarborough West (Mr. Stackhouse) would do me the indulgence of allowing his Bill to stand.

* * *

REGULATIONS AND OTHER STATUTORY INSTRUMENTS

CONCURRENCE IN FIRST REPORT OF STANDING JOINT COMMITTEE

Hon. Bob Kaplan (York Centre): Mr. Speaker, I seek unanimous consent to move concurrence in the first report of the Standing Joint Committee on Regulations and Other Statutory Instruments.

Mr. Speaker: The House has heard the motion. Is there unanimous consent?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

MOTION TO ADJOURN UNDER S.O. 30

UNIVERSALITY IN SOCIAL PROGRAMS

Mr. Speaker: I have received notice from the Right Hon. Leader of the Opposition (Mr. Turner) of this desire to make a case to me under Standing Order 30 today.

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I rise on an urgent matter of which I have given Your Honour notice.

Given the alarming and confusing situation which the Government has caused, which occupied the House today and which is exacerbating the situation regarding our social programs, I ask leave to propose a motion under Standing Order 30 to move adjournment of the House to discuss a matter requiring urgent consideration, namely the declaration yesterday by the Prime Minister (Mr. Mulroney) and the Minister of Finance (Mr. Wilson) that universality in our social programs in this country is no longer a fundamental policy of the Government of Canada.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: It might be worth while if you were right in your premise but you are not.

Mr. Speaker: The Right Hon. Leader of the Opposition (Mr. Turner) has given the Chair the required notice of his intention to seek leave to move the adjournment of the House for the purpose of discussing an urgent matter, namely the declarations yesterday by the Prime Minister (Mr. Mulroney) and the Minister of Finance (Mr. Wilson) relating to universality in social programs. The Chair recognizes that the issue of universality is an important matter and what is said about it on both sides of the House will continue to be of interest to all Canadians.

Standing Order 30(16) provides the Chair with some guidelines as to the conditions that must be met for such a debate to take place. The principal condition is that the matter proposed must relate to a "genuine" emergency and require "urgent consideration". Speaker Jerome, while ruling on a similar application, attempted to define the use of the word "emergency", or the application of the word "emergency". As reported at pages 2191 and 2192 of *Hansard* on December 10, 1979, he said:

● (1510)

The phrase "genuine emergency" is not capable of precise definition necessarily, but I must take into account the fact that the word "genuine" is used for a specific reason by the drafters of the rule. While I can never say it rules out forever a situation in which the emergency itself is a matter of dispute, it seems that the word "genuine" implies that the rule should be used where at least the emergency itself is not a matter of argument.

Order Paper Questions

At the present time, the subject raised by the Right Hon. Leader of the Opposition is a matter of continuing debate and does not, in the opinion of the Chair, warrant an emergency debate. I therefore must rule that the application of the Right Hon. Leader of the Opposition cannot be accepted.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, the following questions will be answered today: Nos. 56 and 97.

[*Text*]

DESTROYER STRENGTH

Question No. 56—**Mr. Howie:**

How many destroyers are on strength in the Canadian Armed Forces, and of this number, how many are currently under repair or otherwise incapable of going to sea?

Hon. Robert C. Coates (Minister of National Defence): The total strength of the Canadian Forces destroyer fleet is 23, of which three are in an unmanned reserve status, three are undergoing routine refits and a fourth is scheduled to commence refit on December 3, 1984.

FEDERAL BUSINESS DEVELOPMENT BANK MANDATE

Question No. 97—**Mr. Dingwall:**

Does the Federal Business Development Bank have a mandate to be a lender of last resort for community development corporations and, if so, does the mandate include (a) the Local Employment Assistance Development Program (b) non-profit organizations?

Hon. André Bissonnette (Minister of State (Small Businesses)): The Federal Business Development Bank may make loans to commercial enterprises; non-profit organizations do not qualify for loan assistance. Community development corporations including those set up under the Local Employment Assistance Development Program generally fall into the latter category.

[*Translation*]

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

Mr. Speaker: The questions as enumerated by the Hon. Parliamentary Secretary have been answered. Shall the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT
EXCISE ACT

MEASURE TO AMEND

The House resumed consideration of the motion of Mrs. McDougall that Bill C-17, an Act to amend the Excise Tax Act and the Excise Act, be read the second time and referred to the Committee of the Whole.

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I do not want to debate this Bill, I do not think that the Canadian people want us to debate this Bill, and the Liberal Members in the House do not want us to debate this Bill while there is an issue outstanding which smacks at the very core of our social security system in the country.

Some Hon. Members: Hear, hear!

Mr. Baker: Blinded by the deficit, the Conservatives are destroying our economy and our environment and now they are crippling our people and their spirit. Therefore, Mr. Speaker, pursuant to Standing Order 29, I move, seconded by the Hon. Member for Saint-Jacques (Mr. Guilbault):

That the House do now adjourn.

Mr. Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

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

Some Hon. Members: Nay.

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

And more than five Members having risen:

Mr. Deputy Speaker: Call in the Members.

And the division bells having been rung:

● (1800)

Mr. Speaker: It being six o'clock, and pursuant to the provisions of Standing Order 8(1), I declare the motion now before the House lapsed.

Therefore, this House stands adjourned until tomorrow at two o'clock p.m., pursuant to Standing Order 2(1).

At 6.01 p.m. the House adjourned.

HOUSE OF COMMONS

Wednesday, December 19, 1984

The House met at 2 p.m.

• (1405)

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

SOCIAL SECURITY

UNIVERSALITY OF SOCIAL PROGRAMS—NECESSITY FOR WOMEN TO SUPPORT DEBATE

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, the universality of social programs is a basic concept that gives women financial protection through family allowances and old age security pensions. However, women are no longer the priority they were during the election campaign, now the Government has started to question the only means by which women are given financial and economic recognition.

Canadian women must act now to pressure the Government to respect their social contract, as they pressured the Government before to include the equality clause in the Constitution.

[*English*]

Government policy seems headed the wrong way. We should be improving things for women, not taking away. We are retracting instead of moving ahead.

It is vital that the voice of Canadian women be heard. I urge them to participate in this debate now and to call the Prime Minister (Mr. Mulroney) at 2-4211, to send in petitions and to protest the cuts.

* * *

INDUSTRY

FUTURE OF WINE INDUSTRY

Mr. Joe Reid (St. Catharines): Mr. Speaker, this week I, along with others, had the occasion to hear a presentation made by the Canadian Wine Institute here in Ottawa. In spite of the congeniality of the occasion and the palatability of the fine quality Canadian wines, the evening was marred by a deep and abiding concern.

The good, clear, sparkling wines that we were sampling are facing a cloudy future, and the Government has the ability to lift that cloud. The wine industry in Canada is at an all-time low both in terms of profitability and market share. The decline in Canadian wine sales can be attributed to many factors, including the heavily subsidized production in Europe, an unfavourable exchange rate, and the flagrant use of wine as barter for Canadian exports. The most significant factors, however, are the federal and provincial taxes levied on the grape and wine industry. All of these factors have led to an untenable situation in which imported wines retail for prices far lower than domestic products.

Growers and wine producers have invested in the future. They have proven that they can produce a quality product. It is within our power to assure them that there is a future that is as clear and bright as the products they produce. Do it, and do it now.

* * *

TOURISM

PORTS OF ENTRY

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, the Government of Canada has voiced a commitment to expanding the tourist industry in Canada and has also appointed Canada's first Minister of State for Tourism (Mr. McMillan). It is my understanding, however, that the Minister of National Revenue (Mr. Beatty) will be closing 19 ports of entry in the coming year, thus affecting tourism in those areas.

[*Translation*]

I am sure the Government understands that money is needed to support this industry. Considering the number of American tourists coming to Canada, I would urge the Minister of National Revenue to maintain his ports of entry and the Minister of State (Tourism) to support his colleague on this matter.

[*English*]

Beaudette, Minnesota, is an important aircraft pre-clearing point for tourists coming into the Rainy River area of Ontario. The Customs service provided at Beaudette is slated to be discontinued on January 1, 1985. I call upon the Minister of Employment and Immigration (Miss MacDonald), the Minister of National Revenue, and the Minister of State for Tourism to act immediately, and in concert, to see that this important service is maintained.

S.O. 21

AIRPORTS

ABSENCE OF MINISTERIAL SIGNS APPLAUDED

Mr. Leo Duguay (St. Boniface): Mr. Speaker, on my way into Winnipeg International Airport last week, I was pleasantly surprised to see that signs indicating alterations list the sponsor as Transport Canada and make no mention whatsoever of the Minister responsible. I was even more pleasantly surprised to see that the same policy was evident at the Ottawa airport.

The previous Government's practice of erecting huge signs and bronze plaques, with the Minister's name receiving an obscene profile, for even the smallest of projects, was an insult to the Canadians whose taxes paid for such projects.

Some Hon. Members: Hear, hear!

Mr. Duguay: I want to congratulate the Minister of Transport (Mr. Mazankowski) on this simple but important step of returning to the people of Canada the credit that is their due. I wish to encourage other Ministers to follow suit. Such a practice will not only save the Government money when Ministers change, but will highlight Canada's support for a project rather than one Canadian's political generosity. All of this would make more credible the role of Canada's servants, the Members of Parliament.

Some Hon. Members: Hear, hear!

* * *

THE ADMINISTRATION

CRITICISM OF GOVERNMENT POLICY

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, the Conservative Government has embarked upon a program of action in this Parliament which stands so contrary to the promises made during the election campaign that the main campaign issue of Conservative credibility is now the main issue facing the House of Commons. The sacred trust of universality, as the Prime Minister (Mr. Mulroney) has called it, is no more than an opportunistic, vote-getting flim-flam. The Conservative Members have a hidden agenda, an agenda hidden only in the sense that they have denied its existence in the face of overwhelming evidence to the contrary.

The recent statements made by the Minister of Finance (Mr. Wilson) indicating that Canada cannot afford universal social programs for middle-income Canadians serve only to confirm the existence of such a hidden agenda. The Liberals giveth, and the Tories taketh away.

SOCIAL SECURITY

OPPOSITION PARTIES' ACTIONS

Mr. Gordon Taylor (Bow River): Mr. Speaker, in spite of the fact that, time and time again, the Prime Minister (Mr. Mulroney) has stated that the pensions of our old age pensioners, our crippled, and our needy, would not be reduced, members of the Liberal Party and the New Democratic Party continually put fear in the hearts of the needy of Canada by inferring that their benefits will be cut. The objective of the P.C. Government is to pay more to the needy, not less.

I say shame on the Liberals and NDP who are playing politics yes, and dirty politics at that, on the backs of those in wheelchairs and those who are not receiving enough to make both ends meet. I send this message to all of the needy of Canada: "Don't let these Liberal and NDP politicians frighten you. They are the ones who would continue borrowing to the point where all social benefits would have to end, and they want those making $50,000 to $200,000 per year to keep on getting their benefits while you go hungry part of the month." On your behalf, I say shame on the Liberals and the socialists for trying to build themselves up on the backs of the needy of Canada. I assure you that your Progressive Conservative Government is looking for ways and means of paying you more—yes more, not less.

The Opposition is speaking for the rich and wealthy. The P.C. Government is working to give more to those who need it the most. The people of Canada have elected a Government under the leadership of the Right Hon. Brian Mulroney, and it is a Government that has compassion and a Government that cares.

Mr. Speaker: Order, please. The Hon. Member's time has expired.

* * *

● (1410)

CANADIAN BROADCASTING CORPORATION

THE FRIENDLY GIANT—CANCELLATION OF PROGRAM

Mr. Iain Angus (Thunder Bay-Atikokan): Mr. Speaker, they say that Christmas is for children. As this House prepares to break for its Christmas recess, what do we find is the Government's Christmas present for our children? It cut *The Friendly Giant*! A Canadian institution that so many of us have grown up with is gone with the stroke of a pen, and all in the name of restraint.

Is this what restraint means to Members on the government benches? Are they prepared to say to the children of Canada: "Sorry kids, but we have to make the books balance, and you'll just have to pull in your belts too"? The Government is giving a whole new meaning to the phrase: "Find the boot".

It is not only our children who have been victimized by the Government and its cuts. Outlying communities have also been targeted. For example, *Radio Noon* in Thunder Bay is to be

cut and replaced with a Toronto phone-in show. When will the Government realize that such locally-produced shows have far greater importance to their communities than their counterparts in the major centres? When a local program is cut in Thunder Bay, northwestern Ontario loses a tangible and important part of its identity, and there is nothing to replace it.

The value of Canadian culture and the value of regional identity cannot be measured on a balance sheet. Cuts to children's programming, as well cuts to regional programming like the ones we have seen in northwestern Ontario, strike very deep indeed.

I have a message from the outlying communities and from the children of Canada. The Government will have to raise itself up—it will have to raise itself "way up"—before it can hope to regain their respect.

* * *

SOCIAL SECURITY

APPLICATION OF TAX SYSTEM

Mr. Don Blenkarn (Mississauga South): Mr. Speaker, the Leader of the New Democratic Party (Mr. Broadbent) plans to stand and fight on the beaches to protect our present inequitable social transfer system. He demonstrates that he really does not understand what in fact happens in the tax system when citizens are given exemptions dependent on their investment income, their age, and the number of children and spouses they have. For example, a single senior citizen with no income receives absolutely no benefit from the personal tax exemption of $4,140, or the age exemption of $2,590, or the $1,000 investment income exemption. To a senior citizen having a taxable income of $30,000 a year, the exemptions will total $7,730 in 1985, which represents to federal and provincial Governments a tax expenditure of approximately $2,950.

When we calculate the value of pensions and their universal application, we must calculate the personal tax expenditures allowed to every person. These expenditures are valuable to those who have taxable income; and to those who have the most taxable income, the most value. If a person is poor, the expenditures are worthless to him. He gets nothing. But, if a person is modestly rich, with a taxable income of $30,000, $2,950 is not a bad allowance; it is nearly $250 per month.

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

* * *

[*Translation*]

SOCIAL SECURITY

UNIVERSALITY OF SOCIAL PROGRAMS—SENIOR CITIZENS

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, I would like to quote from an article by Michel Roy that appeared in the newspaper *La Presse* yesterday morning:

S.O. 21

It is rather surprising that the Prime Minister and the Minister of Finance should create this incredible confusion about budget cutbacks and the universality of social programs. (. . .) It all looks as though the Leader of the Government were being over anxious to clarify the somewhat vague statements made by his Minister of Finance and were actually trying to hide the truth.

Mr. Speaker, considering the contradictory statements made by the Prime Minister and the Minister of Finance with respect to the universality of social programs, I am afraid I must agree with this statement. Should we not censure a Government, and especially a Prime Minister, when they persist in their refusal to tell the truth and prefer to maintain this atmosphere of ambiguity and confusion among our senior citizens, a generation that made so many sacrifices for this country.

Mr. Speaker, our senior citizens know perfectly well this Government intends to put an end to universality or to cut the amount of money they receive in some way or another.

Mr. Speaker, we in the Official Opposition intend to oppose this discriminating measure.

* * *

[*English*]

INCOME TAX ACT

DEFERRAL OF CAPITAL GAINS

Mr. Geoff Wilson (Swift Current-Maple Creek): Mr. Speaker, I rise to put forward the plight of taxpayers who are reassessed under Section 44 of the Income Tax Act for failing to file an election concerning replacement property. Section 44 allows taxpayers who have sold land to elect to defer the capital gains realized on the sale if they have purchased replacement property of equal or greater value.

● (1415)

This concept of deferral is well known in the agricultural community. Unfortunately, however, many taxpayers are unaware that Section 44 provides that an election must be made before the capital gain can be deferred. Furthermore, Mr. Speaker, there is no election form provided by Revenue Canada. People, therefore, assumed, not unreasonably, that the act of repurchase, the actual documented replacement of land, constituted an election within the spirit and intent of Section 44.

The previous Government authorized reassessment of many vendors for failing to file an election. This has resulted in situations where taxpayers who purchased replacement property in the honest belief they could defer tax now find themselves reassessed for substantial amounts of tax and capital gains from their sale. In fact, they used the proceeds of sale to buy new land.

This is manifestly unfair. These taxpayers ask the Minister of National Revenue to examine the entire matter of Section 44, and to consider the act of repurchase as an effective election.

Oral Questions

ORAL QUESTION PERIOD

[*English*]

SOCIAL SECURITY

REQUEST FOR PARLIAMENTARY DEBATE

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. It is clear that the Government is bent on reshaping, even vandalizing a good many of our programs in this country.

Some Hon. Members: Oh, oh!

Mr. Crosbie: Oh, the crocodile tears.

Mr. Turner (Vancouver Quadra): The Government has obviously abandoned the opposition of Canadians to star wars technology. It has softened our fight for our environment and against acid rain. The Government has also, Mr. Speaker, through the Minister of Defence, insulted the peace movement in our country.

An Hon. Member: Right on.

Mr. Turner (Vancouver Quadra): And now, of course, Government is mounting, or appears to be mounting, a frontal attack on the social programs which represent a heritage to Canadians from coast to coast.

Some Hon. Members: Order.

An Hon. Member: Oh, cool it over there.

Mr. Turner (Vancouver Quadra): I ask the Prime Minister whether he would, in the interests of dissipating the uncertainty which has been provoked by the contradiction in his remarks, the remarks of the Minister of National Health and Welfare and of the Minister of Finance, allow and authorize, through his House Leader, a special debate on the subject of our social security programs before this session adjourns for Christmas.

Right Hon. Brian Mulroney (Prime Minister): I suppose, Mr. Speaker, that I can understand the frustration of the Right Hon. Leader of the Opposition. He gets upstaged by the guy who wants to be the Leader of the Opposition—

Some Hon. Members: Hear, hear!

Some Hon. Members: Oh, oh!

Mr. Mulroney: —who is sitting next to the guy who wants to be the Leader of the Party which wants to be the Opposition—right over there.

Some Hon. Members: Hear, hear!

Mr. Deans: Where is Joe Clark, by the way?

Mr. Mulroney: I believe my right hon. friend would agree that we have not been—

Mr. Tobin: You started up your lies in Montreal and you've been telling them ever since. Ask Joe Clark. Ask Clark.

Mr. Mulroney: That Hon. Member has never been the same since he almost became Minister of Youth.

Some Hon. Members: Oh, oh!

Mr. Mulroney: He just hasn't recovered, Mr. Speaker. We have not been vandalizing anything, as my right hon. friend knows.

Mr. Chrétien: Yes or no?

Mr. Mulroney: We have been seeking to improve. We have indicated that it is our intention to maintain the concept of universality, to provide Canadians with all of the benefits to which they are entitled. We are trying as well, and we hope with the co-operation of the Opposition, to find ways, with our scarce resources, to get more money into the hands of those who need it most in Canada. I would think that those Hon. Members would rush to support this kind of progressive view—

Mr. Gauthier: The question, Brian; the question.

Mr. Mulroney: —because it is in the interests of people in Canada who need help from the Government of Canada.

Some Hon. Members: Hear, hear!

• (1420)

REQUEST THAT PRIME MINISTER ISSUE STATEMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, if the Prime Minister is not going to instruct his House Leader to give us an immediate debate on this issue in the House of Commons, and if he has not been able to persuade his Minister of Finance to bring down an early Budget in order that Canadians may have an understanding of which pensioners will receive their pensions and which families will receive their family allowances, would he issue a statement in his own name detailing where the cut-off is going to be and whom the tax back is going to affect? Would he do this before Christmas so that the Canadian people can understand where they and their families stand for this season and the coming year? I think this is a very essential question.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Leader of the Opposition asks if I will instruct the House Leader. He is quoted this morning as saying that he will instruct a bunch of Liberal bagmen in the Senate to try to frustrate the will of the duly elected House of Commons. I can tell him that he will not get away with that.

Some Hon. Members: Hear, hear!

Mr. Mulroney: That is an accurate quote.

Mr. Deans: Abolish the Senate.

Mr. Broadbent: Abolish it.

Some Hon. Members: Abolish it, abolish it.

Mr. Mulroney: There is nothing worse than when two sweethearts yell at one another. Now stop that.

What we are attempting to do, for which we received a mandate from the Canadian people, is to utilize, not the distortions of the Opposition—

Mr. Gauthier: A sacred trust you said.

Mr. Mulroney: —not the yelling and screaming—

Ms. Copps: A sacred trust you called it.

Mr. Mulroney: —or not the sweet sounds from the Member for Hamilton East. We received a mandate to utilize, in a proper and sane way, the moneys available, to put more money into the hands of those in our society who need it most, while respecting the principle of universality for all Canadians who have contributed to those programs. That is what we are going to do.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Mr. Speaker, the right hon. gentleman used to speak about civility in the House of Commons. If he wants civility in the House he can achieve it by replying to our questions with courtesy and directness.

Some Hon. Members: Hear, hear!

GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): I mentioned yesterday, Mr. Speaker, that I objected strenuously to being misquoted. I said this morning to the members of the media that I recognize the primacy of the elected House of Commons over the Senate. That is my position, it has always been my position, and the right hon. gentleman knows it.

Would the Prime Minister allow the House of Commons, and, through the House, the people of Canada, some certainty that if there is going to be a two-tier social security system the Canadian people will know what it is? The Minister of Finance says no, the Minister of Health says maybe, and the Prime Minister says yes. If the Government of Canada does not know what it is going to do, why did it start this confusion in the first place? Will they clarify it for the people of Canada?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we know exactly what we are going to do.

Some Hon. Members: Tell us, tell us.

Mr. Mulroney: My right hon. friend quite properly speaks of the requirement of civility. I know that that has been his conduct, as I think it has been mine. It is difficult for him to justify it with the kind of misconduct coming from the Members behind him. They are the ones who have been interrupting the House while I have been trying to provide answers.

Some Hon. Members: Hear, hear!

• (1425)

Mr. Mulroney: Our objective is to maintain the integrity of our social programs in Canada for the benefit of all Canadians who have contributed to them. That is maintaining the universal concept. Secondly, we plan to maintain as well those other programs which we have introduced in our first initiatives and made allowances for, to help, for example, those elderly people between 60 and 64 who need it, and the veterans who are entitled to it. We have done nothing except to invite mature debate from the Opposition.

Some Hon. Members: Let's have a debate.

Mr. Mulroney: It appears in certain circumstances that is unlikely, but it will not deter us from our initiatives, namely, to enhance the well-being of Canadians by a proper universal system which benefits Canadians who need it most of all. There is the contribution.

TAXATION QUERY

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, almost every day the Government offers us a new candidate for the program *That's Incredible.*

Mr. Bradley: Oh, good line, Don.

Mr. Johnston: Mr. Speaker, I sat with the Minister of Finance on *The Journal* the night of his mini-Budget, and he was asked if there was going to be a tax increase. He remembers what he said. He said no, increased taxes are not the way to go. Yesterday the Minister of National Health and Welfare told the press that there was going to be a general tax increase to tax back social benefits. Then, of course, we had a clarification—we should become accustomed to that—later, which said it was going to be a special tax to tax back social benefits.

Some Hon. Members: Question.

Mr. Johnston: Will the Minister of Finance tell us if he is going to levy a general tax across the board to bring these social benefits back into the treasury, or is he going to apply a special tax?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, the nature of the debate we would like to have, if we could get by the partisan bickering of the Opposition—

Mr. Chrétien: We are ready today.

Mr. Wilson (Etobicoke Centre): The purpose of the debate is to discuss the very issues the Hon. Member is raising.

Mr. Gauthier: Exactly.

Mr. Wilson (Etobicoke Centre): How we should deal with the very clear principle that the Prime Minister has established today and on many occasions in this House. We are going to be issuing a paper which will be setting out some of the options available.

Some Hon. Members: When?

Mr. Wilson (Etobicoke Centre): After which we will be having discussions with Members opposite as well as with a number of organizations which are already participating in a positive and open way. I encourage Members opposite to do the same thing—

Some Hon. Members: Let's have a debate.

Mr. Wilson (Etobicoke Centre): —because that is the way we will get on with the decision.

PRIME MINISTER'S STATEMENT

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, that is even more incredible. Forgive me if I am wrong, but I thought I just heard the Prime Minister say that you knew exactly what you were going to do.

Mr. Chrétien: Yes, just a minute ago. You are honest, Mike; you don't know, and we know you don't know.

Mr. Johnston: Will the Minister of Finance admit that he is contradicting the statement just made by the Prime Minister?

Mr. Chrétien: Do you know, or don't you know?

Hon. Michael Wilson (Minister of Finance): This is another example, Mr. Speaker, of the Members opposite distorting what the Prime Minister just said.

Some Hon. Members: Oh, oh!

Mr. Gauthier: Deny that he said it.

Mr. Chrétien: We will send you the tape, Mike.

Mr. Wilson (Etobicoke Centre): The Prime Minister said he knew exactly what we were going to do. We were going to go through a process of discussion, rational and honest discussion.

Some Hon. Members: Hear, hear!

Mr. Wilson (Etobicoke Centre): Mr. Speaker, let me make a clear response here.

Some Hon. Members: We want Crosbie.

Mr. Speaker: Order, please. I am in great difficulty.

Mr. Crosbie: We all are.

Mr. Speaker: Do Members wish to hear answers to questions that they have asked, or do they not?

Mr. Rossi: There are no answers.

Some Hon. Members: No answers.

Mr. Speaker: If Members—thank you. The Hon. Member for Oshawa.

TAX POLICY

Hon. Edward Broadbent (Oshawa): Mr. Speaker—

Mr. Ouellet: He's off the hook.

Mr. Broadbent: —I have a question for the Prime Minister, who just expessed some deep concern about Liberal bagmen in the Senate. I am sure his concern can be summarized this way. It bothers him that, for the moment, there are more Liberal bagmen in the Senate than Tory bagmen. I am sure he will rectify that very soon. If he wants a motion to abolish the Senate, we will pass it in 24 hours for him.

● (1430)

My question for the Prime Minister concerns conflicting statements that have come from the Government from two different Ministers yesterday. One was made inside the House, and one was made outside.

Inside the House the Minister of Finance clearly indicated that the Government was considering imposing a special tax on particular social programs. Outside the House yesterday afternoon, the Minister of National Health and Welfare specifically rejected this approach and said no, that the Government was considering instead a general increase in income taxes.

For this confusion alone, will he provide some light? What is the Government's tax policy when it comes to social programs?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, with regard to the confusion, yesterday, as reported at page 1343 of *Hansard*, the Leader of the NDP said that his Party:

> . . . has for years been prepared to include all sources of income as taxable benefits.

I assume that means veterans allowances, capital gains on the sale of principal residences, employee benefits for dental plans, life insurance, strike pay, imputed rent. This is what the NDP plans to do to social policy in Canada, and I can tell you that we are opposed to that, not only today but every day. It would kill the farmers and small businessmen of this country.

The answers are found in the agenda paper. As explained by my hon. friend, the Minister of National Health and Welfare was entertaining a question from a CBC reporter and answered to a hypothetical question in part. I think that the adequate answers are found and fully developed, I believe in a fair and honourable way, in the paper set out on November 8 by my hon. friend, the Minister of Finance.

I can tell you that nowhere in that document will you find the kinds of pernicious taxation advocated by the Member for Vancouver East and specified yesterday by the Leader of the NDP, which would kill the small businessman, the farmer and the ordinary Canadian. We won't go along with you on that.

Some Hon. Members: Hear, hear!

Mr. Broadbent: The Prime Minister is getting very desperate indeed. He came close to answering the question, though. I will give him credit this time. It has been two and one-half months and he is getting there. Maybe we will finally get an answer.

TAXATION PROPOSALS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the proposal that was presented yesterday in the House by the Minister of Finance, in which the Government was thinking about levying a special tax on a particular social program, would completely and utterly vitiate the universality principle and sneak a means test through the backdoor. This is totally unacceptable to every recipient of a pension and family allowance in Canada, and is something that all Canadians oppose. Therefore, will the Prime Minister say that, whatever option the Government chooses in the future, it will not go the route of imposing a special tax on a particular social program?

Right Hon. Brian Mulroney (Prime Minister): That special tax idea was advanced by the Member for Vancouver East, and I tell you that we will not follow that program advanced by the NDP which is designed to destroy universality in this country. You are the people who change your position every other day. That is what is wrong with the NDP.

REQUEST FOR TAX INCREASE FOR THE WEALTHY

Hon. Edward Broadbent (Oshawa): Clearly this issue is finally getting to the Prime Minister because once again he resorts to misstating the truth.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: Three strikes and you are out, Ed.

Mr. Broadbent: He just said that the Member for Vancouver East has advocated a position that the Government of Canada is contemplating. I say to the Prime Minister that the position taken by the Member for Vancouver East was that the kind of income she was alluding to should be considered as part of revenue—

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

Mr. Broadbent: Mr. Speaker, considering that the Prime Minister has expressed concern about the wealthy having too much in the way of income, and considering that he promised during the election campaign that he would impose a handsome tax on the wealthy, instead of fouling up the country's atmosphere and confusing the country on social programs—

Some Hon. Members: Order! Question.

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

Mr. Broadbent: —will he deliver on what he promised and bring in a tax increase now on the rich to make them pay their share?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend is not doing very well. He always does better when he is sanctimonious.

An Hon. Member: Answer the question.

Mr. Gauthier: Look who's talking.

Mr. Mulroney: This bears exactly on what the Member said yesterday.

Mr. Blackburn (Brant): Answer the question.

Mr. Mulroney: The question was: "Would you be prepared to tax upper income Canadians to get more money into the system?" And the Member for Vancouver East said: "We would be prepared to tax them and tax back their old age pensions as well". That is the position of the NDP, and that is the position which we reject in the interest of—

Mr. Broadbent: Absolute nonsense.

Mr. Nunziata: We want to know your position.

Mr. Broadbent: That is nonsense, and you know it.

Mr. Mulroney: If we followed that principle as defended by the NDP, it would have the effect of destroying the principle of universality which we want to maintain. That is the difference.

REQUEST FOR RELEASE OF WHITE PAPERS

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, I might add that Canadians are confused about this issue because those on the government front bench have confused and fumbled the issue themselves.

If the Prime Minister is serious about wanting to have a debate on this issue, let me make this proposal to him. Would he instruct his Government House Leader to allow the emergency debate to take place tomorrow and, after a full meeting with his Cabinet, release by tomorrow morning the directional papers on family allowances and Old Age Security so that Canadians can understand his hidden agenda?

Some Hon. Members: Hear, hear!

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there is a classical example of Liberal consistency.

Mr. Malépart: Yes or no.

Mr. Mulroney: They ask for emergency debate—tomorrow.

Mr. Chrétien: Today.

Mr. Gauthier: Why not today?

Mr. Mulroney: Why not next week? Let's have an emergency debate next year, they say.

Mr. Chrétien: No. Now. Sit down and we will start.

Mr. Mulroney: That is how consistent the Liberal Party is. If my hon. friend wants to be consistent, he should just refer to a statement that he, as an Hon. Member, made, speaking for the Government on July 26. "In the family allowance area there is the child tax credit itself. You can redistribute the moneys that are presently in that envelope system. This is one area that we are looking at". They were looking at that then, and they never told the Canadian people. There is the hidden agenda. They were the Government of Canada, and we are trying to get it back on track.

Some Hon. Members: Hear, hear!

REQUEST THAT MINISTER APPEAR ON TELEVISION PROGRAM

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, the Right Hon. Prime Minister has been misquoting my own Leader and other Members. We are never allowed the chance to come back. It is completely out of context.

Some Hon. Members: Oh, oh!

Mr. Frith: Will the Prime Minister instruct his health Minister to appear on *The Journal* this evening—we were to have taped at four o'clock.

Some Hon. Members: Oh, oh!

Mr. Frith: There has been a refusal by your own Health Minister to debate the issue. Why not get this out in the open?

Some Hon. Members: Oh, oh!

Mr. Speaker: Order. With due respect, the Chair cannot hear the question when the other side of the House is also making too much noise. May I hear the question, please? I could not hear it.

Mr. Frith: Will the Prime Minister allow an emergency debate to take place beginning at three o'clock today? I think it would be better for him to release the white papers on family allowance and old age security so Canadians can get a true understanding of the parameters of the debate, and get an understanding of what your hidden agenda is.

Right Hon. Brian Mulroney (Prime Minister): I know there would be a certain amount of urgency involved for my hon. friend because he referred to the CBC. During CTV's *Question Period*, the Leader of the Liberal Party said on November 18: "The policy of the Liberal Party is in favour of universality at the moment".

Mr. Chrétien: Yes or no.

Mr. Mulroney: We are in favour of universality, not at the moment, but every moment. That is the difference between the Conservatives and the Liberals.

Some Hon. Members: Hear, hear!

• (1440)

Mr. Mulroney: Mr. Speaker, the Leader of the Opposition says that he is in favour of it at the moment, and you talk about the CBC. We are in favour of universality at all times, on Global, CTV, CBC, Radio Canada, and TVA.

Some Hon. Members: Hear, hear!

USE OF TAX REVENUE

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I would like to ask the Prime Minister a question if I could. It is very difficult, I am sure the Prime Minister understands, to know exactly what the Government has in mind in a particular sense. The Minister of Finance on the seventeenth indicated, in response to a question, that the intention of the Government was to tax and redirect certain of the benefits received by higher income groups to the benefit of lower income groups. Is that a departure from the statement made last week by the Minister of Finance where he not only indicated that was the Government's intention with respect to high income groups but he also indicated that was the Government's intention with regard to middle-income groups?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think it is important that my friend listen very carefully—

Mr. Deans: I am listening.

Mr. Mulroney: —to the question and the answer put to his own expert on social policy.

Some Hon. Members: Oh, oh!

Mr. Mulroney: Let me quote: "Would you be prepared to tax upper income Canadians to get more money into the system?" The answer from the Member for Vancouver East is: "We would be prepared to tax them and to tax back their old age pensions as well". The NDP wants to destroy the old age pensions in this country, and we are going to put up the biggest fight that you have ever seen. Any time that you try to take that away from the elderly, we will put up the biggest fight you have ever seen in this country, and stop it. I guarantee that.

Some Hon. Members: Hear, hear!

Mr. Deans: Mr. Speaker, is the Prime Minister aware that if I had wanted to ask the question of the Member for Vancouver East I simply would have turned around and asked her.

GOVERNMENT INTENTIONS

Mr. Ian Deans (Hamilton Mountain): What I am asking of the Prime Minister is not what the Member for Vancouver East may, or may not, have said.

Some Hon. Members: Oh, oh!

Mr. Deans: What I am asking from the Prime Minister is what his Government's intentions are. Is it the intention of his Government to impose additional taxes on the middle income group of Canadian income earners in order to pass some benefit, whatever, to others in society?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it is the intention of this Government to so manage the public finances in a proper and frugal way as to get more money into the hands of those in our society who need it most. If the NDP will not do it, we will do it on behalf of the ordinary Canadians.

Some Hon. Members: Hear, hear!

* * *

AIR CANADA

CLOSURE OF RESERVATION FACILITIES IN SASKATCHEWAN

Mr. Don Ravis (Saskatoon East): Mr. Speaker, my question is for the Minister of Transport concerning the loss of 43 Air Canada positions from Saskatchewan to the city of Winnipeg, making Saskatchewan the only province west of Quebec not to have an Air Canada reservations centre. Would the Minister investigate the elimination of these jobs, from the perspective of corporate responsibility, the element of fairness to Saskatoon and Regina, and was this decision politically motivated by the previous Government?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I obviously share the concern of the Hon. Member. It is true that Air Canada will be consolidating its reservation facilities into a new building, and there will be some 43 jobs affected in Saskatoon and Regina. However, 21 new jobs will be opened up in Winnipeg. I am advised that all efforts are being made by Air Canada to ensure that there is a smooth and orderly transition, and this in no way diminishes the role of Air Canada in both Saskatoon and Regina. As a matter of fact new services are going to be provided and there will be some expanded facilities in both airports in the not too distant future.

* * *

[*Translation*]

GOVERNMENT ADMINISTRATION

INCOME EVALUATION—GOVERNMENT POSITION

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, my question is directed to the Right Hon. Prime Minister and concerns his promises and the contradictory statements made by his Ministers.

Yesterday, an important member of Cabinet, the Leader of the Government in the Senate, was asked the following question: "Is the question of the means test still open?" He replied: "The question of the means test has never been off the table." Could the Right Hon. Prime Minister inform the House whether this statement reflects his Government's policy or whether this is just another instance of a Minister putting his foot in it?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Government's replies are those I have provided in the House.

[*English*]

ELECTION CAMPAIGN PROMISES

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I have a supplementary question. Would the Prime Minister tell us of the 338 promises that we have, whether 100, 200, or 300 are untrue? Would he come clean with this House and tell us the number that are true? Why can we not have a debate to find out how many of them are true?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we are having the promises evaluated by the 600,000 civil servants, identified by the Leader of the Liberal Party.

* * *

SOCIAL SECURITY

STATEMENT ATTRIBUTED TO MINISTER

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, since the Prime Minister obviously thinks he is on the *Gong Show*, I will address my question to the Minister of National Health and Welfare.

Some Hon. Members: Oh, oh!

Ms. Mitchell: According to today's edition of *The Globe and Mail*, we read that the Minister:

—told reporters that the Government already decided to tax back universal benefits selectively but is trying to decide which Canadians will be penalized.

Later on he said that he would favour a general tax system.

Will the Minister consider the feelings, as I know he surely must, of the senior citizens, and the families, and the people near retirement who are out there and who are being affected by the contradictions he is making and the contradictions among the three Ministers who have spoken? What does he think they are feeling?

Hon. Jake Epp (Minister of National Health and Welfare): First, Mr. Speaker, the Hon. Member should keep in mind the debate that we are having in the House and in which she has engaged in committee and in other places. The Hon. Member

has put forward the proposition. Because of the present social programs that we want to maintain, at the upper level is it possible to redirect some of those social resources to those more in need?

Mr. Deans: What about the middle income earners?

Mr. Epp (Provencher): I have heard the NDP put forward that proposal time, after time, after time. That is the proposal which the Right Hon. Prime Minister, the Minister of Finance, and this Government are putting forward for discussion. I am glad that we can get into a rational discussion, rather than putting forward these straw men which they always want to put up.

Some Hon. Members: Hear, hear!

Ms. Mitchell: Mr. Speaker, the Minister knows full well what our position is. It is the Government's position we want. We would like to have the Minister go on *The Journal* tonight to explain it.

Some Hon. Members: Oh, oh!

Mr. Chrétien: Let him go, Erik.

REQUEST THAT WHITE PAPER BE RELEASED BEFORE CHRISTMAS RECESS

Ms. Margaret Mitchell (Vancouver East): Since the Minister's officials have indicated there is a Government paper that will be available before Christmas on this very subject, will he release it immediately so we can debate it before the House closes? This Party wants to know.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, in view of the success we had, both in the September 4 election and in the debate on July 26 in which the Member obviously put forward statements from which she would now like to withdraw, I want to say to her that when papers are completed, as I am sure the NDP Government in Manitoba would do also when its Cabinet makes a decision and makes it public, we will make ours public too.

* * *

[*Translation*]

EDUCATION

OPEN HOUSE CANADA PROGRAM—BUDGETARY CUTBACKS—INSTITUTIONS IN REMOTE AREAS

Mr. Jean-Pierre Blackburn (Jonquière): Mr. Speaker, my question is directed to the Secretary of State.

Could the Minister inform the House whether the 28.5 per cent reduction in funding for the Open House Canada Program will affect institutions in remote areas that provide special services for second language teaching?

I am thinking of the Jonquière CEGEP, which has high academic standards and has been taking an active part in student exchanges between provinces. Will it also see 30 per cent of its funding cut off?

• (1450)

[*English*]

Hon. Walter McLean (Secretary of State): Mr. Speaker, in response to the Hon. Member's question I can assure him that in the adjustments which are to be made to the Open House Canada Program they will be done bearing in mind the commitment to the objective of the program, which includes both equality and regional balance. I can also mention to him that these will come into play next year. With regard to his concerns about his region, a project before me has been approved and information will be in his hands early in the new year.

* * *

ENVIRONMENTAL AFFAIRS

ACID RAIN—GOVERNMENT POSITION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is addressed to the Prime Minister. It has to do with the fact that yesterday Canadians learned from media reports that Canada is giving up its leadership role in the abatement of acid rain. During the election campaign the Prime Minister promised to deliver on acid rain. I would ask him whether he agrees with his Minister of the Environment that Canada should now give up on its global role in combating acid rain, in the interest of the North American region.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, contrary to giving up our role with regard to acid rain, yesterday I communicated with the President of the United States and indicated that I wanted acid rain on the top of the agenda when I meet with him in Quebec City on the seventeenth of March.

Some Hon. Members: Hear, hear!

LEVEL OF EMISSIONS CAUSING ACID RAIN

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, it is good to hear this from the Prime Minister. I would urge him to have a chat with his Environment Minister so that they can get their messages on the same wavelength. In view of the Prime Minister's answer, will he now assure Canadians that his Government will pursue the commitment made with the provincial Ministers of the Environment that Canada will cut its acid rain emissions by 50 per cent by 1994? Is that the policy of his Government?

Right Hon. Brian Mulroney (Prime Minister): Yes it is, Mr. Speaker, and with hard work and honourable negotiations we hope to bring about better success than we have seen in the past. It is a major problem for Canada, the pollution of the

environment. I know all Members of the House take it very seriously. I can assure my hon. friend that we will negotiate vigorously to improve the environment for all Canadians.

INTERNATIONAL DIMENSION

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I have a question for the Prime Minister. It also has to do with the remarks made by the Minister of the Environment. I just want to get this clear. Is the Prime Minister saying that when the Minister of the Environment said that Canada no longer regarded acid rain as a pressing international concern, and that it should simply be regarded as a question of bilateral relations, she was not speaking for the Government, and Canada will continue to regard acid rain as the international problem which it is universally recognized to be?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there is no contradiction at all between the Minister and myself. It is clearly international in scope, but I think my hon. friend will agree that the manner in which it must be resolved is through serious bilateral negotiations, and that is precisely what we plan to do.

SOLUTIONS TO BE SOUGHT

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, that is precisely the point. Of course acid rain is not just a bilateral question. It is also a national and an international question. We want to hear from the Prime Minister that the Government will continue to seek international solutions to what is also an international problem and not just a bilateral one. We have not yet got that assurance from the Prime Minister.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the matter is so serious that we shall seek help and solutions anywhere that we can. I might even ask my hon. friend for his counsel in this regard.

* * *

[*Translation*]

SOCIAL SECURITY

UNIVERSALITY OF SOCIAL PROGRAMS—SENIOR CITIZENS

Mr. Jean-Claude Malépart (Montreal-Sainte-Marie): Mr. Speaker, senior citizens and families in this country must be rather pained to see their Prime Minister acting like a clown.

Mr. Speaker, my question is directed to the Minister of National Health and Welfare, since some people—the Prime Minister never tells the truth, that is a habit of his—are saying that family allowances and pensions will not be cut. The Minister of Finance says the exact opposite. The Minister of National Health and Welfare states there will be a special tax. Can the Minister—

Mr. Speaker: I assume the Hon. Member will withdraw the words: the . . . Minister never tells the truth. I presume he knows he cannot say that in the House.

Mr. Malépart: Mr. Speaker, I have been elected and re-elected as the Member for Montreal-Sainte-Marie, and I was elected to come here and to tell the truth. What I said—

Mr. Speaker: I would ask the Hon. Member to withdraw what he said about the Minister and his ability or practice with respect to telling the truth. He knows perfectly well he must withdraw those words.

Mr. Malépart: —the blues I said the Prime Minister has a habit of not always telling the truth, and I do not think I will withdraw those words, because it is the truth.

[*English*]

Mr. Speaker: I invite the Hon. Member one more time to withdraw the statement.

[*Translation*]

I presume the Hon. Member is well aware that he used these words and made unparliamentary remarks, and that he now has an opportunity to withdraw them, or else I have no other recourse but the one he knows.

Mr. Malépart: Mr. Speaker, I can prove today that the Prime Minister did not say—

Mr. Speaker: I will give the Hon. Member another chance to withdraw what he said. Is the Hon. Member prepared to withdraw his remarks? I was listening to the Hon. Member when he said that the Prime Minister never told the truth or words to that effect. That is what I heard.

Mr. Malépart: Mr. Speaker, I do not want to seem stubborn, but I would have to see the blues. I have the impression I said that the Prime Minister does not always tell the truth.

[*English*]

Mr. Speaker: Order, please. Would it suit Hon. Members on this side of the House to allow me to hear the Hon. Member? Why is it so difficult for Members to understand that, if I cannot hear the Member, nobody else can tell what he is saying? That is my problem.

[*Translation*]

I am sorry. I heard the Hon. Member and I thought he said the Prime Minister never told the truth. Is that what he said or else what did he say? I must know what he said in order to determine whether he should withdraw his remarks.

Mr. Malépart: Mr. Speaker, as far as I can remember, I said that the Prime Minister does not always tell the truth. It is up to you to judge whether or not that is unparliamentary. I am not an expert on parliamentary procedure.

Mr. Speaker: It is unparliamentary to say that a Member has never or has not always told the truth. It is unparliamentary, because it constitutes an attack on the character of another Member.

I will give the Hon. Member another chance to withdraw his remarks. Quite simply, is the Hon. Member prepared to withdraw his remarks?

Mr. Malépart: Mr. Speaker, I would have to see the blues. But if I said—

Mr. Speaker: If I give the Hon. Member another chance . . . No! No! Does the Hon. Member withdraw his remarks? Does the Hon. Member withdraw his remarks, yes or no? I have no other recourse but to name the Member, Mr. Malépart, the Member . . . I have no other recourse but to name Mr. Malépart. Waiting for the blues is not allowed. If the Hon. Member is prepared to withdraw his remarks, there is no problem—

• (1500)

[*English*]

Mr. Turner (Vancouver Quadra): Mr. Speaker, I think the Hon. Member offered to read the "blues".

Mr. Speaker: He can't.

Some Hon. Members: Order!

Mr. Speaker: Order. It is not a question of what the Hon. Member said. It is a question of what I—

An Hon. Member: Yes, it is.

Mr. Nunziata: You just said you couldn't hear anything.

Mr. Speaker: I advise all Members to read the rules about naming. My dilemma is that I have heard a phrase that I find unparliamentary. As the Speaker, I therefore asked that the words be withdrawn.

The Hon. Member has a solution open to him. He accepts the Speaker's request that the remarks be withdrawn. That is his solution. If he chooses to use that solution, there is no problem. If he chooses not to use that solution, he is refusing a request of the Chair. Then he must be named. It is not a question of waiting. I have no other solution but to ask the Hon. member to withdraw the words. I have done this several times.

I am trying to encourage the Member simply to withdraw the words. If I am wrong, I will find out when I have read the "blues" and then I will deal with it. I am asking the Hon. Member to withdraw the words. May I give him that option?

[*Translation*]

Once again, I will give the Hon. Member the option of withdrawing his words. Is the Hon. Member prepared to do so? Perhaps I may explain to other Hon. Members that it is a matter for the Speaker to decide. That is all. If I am wrong, I am willing to read the blues myself later on, but I must inform the Hon. Member that I heard a remark that to me is unparliamentary. Is the Hon. Member prepared to withdraw that remark?

Mr. Malépart: Mr. Speaker, with respect, I do not know whether not telling the truth or that sort of thing is parliamentary or unparliamentary, but I maintain that I still think what I said about the Prime Minister.

Mr. Speaker: I will give the Hon. Member another chance . . . Is he prepared . . . Order, please. Does the Hon. Member feel that by what he just said, he has withdrawn his previous remarks? Is that what he feels?

Mr. Malépart: Mr. Speaker, what I wanted to explain in plain French is that if I do not have the right to say what I said, I still maintain what I think of the Prime Minister. And I presume I am still free to think what I please here in Canada.

Mr. Speaker: I am not here to determine what you are thinking but to decide whether a remark used in the House is unparliamentary.

* * *

[*English*]

CLERK OF PETITIONS' REPORT

WORLD PEACE AND HARMONY

Mr. Speaker: I have the honour to inform the House that the petition presented—

Some Hon. Members: Oh, oh!

Mr. Speaker: Order, please. Hon. Members will understand if I say that I am awfully glad that there are only two more days left in this week.

I have the honour to inform the House that the petition presented by the Hon. Member for Grey-Simcoe (Mr. Mitges) on Tuesday, December 18, 1984, meets the requirements of the Standing Orders as to form.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

PROPERTY RIGHTS

Mr. Aurèle Gervais (Timmins-Chapleau): Mr. Speaker, I have a petition signed by over 100 residents of the Timmins-Chapleau riding. The petition deals with property rights of Canadians. Although the petitioners recognize that property rights are guaranteed and protected by the Canadian Charter

of Rights, they hereby petition this House to have property rights entrenched in the Canadian Constitution.

REINSTATEMENT OF CAPITAL PUNISHMENT

Mr. Bill Domm (Parliamentary Secretary to Minister of Consumer and Corporate Affairs): Mr. Speaker, I would like to present a petition from the residents of southwestern Ontario and principally the area surrounding Ingersoll following the death of police officer Jack Ross. These petitioners humbly beseech that the Parliament of Canada either hold a free vote of its Members on the issue of the reinstating of capital punishment or hold a public referendum on the issue so that the will of the majority of Canadians may be clearly expressed. I have several thousand signatures to present at this time.

RISING COSTS FOR SENIOR CITIZENS

Mrs. Pauline Browes (Scarborough Centre): Mr. Speaker, I am presenting this petition on behalf of residents of 3015 Lawrence Avenue East in Scarborough and other citizens of Scarborough. Their concern is that senior citizens are finding it increasingly difficult to deal with rising costs of living and that any increase in pension benefits is negated by increases in rent and other necessary living expenses.

[*Translation*]

CANADIAN WILDLIFE SERVICE

Mr. Fernand Robichaud (Westmorland-Kent): Mr. Speaker, I have the honour to present another petition on behalf of the people of Sackville, censoring the cuts in the Canadian Wildlife Service. These cuts will mean the end of a number of programs and undermine the effectiveness of the Canadian Wildlife Service. The people of Sackville humbly pray that you consider their concerns.

[*English*]

SYRIA—EMIGRATION OF JEWISH CITIZENS

Mr. Gus Mitges (Grey-Simcoe): Mr. Speaker, today on the occasion of Hanukkah, I have the honour of presenting a petition from the Jewish Students Association of the University of Manitoba and the University of Winnipeg. Their concern is for the repressive regulations which the Government of Syria is enforcing on those Jewish citizens attempting to leave the country. They ask that Parliament urge the Government of Syria to lift these regulations and permit the Jewish citizens to emigrate freely.

Order Paper Questions

CANADA ELECTIONS ACT

MEASURE TO AMEND

Mr. Reg Stackhouse (Scarborough West) moved for leave to introduce Bill C-219, an Act to amend the Canada Elections Act (leave of absence).

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

Mr. Stackhouse: Mr. Speaker, the intent of this Bill is to provide job security to employed persons seeking election to Parliament and will guarantee them leave of absence without pay during the campaign and for one full term of Parliament. As well, it will ensure job security on their return after that one full term.

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

* * *

CRIMINAL LAW AMENDMENT ACT, 1984

MEASURE TO ENACT

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada) moved for leave to introduce Bill C-18, an Act to amend the Criminal Code, to amend an Act to amend the Criminal Code and to amend the Combines Investigation Act, the Customs Act, the Excise Act, the Food and Drugs Act, the Narcotic Control Act, the Parole Act and the Weights and Measures Act, to repeal other Acts and to make other consequential amendments.

Mr. Speaker: Is it the pleasure of the House that The Hon. Minister shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

* * *

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, the following questions will be answered today: Nos. 10 and 62.

[*Text*]

CANADA HOME RENOVATION PLAN

Question No. 10—**Ms. Copps:**

1. Since the inception of the Canada Home Renovation Plan, how many (a) homeowners applied for assistance by (i) province (ii) city (iii) type of dwelling (b) applications were accepted?

Order Paper Questions

2. What was the average cost to approve each application?

3. What was the average grant and loan per application by (a) province (b) city (c) type of dwelling?

4. What was the average income level per recipient of a (a) grant (b) loan by (i) province (ii) city (iii) type of dwelling?

Hon. Bill McKnight (Minister of Labour): I am informed by Canada Mortgage and Housing Corporation as follows:

1. (a) A breakdown of the number of eligible homeowners who applied for assistance under the Canada Home Renovation Plan (CHRP) is as follows:

(i)

Province	No. of Eligible Applicants
Newfoundland	2,867
Prince Edward Island	1,048
Nova Scotia	8,206
New Brunswick	8,255
Quebec	33,166
Ontario	42,659
Manitoba	5,806
Saskatchewan	3,151
Alberta	10,359
British Columbia	12,995
Yukon	82
Northwest Territories	—

Note: CMHC did not maintain a record of the number of ineligible homeowners who may have applied for CHRP, as the applications were returned.

(ii) Since the program was only partially computerized for statistical monitoring purposes, a breakdown, by city, is not available.

(iii) Program eligibility was restricted to owner-occupied, single family houses containing not more than two units. Where the building contained two units, only one loan was permitted. No other information on dwelling type is available.

(b) All eligible applications which were received up to the program termination date were accepted. Note: Approximately 4,000 applications were subsequently cancelled after approval as the homeowners did not proceed with the work as agreed.

2. The approximate average administrative cost to approve each application was $191.

3. (a) The average forgivable loan per application, by province, was:

Province	Average Forgivable Loan
Newfoundland	$ 1,859
Prince Edward Island	1,844
Nova Scotia	1,755
New Brunswick	1,988
Quebec	1,786
Ontario	1,694
Manitoba	1,601
Saskatchewan	1,875
Alberta	1,599
British Columbia	1,738
Yukon	2,154
Northwest Territories	—

Only the forgivable loan was available, the applicant provided the balance.

(b) and (c) See response to parts 1(ii) and 1(iii) above.

4. (a) The average income level per recipient of the forgivable loan, by province, is as follows:

(i)

Province	Average Income of Forgivable Loan Recipient
Newfoundland	$ 20,849
Prince Edward Island	21,434
Nova Scotia	21,186
New Brunswick	21,374
Quebec	23,709
Ontario	24,575
Manitoba	25,109
Saskatchewan	22,193
Alberta	22,046
British Columbia	25,005
Yukon	24,803
Northwest Territories	—

(ii) and (iii) See response to parts 1(ii) and 1(iii) above.

(b) Not known. Only the forgivable loan was available under the program, the applicant provided the balance.

CANADA OIL SUBSTITUTION PROGRAM

Question No. 62—**Mr. Howie:**

In the fiscal year ending March 31, 1984, under the Off-Oil Program, how many (a) applications for assistance were received (b) rebate cheques were issued?

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): (a) During the fiscal year 1983-84, the COSP Secretariat received approximately 247,900 applications under the Canada Oil Substitution Program (COSP); (b) 244,224.

[*English*]

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

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

Mr. Speaker: Is it the pleasure of the House that the remaining questions be allowed to stand?

Some Hon. Members: Agreed.

* * *

● (1510)

MOTION TO ADJOURN UNDER S.O. 30

UNIVERSALITY IN SOCIAL PROGRAMS

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, as I indicated to you, when I gave notice before noon of this day, in light

of the confusion which has resulted from the various points of view that have been taken by different Ministers of the Government, I request the Speaker of this House to indicate that an emergency debate will be allowed to take place on the whole concept and issue of universality later this day.

Mr. Speaker: The Hon. Member for Sudbury (Mr. Frith) is asking leave to move the adjournment of the House under Standing Order 30 to discuss a matter which is significantly similar to the one cited yesterday in the application made by the Right Hon. Leader of the Opposition (Mr. Turner).

I have once again given considerable thought to the underlying principles that must guide the Speaker in deciding whether an application under this Standing Order ought to be accepted. Inevitably, the Chair is called upon to make a value judgment as to whether or not a given situation is an emergency. In the opinion of the Hon. Member it is urgent to him that the question of universality of social programs be considered, and I presume from the voices being raised in the House it is urgent to other Members as well.

In my opinion, very little has changed since yesterday in the circumstances surrounding this subject. While the matter may be immediately relevant, of concern and on the minds of many Hon. Members, the Hon. Member for Sudbury has not convinced me that a genuine emergency exists yet.

That is not to say, however, that the circumstances in this matter of continuing debate and concern could not change, and that, faced with unexpected occurrences leading to a real emergency, I might not rule otherwise. Therefore, I must refuse the Hon. Member's application.

* * *

MOTIONS FOR PAPERS

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, I ask that all notices of motions for the production of papers be allowed to stand.

Mr. Speaker: Shall all the notices of motions stand?

Some Hon. Members: Agreed.

* * *

BUSINESS OF THE HOUSE

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, I would like to advise the House of the business which is scheduled for this afternoon. There has been no indication prior to this with respect to the business for today.

First, the House will deal with the excise tax Bill. That will be followed by the borrowing Bill. When the House is finished with those two items, it will proceed to the completion of the Bill which deals with Investment Canada.

GOVERNMENT ORDERS

[*English*]

EXCISE TAX ACT
EXCISE ACT

MEASURE TO AMEND

The House resumed from Tuesday, December 18, consideration of the motion of Mrs. McDougall that Bill C-17, an Act to amend the Excise Tax Act and the Excise Act, be read the second time and referred to the Committee of the Whole.

Mr. Speaker: The Hon. Member for Thunder Bay-Nipigon (Mr. Epp).

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

Mr. Speaker: Has the Hon. Member already spoken in this debate?

Mr. Epp (Thunder Bay-Nipigon): No.

Mr. Speaker: I am sorry, I am being confused by the angels! The Hon. Member for Gander-Twillingate (Mr. Baker).

Mr. Baker: Mr. Speaker, I rise on a point of order which is in relation to the calling of second reading of this Bill. Until this morning, I did not have a chance to look at the ruling of the Chair which was made yesterday in relation to the calling of this order.

As Mr. Speaker will recall, it was agreed in this Chamber to make Bill C-12 Bill C-17. That was done after Bill C-12 had been called, read the first time, read a second time and debate was to have been on second reading. A motion was then presented to the Chair that, in effect, indicated that this Bill was deemed to have been read a first time and deemed to have been introduced for second reading by the Minister.

There are certain things which this Chamber can do, but there are certain things which it cannot do. Therefore, I submit that this Chamber cannot deem a Bill to have been read a first and second time without that Bill having been read a first and second time.

Mr. Speaker: Then the Hon. Member should have raised that point yesterday. The House chose yesterday to achieve this by unanimous consent. It was a request which was put to the House for unanimous consideration. It was adopted unanimously. Had the Hon. Member not been in favour of that proceeding, and had he been here yesterday, his rights as a Member would have been protected at that time. However, the Member cannot now raise a point of order arguing that the House could not do what the House chose to do yesterday. It was the choice of the House.

Does the Hon. Member have something to add?

Mr. Baker: Yes, Mr. Speaker. I believe the rules state "when it comes to a Member's attention". I was not here yesterday, but surely I have the right to raise a point of order—

Mr. Speaker: The Hon. Member has the right at present to refrain from granting unanimous consent. If the Member is raising a separate point of order, then I presume the Member wishes me to consider a point of order which suggests that the House could not do it by unanimous consent, although he has not stated that. If he wishes to make that case, I would be happy to hear citations.

It is my understanding that the House did yesterday, by unanimous consent, what it chose to do, as is its right. Does the Member have a point of order with regard to the change of procedure by unanimous consent?

Mr. Baker: Yes, Mr. Speaker, I have. In fact, what I am saying is that when the Chair accepted the motion, the Chair should not have been—

Mr. Speaker: The Chair accepted the motion by unanimous consent. The Chair asked if there was unanimous consent for the introduction of the motion.

To my rescue again, I will quote Citation 237 of Beauchesne which reads:

> A point of order against procedure must be raised promptly and before the question has passed to a stage at which the objection would be out of place.

The effect of that rule is that the Member cannot raise a point of order about yesterday's proceeding today. I suggest to the Hon. Member that there is good reason for that rule: a Member could come along a year from now and raise a point of order about something which happened today. Clearly, that is not intended. Clearly, the Hon. Member cannot raise a point of order today about what happened yesterday.

Does the Member have a different point of order?

Mr. Baker: Yes, Mr. Speaker, I have. Mr. Speaker put the question that this Bill be now read a second time. That was the same question which was put yesterday.

Mr. Speaker: Mr. Speaker received a request for a House Order and put the request for unanimous consent as to whether the matter should be considered by the House. The House considered it and adopted it unanimously. The House is master of its procedure.

Ms. Copps: Or mistress.

Mr. Speaker: Or mistress, if some Members prefer.

Resuming debate on the Bill, the Hon. Member for Thunder Bay-Nipigon.

Mr. Ernie Epp (Thunder Bay-Nipigon): Mr. Speaker, after all the activity we have had today and the lack of activity yesterday, it takes some effort to carry our minds back to the matter which we are debating.

Bill C-17 deals with changes to the Excise Tax Act and the Excise Act. It deals with increases in the federal sales tax, increases in the telecommunications programming services tax and the wholesale tax on motor vehicles. In addition, the Bill proposes to remove sales tax on diesel fuel for farmers, fishermen, loggers and miners. The Bill also increases the air transportation tax.

Most of the tax proposals are increases which will be paid by individual Canadians. The Bill represents increases in taxation. It ultimately takes money out of the pockets of Canadians, and in the process of doing that it reduces the amount of money which people have to spend and, consequently, that part of aggregate demand.

In speaking on this Bill this afternoon, I would like to give some consideration to the kind of tax policy which the Government should be following if it wishes to achieve the prosperity that Canadians so desperately want. When this bill was previously debated, it was pointed out that there was, after all, one tax reduction included in the legislation. That is the removal of sales tax on diesel fuel for persons involved in various primary industries.

● (1520)

We in our caucus welcome that particular change. However, I would like to point out that this particular change is part of an unfortunate Canadian tax tradition which was followed by the previous Government over the past dozen or more years. It represents just that kind of continuity of policy which the Hon. Member for Western Arctic (Mr. Nickerson) and I were debating yesterday afternoon. What we have seen increasingly in Canada over the past dozen years is a shifting of the tax burden from a balance between corporate income taxpayers and personal income taxpayers, to a situation in which there is an overwhelming weight of taxation being borne by individual persons paying personal income tax. That particular shift in the balance of taxation creates an imbalance which most of the tax proposals before us in this Bill only intensify. That is, in my opinion, at the root of the economic difficulties in which Canadians find themselves.

I would like to consider now why that assertion might be true. What would be a sound policy, particularly fiscal taxation policy, for the Government to follow in order to achieve more economic activity in this country so that we can move toward fuller employment and achieve finally that state of social efficiency which full employment would represent? Both the tax revenue flowing in and the reduction in the cost of government, would serve to put an end to the budget deficit from which Canadians are suffering, which deficit is the strong preoccupation of the Government. I submit that the Liberal Government—and now it seems the Conservative Government as well—have a preoccupation with prosperity for Canada in which investment is regarded as the basic engine for increasing economic activity and achieving prosperity in this country. Of course, that will prove to be relevant when we debate Bill C-15. However, in the case of Bill C-17, what we see is the negative consequences of that kind of preoccupation.

What we see here is a readiness to tax individuals more heavily in order to continue sheltering corporate enterprise. Government feels that if these corporations, and perhaps the wealthy Canadians who are the primary shareholders, had large enough incomes—and the tax shelters could do so much

to increase the amount of resources at their command—then they will surely invest that money, and as the investment occurs we will achieve prosperity. It is obvious, of course, that when investment does occur, whether it is in the form of factories, construction, the installation of machinery, the buying of equipment to produce goods, and so on, there would certainly be more prosperity.

However, the difficulty with this idea is that investment is so largely a matter of a means to an end, that end being, of course, the production of goods and services for Canadians. When we find the demand for these goods is weak, then there is in fact no real inducement to invest. But we must find the means to encourage that to which earlier Liberal policy, and now Conservative policy, is oriented.

I submit, Mr. Speaker, that when factories operate at three-quarters of capacity or less, or when there is 50 per cent more capacity in existence than they actually need in order to fill their orders, then there is absolutely no inducement to invest even if one uses every tax inducement in the book. One could, of course, have investment take place at some other location, to have more efficient equipment installed so that the end result at that plant will be efficiency of operation. But when demand falls so far short of capacity of production, the end result is going to be a close down at the less efficient plant in order to keep the other one operating. In these times of weak economic demand which Canadians have experienced during these last years, there is only one real possibility for the kind of investment-led economic expansion which Liberals in the past, and now the Conservatives, regard as the basis for Canadian prosperity.

I would like to suggest that the great Canadian need is to ensure that individuals and families, far more than is now the case, have the income which is required in order to live more comfortable lives, in order to buy the goods which are held out to them, particularly at this Christmas season, and in so doing build up a demand for goods which will in turn encourage manufacturers, wholesalers and retailers, to higher levels of activity. Thus there will be employment of more people. It is that kind of increase in demand for goods and services which we want to achieve.

It is patently obvious, however, that that kind of program is not being considered by Bill C-17 which is presently before us. It is obvious that the effect of these various taxes is to take some billions of dollars out of the pockets of ordinary Canadians. It is obvious as well, in looking at the record, that Hon. Members of the present Government, when they were in opposition in the early months of this year, were clearly conscious of that fact. The present Minister of Justice (Mr. Crosbie) in late 1983 said of the sales tax increase which was designed to cover the cost of the special capital recovery projects, as reported in *Hansard* of December 13, 1983 at page 116, that this sales tax increase:

> —is a huge regressive tax bite, far greater than the hospital insurance premiums collected by Ontario or any other province that this Government has now introduced legislation to try to stop.

He had one specific concern in mind in making his comment, adding some of the colourful language for which he is well known.

Speaking two months later to the day, he said as reported in *Hansard* of February 13, 1984 at page 1313:

> Would he—

That is the Minister of Finance,

> —agree to eliminate the federal sales tax increase of 1 per cent next October which he has already imposed on the Canadian consumer? Does he agree that Canadian consumers must be helped if there is going to be a continuing recovery?

That is exactly the question I am asking this afternoon. And I would like to add my question: What is the present Government doing by bringing in that same proposal for us to pass?

Three days later the Minister of Justice made an even stronger statement, and I quote from *Hansard* of February 16, 1984 at page 1444:

> The Minister calls it the special recovery tax. He should rename it the special recession tax. There is no recovery. This tax is not going to help it, this special recession tax.

And then he went on to ask:

> Where does the Minister help domestic demand in this Budget? He would help consumer demand if he did away with the 1 per cent increase in the federal sales tax that is coming in October. It is a regressive tax that bears more heavily on lower income people.

The New Democratic Party could hardly have said that better, although we might try for greater eloquence. There is the point nicely stated by the present Minister of Justice, that this is a tax that takes money out of the pockets of ordinary Canadians, which in turn reduces the amount of business activity in all of our communities across the country. That means there is not as much business being done in department stores, supermarkets, smaller shops, furniture stores and conceivably automobile agencies. One can name the various businesses affected in every community across the country.

• (1530)

Whether the business happens to be one of the great national chains with which Canada is blessed or cursed, depending on your perspective, or one of the smaller organizations which is an active member of the Canadian Federation of Independent Business, whose president has chosen to be such a firm supporter of this new Government, the result of this taxation is to reduce the amount of business being done. There will be less business being done by wholesalers which means less need for transportation. There will be fewer people at work conceivably on the railways, ultimately in the trucking business, moving goods. Ultimately, given this weaker demand in the economy, there will be less production in factories and far fewer people employed.

What this country needs so obviously is confidence among consumers, not among business people. Business people respond to circumstance; they are going to respond far more genuinely to the confidence of individual consumers if they are told the future is going to be better. We have had a lot of that kind of rhetoric but it seems pretty clear from the level of

savings and the reaction of businessmen that confidence has not been increased over the last month and 10 days or so since the economic and fiscal statement was brought down. Canadians await some positive signals. In fact, some number of Canadians, and how many is surely not yet clear, are waiting for the day that they receive their last pay cheque before they join the jobless rolls. They then receive unemployment insurance, which increases the cost of government, and they begin looking for work.

Each of those actions will reduce confidence, not build it up. Those actions will reduce the amount of money people have to spend and increase the cost of government, forcing it to borrow more money in order to meet those costs. That, of course, is the very heart of the misguided policies that this Government is following, which policy was expressed early on in the decision to carry through the sales tax increase on October 1. Those policies were expressed in the determination to deal with the deficit instead of recognizing that the deficit is only a sympton. What the Canadian people want is a government which says we need more spending. If we have individual Canadians spending money, we should not take it out of their pocket with taxation. We should find ways to put them to work doing the constructive things this country needs. When we do those things we genuinely build up confidence, but it seems this Government has no sense of that kind of needed activity at all.

We then face, Mr. Speaker, a situation in which misguided policies are all too likely to bring us into a severe recession in 1985. God only knows what will come after that. We live then in a situation in which the popular sense that Tory times are hard times is all too likely to be fulfilled by the present Government because of its misguided policies as reflected in Bill C-17 and its various provisions.

Notice, too, that part of the mistaken reasoning which exists in the Government is reflected in the fact that the sales tax increase the Government asserts was designed to raise money to cover the cost of the special capital recovery projects which the previous Government brought forward is being imposed at a time of semi-depression. No one has any reason to object to borrowing money if we are building things which make this country a better place to live, particularly if it is part of the strategy of moving us back towards full employment. At that point our fiscal difficulties are going to be much easier and the deficit the Minister of Finance (Mr. Wilson) is preoccupied with will be gone. But what we see instead is an assertion that the Liberal program was to raise the money required for these projects by taxation and this Government is going through with that.

The gibes earlier this afternoon about bickering, or whatever it was, between sweethearts, the noise one hears between the Official Opposition and the Government benches, leaves no doubt about the bickering lovers in this place. The Right Hon. Prime Minister (Mr. Mulroney), at one point when referring to bickering, recognized the appropriateness of the fact that here were lovers who struggled for control with the very same ideas in their heads. Now the other bunch have power and they follow through with the same programs.

There is no sense at all here of achieving the real change that Canadians want. There is no recognition of the truth that Tom Maxwell of the Conference Board of Canada tried to remind us of during the election campaign. Certainly recovery depends on lower interest rates, and God help us if the Americans do not achieve lower interest rates in order to save the rest of the world from the disaster that stares us in the face, not just Canada but Latin America and various other parts of the world.

If I may conclude, Mr. Speaker, given this preoccupation with the same policy, given a preoccupation with interest rates, there is no sense of a need for real change, a need for a government which will work towards full employment and prosperity. Instead we have this unfortunate preoccupation with taxation, with taking money out of the pockets of Canadians after the money for the special recovery projects has been spent. It means more taxation and more depression for Canadians.

The Acting Speaker (Mr. Paproski): Questions or comments on the Hon. Member's speech? Since there are no questions or comments I would like to recognize the Hon. Member for Kootenay West (Mr. Brisco).

Mr. Bob Brisco (Kootenay West): Mr. Speaker, I am particularly pleased to have the opportunity to address one particular element of the Bill, that being Section 49.01. The elements contained within that section were really a cornerstone of Conservative policy towards the forest and mining industries, particularly in Kootenay West.

Bearing in mind that in Kootenay West we have the highest unemployment level in British Columbia and we are among the top eight in Canada, what is it about this particular provision which is so attractive and important to the forest and mining sectors? It is the fuel tax rebate of three cents a litre, which may not seem to be a significant sum. However, Mr. Speaker, I can assure you that a truck logger who drives for 15 or 20 miles on very steep, mountainous roads, usually using the bottom end of his gear box, has a high consumption of fuel. In colder weather the vehicles tend to burn more fuel by virtue of shrinkage. That five, 15 or 25 miles of bush road, and in the case of Kootenay West mountain road, is only the first part of his journey. The next part is to get those logs to the mill site. That can mean a journey of 10 to 150 miles. There is a lot of time spent on the highway. In many instances it takes as long to traverse the 15-mile bush road as it does to get to the mill pond using higher speeds on the highway.

• (1540)

That is really not important. The important thing is that I have been assured that Section 49.01, which refers to off-road use, will have the widest latitude in its application. Off-road use would imply that the tax rebate would only apply on the bush road. The difficulty with that is that at times that bush road is a privately-owned, ungazetted road into a privately-

owned timber stand. At times that bush road is a forestry road yet to be gazetted, and at times it is on another access road which is gazetted but is considered, for all intents and purposes, to be off highway. That really is not the intent of the Government because it only takes care of a portion of the saving which could flow to the operator. The skidders, heel booms and various other mechanical devices of the bush pretty well remain in the bush until they require servicing. The highway use of that equipment is virtually non-existent but the logging trucks are used on the highway all the time.

More than one truck logger in my constituency has told me that the difference in this fuel tax rebate will decide whether he will have sufficient savings to buy a truck tire. The savings on fuel would enable a logging truck contractor to buy one truck tire monthly. That is a substantial sum, especially when we are talking about an 18-wheeler.

I would like to discuss the mining industry as well. In Kootenay West we are fortunate to have some rather good bodies of ore which are located in very difficult and mountainous terrain. There is an opportunity for the mining sector to offset the cost of moving their concentrates and ore from the mine site to a concentrator or to the Cominco smelter in Trail. This is a matter involving massive weights both on and off the highway. It could represent a substantial saving to that sector.

When considering how this applies to the forest and mining sectors in Kootenay West, we are generally speaking about small people, or "ordinary Canadians" as the NDP would like to refer to them. I have yet to understand what an average Canadian is versus an ordinary Canadian versus any other Canadian. I did not realize that we had classes of Canadians in Canada, but the NDP have a habit of classifying people, not just by rank and station, but also by politics. Mr. Speaker, these are hard-working, dedicated people.

Mr. Keeper: Ordinary Canadians.

Mr. Brisco: Their contribution to Kootenay West has been generous and extensive over many years. If one considers what Kootenay West has generated in terms of tax dollars over the last 50 years and compares that figure with what Kootenay West has taken back, it would not take long for anyone to determine that up to now the people of Kootenay West have not received their fair share. That time is due. This is just the start of what I hope will be a substantial move toward equality of that fair share.

These average people, these hard-working, industrious loggers, are private operators for the most part. They may have one, two or three trucks. They may have one piece of equipment or several. Whatever the case, they have a very substantial investment in that equipment. That equipment has by and large been shut down by the depressed market for lumber, high interest rates, and the costs of operation.

This rebate, considered in isolation, may seem somewhat insignificant. Let me assure the House that taken in its total form it will have a very substantial and significant impact on any one truck logger or small mining company. If it does nothing else but maintain that operator, it will have achieved its goal. In the case of a larger operation this fuel tax rebate may well mean the difference between a small mill operating or not operating. It may mean the difference between hiring an extra employee or not hiring one.

Today I have heard much discussion from my hon. colleague who sits on the NDP benches. He says that the sales tax which we seek to impose is going to wreak havoc on Canadians. I have not heard anyone on the NDP benches saying: "Here is something that we support and endorse". It would be very refreshing if Members opposite would be prepared to give credit where credit is due and to share the desire that we on this side have to take positive steps for Canadians instead of negative steps. I realize that the role of the Opposition is to oppose, but I do not think that should be a 100 per cent commitment. I think there should be some balance in what is said. Indeed, all we hear is criticism. There is an absence of support for positive measures. That is certainly a disappointment as far as I am concerned.

• (1550)

In conclusion, let me say that I, other Members of the B.C. causus and indeed all Members whose constituencies include the forest sector, the mining sector and indeed trappers, are appreciative of his measure whichi will substantially facilitate these operators' survival, given the state of the economy today.

Mr. Keeper: Mr. Speaker, I have a brief question for the Hon. Member. He wants support from the NDP for positive measures. The Bill before us today includes an increase in the sales tax. When members of his Party were in opposition it was their view, as stated on December 13, for example, that this sales tax increase "is a huge, regressive tax bite".

The Party opposite makes it very difficult for us to offer any support for its measures when they affect ordinary Canadians. It is very clear that that is the case given comments even from his own caucus when they were in opposition. Would the Member comment on that?

Mr. Brisco: Mr. Speaker, I have no difficulty with commenting on that at all. If the Hon. Member was paying attention he would know that I was talking about Section 49.01. The record shows that I was talking about the fuel tax rebate for loggers, the mining industry and trappers in my constituency. I suppose it applies to farmers in his constituency. That is the subject with which I was concerned in my speech. Those are the measures about which I am pleased. I think the Hon. Member opposite would be pleased with those as well. No one wants an increase in any tax. We all hesitate and find it somewhat regretful to increase a tax.

I hear the Hon. Member making reference to ordinary Canadians. I do not know what an ordinary Canadian is.

Mr. Deans: That is right.

Mr. Brisco: I know what Canadians are. "Ordinary Canadian" is a class status applied to a group by the NDP. Is the Hon. Member for Hamilton Mountain (Mr. Deans) an ordinary Canadian or a little bit below them?

Mr. Deans: I am a very, very ordinary Canadian.

Mr. Brisco: Just what is his status? They are the class act in town. If they want to establish classes in Canada, let them go to it.

Mr. Keeper: I can tell you that you are ordinary.

Mr. Brisco: Thank you.

Mr. Deans: Mr. Speaker, I listened with interest to the Hon. Member for Kootenay West (Mr. Brisco).

Mr. Brisco: Not to my speech, you didn't. You weren't here.

Mr. Deans: I was watching you from the lobby where I was attempting to work out some arrangements for tomorrow.

I suggest to the Hon. Member that perhaps it would be helpful if he understood the process that we go through here. For example, the very matters we are discussing are only before the House because, in essence, we agreed to have them here. We recognize that they are of value. These matters were not in the original Bill and we accepted that to include the rebates for the very people he is suggesting require them was a useful step. Therefore we allowed the Bill to be withdrawn by unanimous consent and reintroduced the Bill with those rebates there so that those people could get those benefits.

I say to the Hon. Member that it would be helpful if he understood that our role is to point out problem areas. For those areas which we do not deal with, one might presume from time to time that we at least favour if not support them.

However, with respect to his comments, those provisions could not have been in the Bill unless we agreed they be there.

Mr. Brisco: Mr. Speaker, I find the Hon. Member's remarks rather strange, that he should make such an interjection on the basis of my comments.

Mr. Deans: Why?

Mr. Brisco: I have no argument with the House process. I was speaking about the support of—

Mr. Deans: We said it would not get there if we did not support it.

Mr. Brisco: I think I have the floor. If the Hon. Member wants to have another shot at me, let him have another shot. If the Hon. Member wants to debate the issue he can go back to my former speech and read that. I see that he has now left his seat. He really does not want to listen to the debate.

Mr. Deans: I am listening to you.

Mr. Brisco: The fact of the matter remains that when a positive element is introduced by the Government there is very little recognition. The Opposition deals solely in the negative and that is the bottom line.

Mr. Young: Mr. Speaker, the Hon. Member for Hamilton Mountain (Mr. Deans) left his seat to go and talk to the Government House Leader (Mr. Hnatyshyn) in order, perhaps, that the Government House Leader would be good enough to talk to the Hon. Member so that he may better understand the proceedings in the House before he stands up and makes such comments.

The Acting Speaker (Mr. Paproski): Does the Hon. Member for Winnipeg North Centre (Mr. Keeper) have another question?

Mr. Keeper: Another question, Mr. Speaker. The Hon. Member pointed out that this Bill includes some rebates for farmers and fishermen. It is obvious that we have facilitated the passage of those rebates in the House. That is certainly positive support for those measures.

However, It would not be necessary to have rebates if the Government would not continue to increase sales tax in the first place. That is another part of this legislation.

The Acting Speaker (Mr. Paproski): Does the Hon. Member for Kootenay West (Mr. Brisco) care to answer?

Mr. Keeper: He gave up.

The Acting Speaker (Mr. Paproski): Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Does the Hon. Member for Edmonton West (Mr. Dorin) wish to debate?

Mr. Dorin: Yes, Mr. Speaker.

Mr. Young: Mr. Speaker, I rise on a point of order. I believe that the Speaker called the question prior to the Hon. Member standing.

The Acting Speaker (Mr. Paproski): I want to tell the Hon. Member that as long as I keep reading, until I come to the yeas and nays the question is not called. Therefore, I recognize the Hon. Member for Edmonton West.

Mr. Murray Dorin (Edmonton West): Mr. Speaker, I am pleased to have this opportunity to speak in this debate because I believe it concerns several important matters. Not only are these matters of concern to all Canadians, they are important to my constituents as well.

The first matter concerns the proposed 1 per cent sales tax increase. This was originally introduced by the previous Government as the special recovery tax. I found it rather ironic that the Liberal Government would propose a future sales tax in order to pay for their current expenditures. This means that we are in a position where we must impose this tax as a new Government to pay for those expenditures. I believe we are properly using our authority to put these measures through. I hope it can be done in a timely and orderly manner.

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

Is the House ready for the question?

Some Hon. Members: Question.

The Acting Speaker (Mr. Paproski): Mrs. McDougall, seconded by Mr. Hnatyshyn, moves that Bill C-17, an Act to amend the Excise Tax Act and the Excise Act, be now read the second time and referred to the Committee of the Whole. Is it the pleasure of the House to adopt the motion?

Some Hon. Members: Agreed.

Mr. Deans: On division.

• (1600)

Motion agreed to, Bill read the second time and the House went into Committee thereon, Mr. Paproski in the chair.

The Deputy Chairman: Order. House in Committee of the Whole on Bill C-17, an Act to amend the Excise Tax Act and the Excise Act. Shall Clause 1 carry?

On Clause 1—

Mr. Foster: Mr. Chairman, I know all Members of the House want to see these clauses in the Excise Tax Act for farmers, fishermen, loggers, and miners implemented. I have a couple of questions to which I hope the Minister can respond this afternoon.

These provisions were introduced to the House at a time when the petroleum compensation charge was increased to $17.50 a cubic metre, or nearly $3 a barrel. It is important to the farm community to know what the impact of the Excise Tax Act is when it is balanced off. Is the petroleum compensation charge refundable or not chargeable for farm operations?

The petroleum compensation charge of $17.50 is chargeable for farm vehicles operating on the highways carrying produce, all produce, coming to and from the farm and for supplies coming to the farm. From the farmers' point of view, I would like to know what the balance is on input costs by removing the excise tax. We know in the Finance Minister's statement that an additional farm service charge of $32.3 million will be imposed on farmers for inspection services and so on. The excise tax is going to be removed, but with regard to the imposition of the $17.50 a cubic metre on all fuel being used by farm trucks and vehicles, for all supplies coming to the farm, including certain fertilizers which use petroleum feedstocks, what will the impact be of those two factors being balanced off? Does the farmer end up any better off? It is my understanding that the excise tax amounts to about a $100 million reduction for the farmer. The petroleum compensation charge is not imposed on farm-use petroleums until 1987, and there are the farm service charges of $32.3 million. There are the increased charges for the fuel used in farm vehicles on the highway carrying produce coming to and from the farm.

Can the Minister respond to that question? I think it is important for the farm community to know whether as a result of the economic statement of the Minister of Finance the input costs have really been reduced. I recall that when we were increasing the prices of petroleum by $1 or $2 a year back in the 1970s we used a factor of something like one-half of 1 per cent increased inflation for each dollar by which the price of a barrel of oil increased.

Can the Minister tell me what the factor is that is applied generally to the population by increasing that petroleum compensation charge by $17.50 per cubic metre, which is roughly $3 a barrel? What is the impact of that on inflation in the country and on economic growth? We are all concerned about economic growth. I am trying to find out exactly what the net effect for the individual farmer would be. I have another question, but I see the Minister looks puzzled so I will not put another question until she answers this one.

Mrs. McDougall: Mr. Chairman, the majority of the fuel that the farmers use will be subject to this rebate. I cannot be precise about figures because they will vary from one user to another, but most farm vehicle use is off-highway. The farmer should benefit greatly from this change. Farmers have told us that this will be the major part of their fuel use. They are quite satisfied with it.

Mr. Foster: Mr. Chairman, if the Minister does not have figures to indicate what the net effect is of increasing fuel prices on the highway on farmers in particular, could she say what the net inflation factor, which the Government calculated in preparing the economic statement, is of increasing the petroleum compensation charge by $17.50 per cubic metre?

Can the Minister indicate what the net reduction will be on economic growth? Calculations must have been made on that. I think from that we could get some reading of what the increased inflation costs are for farmers, for their produce being shipped by trucks or whatever, by the level of the input costs of transportation to the farm. Can the Minister indicate the inflationary impact of the petroleum compensation charge and the economic growth reduction?

• (1610)

Mrs. McDougall: Mr. Chairman, the net impact or the balancing between the two is that the farmer, like other people, will pay 1.8 cents per litre for highway or at least non-defined use, but he get a 4.8 cents break on his farm use. The balance is in his favour. To respond to the question about economic benefits on the fuel tax side, that will come from Energy, Mines and Resources. They will have done the economic impact work on this.

Mr. Foster: Mr. Chairman, I cannot believe that when the Department of Finance imposed a $17.50 per cubic metre increase for every gallon of fuel consumed in this country, except fuel consumed by farmers, fishermen and miners, a calculation was not done as to what the inflation factor would be. That is clearly in the realm of the Minister of Finance. Sure the Minister of Finance is very concerned about what the inflationary impact will be on a fuel increase of that magnitude and what the drawdown will be on economic development. I am sure the Minister and her officials will have those figures at their fingertips. I hope she will be able to respond to

that because I am sure the Department of Finance officials can do those calculations almost off the top of their heads.

I want to inquire about the excise tax. Bill C-12 was withdrawn and this Bill introduced. Will this Bill require local distributing companies, such as the United Co-operatives of Ontario distribution outlets across Ontario, to charge the excise tax to their customers and have their customers claim it back from the federal Government? My impression is that the Bill as initially introduced required local distributors like the United Co-operatives of Ontario to charge the tax. The individual farmer or other user had to apply to the Government to get the rebate. Large integrated companies such as Imperial Oil or Gulf did not have to charge the excise tax. It would be refunded because they were a manufacturer or a base distributor.

Will this Bill allow local distributors not to charge the tax the same as the large oil companies such as Imperial Oil? If it is not on that equitable basis, it will be most unfair to the little independent distributors. They will have to charge an extra 4.8 cents a litre whereas Imperial Oil will be able to send its truck around the farming community and not charge the tax. It is a most unfair system. Can the Minister explain exactly what the arrangement will be as the result of Bill C-17?

Mrs. McDougall: Mr. Chairman, the smaller dealers should be able to qualify as well. That was part of the purpose of this. It will be a direct credit. I think the qualification is that it is a bulk sale either at the pump or delivered to the farm. Those dealers will qualify as long as they are registered with Revenue Canada.

Mr. Keeper: Mr. Chairman, part of this legislation provides for a rebate to fishermen, farmers, loggers and miners. That is to be applauded. At the same time, however, the Government is imposing an increase in the federal sales tax, for example, on construction materials which will cost something like $2 billion over four years. Has the Minister calculated the impact on employment in this country as a result of taking $2 billion out of the pockets of the consumers? Can she tell us how many jobs will be lost in the economy as a result of increasing the sales tax and reducing purchasing power at this time?

Mrs. McDougall: Mr. Chairman, we have made very clear the reasons why we are raising the sales tax. We are in a position of paying for programs that were bequeathed to us and we need to raise the revenue. We proceeded with the sales tax. I believe this has been well discussed in this House.

Mr. Keeper: Mr. Chairman, since the Minister has not directly answered my question as to what the impact will be on employment as a result of taking $2 billion out of the pockets of Canadian consumers, I presume the Government has not examined the impact on employment by increasing the sales tax, particularly on construction materials, at this time. Will the Minister confirm that? Has the Government not examined the impact of an increase in the sales tax as it affects employment, particularly in light of the fact the Conservative Party ran on the promise of jobs, jobs, jobs?

Mrs. McDougall: Mr. Chairman, our assessments indicate that the impact on consumers is relatively modest and that a large part of the sales tax increase falls on imported goods. Therefore, there will be some modest benefit to Canadian business competitively and the consumer will not be that much worse off.

Mr. Keeper: Mr. Chairman, is the Minister willing to share the analysis upon which she makes the assertion that an increase in the sales tax in the order of $2 billion will have a minimal impact on employment and consumers at this time? Does she have an analysis upon which she makes that assertion and is she willing to table the study on which she makes the assertion?

Mrs. McDougall: Mr. Chairman, considering that items such as food, clothing and footwear are exempted from the sales tax increase, I thought it would be fairly clear to the Hon. Member that the injury to the consumer will be very modest.

Mr. Keeper: Mr. Chairman, when the Minister says that the impact will be minimal, is she saying that a 1 per cent federal sales tax increase on construction materials, for example, will have no visible impact on construction activity in this country or with regard to employment? Is she saying that when the sales tax is increased by $2 billion at a time when people are pressed for money in order to make ends meet, people will not suffer as a result?

• (1620)

Mrs. McDougall: Mr. Chairman, no one likes tax increases. We would have preferred not to be in the position of introducing this tax increase. We have made the best judgments that we can so that the impact will be minimal. I cannot see that we can say much more on this topic.

Mr. Keeper: Mr. Chairman, I have a final supplementary question to ask the Minister. She says that they are reluctant to introduce a tax increase. I wonder if she is aware that the tax increase that she is introducing to the House is the same tax increase that was introduced by the Liberal Government when it was in office, that she is in fact implementing Liberal tax policy here today and that her Party, while in opposition, described this sales tax increase as a huge, regressive tax bite. How can the Minister raise taxes for people, though she says reluctantly—

The Deputy Chairman: Order, please.

Mr. Keeper: How can she say one thing in opposition and another when in office?

The Deputy Chairman: Order, please. I hope the Hon. Member would remain relevant to the clause. That is not relevant to the clause. I will recognize another very short supplementary question.

Mr. Keeper: Mr. Chairman, are you saying that the tax increase is not relevant to the clause?

The Deputy Chairman: I am saying that Standing Order 59 of the Standing Orders of the House shall be observed in Committee of the Whole so far as may be applicable, except the Standing Orders regarding the seconding of motions, the limiting of the number of times of speaking and the length of speeches. I would like the Hon. Member to be relevant as far as Clause 1 is concerned.

Mr. Keeper: Mr. Chairman, I will seek your guidance. I was asking the Minister about the sales tax increase. Is that not a part of the clause?

Mrs. McDougall: I am sorry, Mr. Chairman, I thought the Hon. Member was speaking to you.

I think we have made abundantly clear the sitution with which we are faced. We are asking Canadians to share in helping us resolve some of our difficulties. We do not like to have to ask them to do that but the tax increase was essential at this time. As I said, we introduced it reluctantly given the fiscal situation in which we find ourselves.

Mr. Baker: Mr. Chairman, I believe the Minister said that the rebate on the excise tax on gasoline was 4.8 cents per litre. Does that 4.8 cents include the rebate that was already in place for the last 10 years plus a new rebate or is it just the new rebate?

Mrs. McDougall: Mr. Chairman, that includes the three cents and the 1.8 cents from the PCC.

Mr. Baker: Mr. Chairman, I wonder if the Minister could be a little more explicit. I asked her if the figure includes only the rebate to be received under this Bill or if it includes the total rebate.

Mrs. McDougall: Mr. Chairman, no, because there is—

Ms. Copps: Who's running this country anyway?

Mrs. McDougall: Not you.

Some Hon. Members: Hear, hear!

Mrs. McDougall: In addition to the 4.8 cents, there is 1.5 cents, which I believe is the figure to which the Hon. Member refers, that has been in place for 10 years or so.

Mr. Baker: Mr. Chairman, I would like the Minister to explain the difference in figures or to give us an understanding of just what the total rebate on the excise tax on gasoline will be to a primary producer. As the Minister knows, the rebate on the excise tax on gasoline was available to fishermen and farmers for many years. There is a total value on that rebate. Then there is an additional value added by the legislation before us today. I would like to have the Minister explain just what the figures are.

Mrs. McDougall: Mr. Chairman, the figures are three cents plus 1.8 cents plus 1.5 cents.

Mr. Foster: Mr. Chairman, as I understand the two excise taxes and the petroleum compensation charge, the farmer, fisherman, logger or miner will not have to pay the three cents and the 1.8 cents. I wonder why the Minister did not provide for the 1.5 cents excise tax which I believe was imposed by the Budget of June 10, 1975, to be withheld as well. Why is that being left so that the primary producer must submit a claim for a refund for that 1.5 cents excise tax that has been sitting there for many years? He does not pay it. It just seems to me that that makes for more bookkeeping. I wonder if we could introduce an amendment in committee to provide that the 1.5 cents per litre excise tax which has been in existence for some time could be taken away so that the primary producer does not have to pay it when he buys the fuel.

Mrs. McDougall: Mr. Chairman, that is a matter that is with the Department of National Revenue. They are reviewing the way that tax is assessed and will be bringing something regarding that before the House. However, it is not my Department.

The Deputy Chairman: I believe the Hon. Member for Gander-Twillingate had a supplementary question.

Mr. Baker: Yes, Mr. Chairman. The only reason I am putting this very important question to the Minister is that some confusion arises, when someone talks about a rebate on the excise tax to primary producers and uses figures, as to where the total figure comes from. It is still confusing in my mind. The Minister indicates that it is three cents here, 1.8 cents there and 1.5 cents here. I still do not understand that the Minister has said and I do not understand what the Minister of State for the Canadian Wheat Board said yesterday. Members of the general public do not understand what they said either. I would like some clarification.

Mrs. McDougall: Mr. Chairman, I apologize for confusing the Hon. Member. Far be it for me to do that.

The old tax was 1.5 cents a litre for all gasoline. The new one is 4.8 cents a litre, combining the 1.8 cents and the three cents a litre, and it applies to diesel fuel and gasoline. They do not quite compare and it is hard to give the Hon. Member a total figure.

Mr. Henderson: Mr. Chairman, I am still confused after having listened to this debate. Perhaps I could ask the Minister how much better off a farmer or a fisherman will be under this legislation. Will his energy costs be reduced by 4.8 cents or by five cents or by 1.5 cents? How much better off is the primary producer going to be?

Mrs. McDougall: Mr. Chairman, under this Bill that is before us today, the primary producer is better off by three cents. Under the Petroleum Administration Act, the primary producer is better off by 1.8 cents. Under the old Bill, the primary producer is better off on that portion of it by 1.5 cents.

• (1630)

Mr. Henderson: Mr. Chairman, I have another question for the Minister. In the provinces, most of the gas which is used—and there is a provincial tax rebate—is marked gas. Is there a mechanism in this legislation which would distinguish between off-highway gas and highway gas? Will there be a dye or something in the diesel fuel?

Mrs. McDougall: Mr. Chairman, the answer is no. There will not be a marking. It varies from one province to another. Some use it and some do not. We have chosen not to mark it.

The Deputy Chairman: Is the Hon. Member for Gander-Twillingate rising to speak on this clause?

Mr. Baker: Yes, Mr. Chairman. I have listened to the Minister describing the rebate on excise tax on gasoline and how it will be implemented. There has been much discussion on this particular clause as it relates to primary producers. I wonder if the Minister will have a comment on what I am about to say, or if she could take it up with the Minister of National Revenue and the Minister of Agriculture.

The excise tax on gasoline to which the Minister referred—the 1.5 cents which is available, and has been for years, to primary producers, farmers and fishermen—is also available to clergymen and anyone who is using the gas to further their occupation, on a judgment of the question by the Department of National Revenue. However, there is a problem with that rebate as it relates to primary producers. The problem is that a very low percentage of primary producers who qualify for the tax rebate do not receive it, simply because they do not apply for it. In fact, I would say that half of the fishermen on the East Coast of Canada do not apply for the tax rebate. Furthermore, I would say that one-quarter of those fishermen did not know that the provision existed. It was only in the case, as the Hon. Member for Egmont pointed out, in which the gas was marked and there was a distinction in the community that a particular type of gas could be used occupationally that they were aware of the provision. Of course, as the Hon. Member for Egmont knows, there have been a number of court cases concerning people who have used marked gas on the highway.

I would like the Minister to comment on the fact that there have been rebates available for some time and that primary producers were not taking advantage of them for some reason or another. Although some Members may say, "No way, all the farmers have been taking advantage of this in Canada", I can assure the Minister that they have not.

Mrs. McDougall: Mr. Chairman, I think the difference lies in the bulk permit, because the farmers will be able to claim credit at the pump. If they have not chosen to do that before, we have made it easier for them to do it now.

Mr. Henderson: Mr. Chairman, as I understand it, the legislation provides for on-farm use. There is a problem with that. For example, on Prince Edward Island there are a lot of farmers who truck potatoes from the field to the warehouse. When potato harvesters are in the field, they load the trucks and sometimes must drive 10 or 15 miles on the highway to travel to the storage warehouse. Will this tax apply to them for that distance, from the time they leave the field until they arrive at the warehouse? It is a very difficult situation. Part of the distance is definitely on-farm use when the trucks are back in the field, but a large part of it is on the highway. A farmer cannot stop at a driveway, siphon out the gas, fill up the truck with gas on which he would pay tax, and repeat the procedure at the next gate. That presents a real difficulty. I do not think this legislation addresses that situation. Therefore, would the Minister consider that to be a serious situation which could develop? It could put many farmers in my area in the position of breaking the law and landing in jail.

Mrs. McDougall: Mr. Chairman, we have chosen to do it this way because some farmers truck their own produce and others use transportation companies. We have kept the definition of farm use, because that applies through the legislation.

Second, we anticipate that the farmer will be in a position to best decide the proportionate use of fuel on and off the farm.

Mr. Henderson: Mr. Chairman, the Minister may well be confused about what I am saying. I understand the situation from the warehouse to the market-place, but that is different from the point which I am making. I am talking about the primary product in its primary stage, before processing or packaging—from the farm to the warehouse. In many instances in my province a farmer drives 15 or 20 miles on the highway because he has no storage on the back 40. It is a very difficult situation when farmers must drive on the main highway to get to their primary source of storage. What the Minister is stating is quite correct—from the storage to the market-place—but that is a totally different situation.

Mrs. McDougall: That is not what I am talking about.

Mr. Henderson: Yes, it is. As well, I am not talking about farmers who hire outside trucking firms to transport the produce. I am talking about a truck with a potato box on it, which is used for nothing else throughout the year but trucking potatoes from the field to the storage area.

Mrs. McDougall: Mr. Chairman, I would like to assure the Hon. Member that I do know about what he is talking. My second cousin ships his eggs from the farm into town on somebody else's truck. That is the kind of comparison which I am making.

If it is for farm use, it applies to everybody. If we apply it for highway use, it will then apply to some and not to others.

Mr. Henderson: Mr. Chairman, the egg situation does not apply. The Hon. Minister is mixing eggs with potatoes.

An Hon. Member: Hash browns.

Mr. Henderson: Yes, hash browns. The situation which I am discussing is totally different from the egg situation. The egg comes out of the hen in the henhouse, goes to the storage place, and then goes to the market-place. The Minister is

talking about the market-place. That is after processing. I am talking about farm produce on the way to the market-place, or to the warehouse which holds them for processing. I am talking strictly about primary production, from the potato field to the potato warehouse. In some cases the warehouse is on the farm, but many farmers in Prince Edward Island farm four or five farms and some of those farms are from 15 to 35 miles away from the warehouse. The processing of the product, the washing, bagging or whatever as it is prepared for the market-place, is done at the warehouse, and that is where the potatoes are stored in temperature-controlled storage. But to get the potatoes out of the field and to the warehouse—and about 85 per cent of those potatoes are moved on highways—is a very difficult and expensive operation. That is where a lot of farmers use most of their fuel.

• (1640)

The Deputy Chairman: Does the Minister of State for Finance have any further comments?

Mrs. McDougall: No, Mr. Chairman.

Mr. Foster: Just before we leave Clause 1, I wonder if the Minister could clarify exactly how much excise tax is involved for the four different groups who will be involved? How much excise tax is saved? The petroleum compensation charge is really only a saving in that before the economic statement there was no additional $17.50 per cubic metre of compensation charge. Could the Minister spell out what excise tax will be saved for the four main groups involved?

Mrs. McDougall: Mr. Chairman, for agriculture and fishing in the current fiscal year, $14.5 million will be saved; for mining, $9.0 million; for forestry, $1.5 million; for hunters and trappers, under $1 million. To 1985-1986, for agriculture and fishing, $1.15 million will be saved; for mining, $37.5 million; for forestry, $7.5 million. That is a total of $160 million.

Clause 1 agreed to.

Clauses 2 to 8 inclusive agreed to.

On Clause 9—

Mr. Riis: I wonder if the Minister could inform us of the extent to which consultations took place with the industry prior to the adoption of this change. I have had myself, and I am certain the Minister has had as well, a number of representations by companies which are going to be affected by this. The case they make is that particularly in hard pressed parts of Canada where there has been a tremendous cut-back in the number of subscribers to their programming, this additional tax is going to add that much more of a financial burden on firms which are already hard-pressed. Could the Minister indicate what kind of consultation and input the Department received from the industry before this clause was considered?

Mrs. McDougall: Mr. Chairman, this tax has been in effect for two years. It was never passed by this House. There were extensive consultations, I am told, by the Department of Communications. We are simply legislating something which has been in place for a long time. I do not believe that consultations at this stage would be appropriate.

Mr. Riis: Mr. Chairman, I am aware that this is in a sense, retroactive taxation. It was imposed without any legislation to authorize it, and I appreciate the process. However, the Minister will also appreciate that times have changed over the last two years in many communities. Perhaps two years, three years of four years ago, when this additional tax was being considered, the economic climate of Canada was certainly quite different from what it is today. As I said, a number of cable companies have brought to my attention that the revenues they anticipated in the communities in which they operate are quite different from what they were two or more years ago when the legislation was being considered. They have asked me to ask the Minister if she is aware of this situation. If so, was there any consideration given before dealing with this Bill? We are now enacting this legislation presumably in perpetuity.

Mrs. McDougall: Mr. Chairman, nothing is in perpetuity. I appreciate the point which the Hon. Member is making. We all know that times have changed. They have changed for a great many industries over the last two years or three years. It is certainly our intention to try to create a climate of prosperity where the cable operators, as well as other people in this country, will be economically much more viable.

Mr. Riis: I have one short question, Mr. Chairman, particularly in light of the Minister's last comment that the world has changed. The economic times facing these companies, particularly some of the smaller companies, have placed them under extreme pressure. It is for that reason that I ask the Minister—if in fact the Government is trying to create an environment in which there will be economic expansion—if she could explain how this taxation will assist the Government in creating the sense of optimism, and so on, which we so often hear these days.

Mrs. McDougall: Mr. Chairman, the money from this tax has already been collected, allocated and spent over the last two years. It is for the benefit of Canadian programming that this tax was introduced in the first place. I recognize as much as anyone the economic difficulties in which people find themselves. I also recognize the difficulty in which the Government finds itself in trying to proceed with some fiscal responsibility. As I said, nothing is in perpetuity. I will be glad to take the case to my colleague, the Minister of Communications.

Clause 9 agreed to.

Clauses 10 to 15 inclusive agreed to.

On Clause 16—

Mr. Riis: Mr. Chairman, in my estimation, Clause 16 is the critical clause of this particular Bill. I believe it would be appropriate for the Minister to take a few moments to explain how increasing the tax, as it is reflected in Clause 16, is going to be beneficial to economic recovery? I appreciate that this has been introduced as a result of ways and means motions,

and October 1 was the date on which it was imposed. However, many Hon. Members in their speeches at second reading, when the principle of the Bill was being debated, asked Hon. Members of the Government to explain it. So I take the opportunity now to ask the Minister if she would enlighten us as to how this particular section is going to assist anyone.

Mrs. McDougall: Mr. Chairman, I believe I indicated in my comments on second reading that once again we are faced with a situation where funds have already been committed. Many of these funds have been spent. There are ongoing program commitments. We are in a position—which I believe we have explained at quite considerable length—where we have to pay for those programs and expenditures which are already in place, and we must raise the revenues to do that.

I might also point out that if we do not act in a fiscally responsible manner, we are not doing the future of this country any favour at all.

Mr. Riis: Mr. Speaker, I wonder if the Minister would indicate whether she perceives this type of taxation as being regressive taxation or progressive taxation? Given her last comment, how can she justify this type of taxation, particularly at this time when we know there is a growing gap between the haves and the have nots in Canadian society, a growing gap between the lower and upper income earners?

• (1650)

Mrs. McDougall: Mr. Chairman, I do not regard this lightly at all. This is a revenue raising tax. It is not regressive in the sense that products which people require in daily life such as food and footware, and I believe health care, are all exempted from this sales tax. So we have taken into account people at the lower income scale.

Mr. Riis: Mr. Chairman, one could argue that particular point at some length, but perhaps we will have an opportunity at third reading to develop that particular theme. I would be remiss if I did not ask the Minister to explain how this increase in sales tax, particularly as it applies to construction material, is justified. Why are construction materials not exempt from this increase? I am thinking particularly of the housing industry in this country. The construction industry in many parts of Canada has unemployment levels running in the 90 percentile range. To add now another percentage point to the federal sales tax on construction material seems to be absolutely opposite to the type of behaviour we should be seeing at this time. An incredibly hard-pressed industry is now going to be under more pressure than ever before because of this increase.

Mrs. McDougall: Mr. Chairman, the impact of this tax on the construction industry generally, or the construction of housing in particular, is essentially very low. Included in the price of a house is a very high land and labour component as well as the material component. I might also add that one of the biggest problems for people buying houses is high interest rates. If we do not deal with our problems in such a way that we bring downward pressure on interest rates, then we are never going to help the housing market at all.

Mr. Riis: I do not want to let that remark go, Mr. Chairman. I think we all recognize that interest rates are the major financial component in new construction. It seems to me that if the Government were serious about economic recovery it would be taking some action on that particular front, and not simply adding additional costs to the construction sector, which is reflected not only in that sector but in manufacturing as well where the materials are made. I just wanted to say that if the Government and the Minister were serious about high interest rates and recognized that we are, in a peculiar way, blessed with the highest real interest rates of any industrialized nation, they would take some action on that front.

Mrs. McDougall: I will not comment on that, Mr. Chairman.

The Deputy Chairman: Shall Clause 16 carry?

Some Hon. Members: Agreed.

Clause 16 agreed to.

Clauses 17 to 21 inclusive agreed to.

On Clause 22—*Definitions*

Mr. King: Mr. Chairman, notice has been given of the difficult situation with regard to farm fuels faced by farmers who use their vehicles to travel on highways. The situation is even more exaggerated with respect to logging trucks, many of which travel primarily on the highway system. Has the Minister addressed the particular situation faced by logging truck operators who travel hundreds of miles daily on highways and who will be provided very little relief under the provisions of this Bill?

Mrs. McDougall: Mr. Chairman, in the forestry business the transporting of logs is felling, limbing, and off-highway transportation to the mill. It does not include any of the production activity on logs after transportation to the mill.

Mr. Brisco: Mr. Chairman, my difficulty with the definition of off-highway transportation of logs to a mill pond or mill yard is that really, on recollection, I cannot think of a single mill—and there are several in my constituency and others in British Columbia—where the mill pound or mill yard is accessible by off-highway use. That implies that the mill is in the bush where the logging trucks are operating. These mills are inevitably some distance removed from the bush. They do not always log adjacent to the mill. Once the slope is logged off, they could be 100 miles down the highway. So I have great difficulty with the term "off-highway transportation" in reference to getting the logs to the mill yard or mill pond.

Mrs. McDougall: Mr. Chairman, the only way I can respond is in the same way as I responded earlier. We are attempting to give relief to people who are engaged in these industries, and we are limiting the relief only to the extent that

we feel there may be competitive factors involved in the transportation sector.

Mr. Angus: Mr. Chairman, I would like to follow up on those questions regarding logging. Northwestern Ontario, as in British Columbia, has no direct connections any more between the mill or mill pond and the stumps, if you like. There seems to be support on both sides of the House for deletion of the words "off-highway" in order that transportation of the raw product from the stump to the mill, where it travels in both cases off the publicly financed roads system, will not be affected. Granted that the bush roads are only partially subsidized as opposed to the public highways which are paid for fully by government, but I think it would be consistent with the Minister's comments to provide support for this sector. In northwestern Ontario we are travelling distances of 60 to 100 miles as our forests are harvested. We will not have the opportunity to harvest the second or third crop for 60 or 80 years so we do have to travel further. It would be a great addition to this Bill if this one change could be accepted by the Minister.

Mrs. McDougall: Mr. Chairman, you have to begin somewhere and stop somewhere. We have provided a substantial amount of relief for primary producers, including about $7.5 million in the next fiscal year for the forestry sector. It would always be nice to be able to offer more. We believe that we have realistic definitions. The relief in total next year is $160 million to the primary sectors. We believe that that is fairly substantial and that they will take advantage of it.

• (1700)

Mr. Angus: Mr. Chairman, I do not doubt that what the Minister says is a reflection of their considerations. I am wondering whether the Minister would be prepared to have her staff examine the number of miles of off-highway travel versus the number of miles of on-highway travel relative to the transportation of the raw product from stump to mill. Perhaps in the new year a change to this legislation could be brought in which would, in effect, provide some fairness and efficiency.

I would suspect that right now the forest-based companies have to go through a series of calculations to determine what percentage of travel of their trucks is on the logging roads and what percentage is on the public highways, then be prepared to be audited. I would suspect that for both the Government and the private sector it would be much more efficient if it were very clear in black and white. If it is hauling of raw product from stump to mill, it should have that exemption.

Mrs. McDougall: Mr. Chairman, there was a similar tax rebate some years ago and the companies involved in the forestry sector are used to dealing with the situation. They understand the definitions that we are talking about. We believe it will work the way it is.

Mr. Friesen: Mr. Speaker, the problem is that in terms of relief it misses the point because it really is not relief to the people who—

The Deputy Chairman: Order please. If the Member wishes to discuss something, would he please go behind the curtain?

Mr. Friesen: You were not speaking to me, Sir, I know. If we are speaking of relief, then it must affect the people who need it most. Under the terms of this definition, off-highway does not spell relief in any way because it does not meet the needs of the people who need it, particularly when we want to design the program in such a way that the ones who would not survive otherwise are not going to benefit, meaning the small independent logger. The big multinationals will make it some way or another. As the Minister says, they have already worked out the system and understand it very well. However, the small independent, with one, two, or three rigs, is not going to make it if he is not going to benefit from the hauling he has to do on highways. It seems to me that the officials who drafted this clause really did not understand the nature of the problem. I hope that this will be revised.

The Deputy Chairman: On one further supplementary, the Hon. Member for Kamloops-Shuswap (Mr. Riis).

Mr. Riis: No, not one further supplementary, two or three little supplementaries. I want to ask two or three questions of the Minister. I must say that I have been encouraged by interventions made by Hon. Members opposite and from all sides of the House. There obviously is a serious problem here. I appreciate the Minister's sensitivity to this problem.

With regard to changing realities, distance trucking has become a necessity and a natural extension of the operation of small independent loggers due to the lack of reforestation which has occurred over the past number of years. I suspect that when the officials originally drafted this type of legislation the nature of the logger was quite different from what it is today. They were dealing with much smaller geographic areas, and transportation from the stump to the mill pond was over small distances. To the Minister's obvious perception, that has now changed. We have heard interventions by Hon. Members who represent constituencies in which logging operations form a significant part of the local economy. It is important that the Minister note the interventions. While we may not be able to change this today with the existing information, it seems to me that this is an area worth further inquiry. It might be in order for the appropriate standing committee of the House, namely the Standing Committee on Finance, Trade and Economic Affairs, or perhaps a subcommittee to look into the matter of primary producers.

I would like to ask the Minister two or three questions of a related nature. With regard to the mining industry, I notice that this does not include activities relating to exploration for a resource. Mr. Chairman, it seems to me that at a time when we are attempting to expand economic opportunities, that kind of support might be in order. Perhaps the Minister could explain to us why she has excluded activities related to the exploration of a mineral resource from the receipt of this fuel rebate.

Mrs. McDougall: Mr. Chairman, as I explained earlier, we would like to extend the rebate as broadly as possible. We attempted to come up with the best definitions that we could. I can only suggest that there is some $37.5 million worth of tax relief to mining next year. We believe that that is a reasonable tax break which the mining sector will welcome.

Mr. Riis: Mr. Chairman, to emphasize how serious this is, I would like to move:

That in Clause 22, Section 49.01(b) have the words "off-highway" deleted.

The Deputy Chairman: Would the Hon. Member please send it up in writing? Does the Hon. Member want this deleted from the clause on page 29 where it says "in any quantity, in any other case"?

Mr. Riis: Yes, Mr. Chairman. I believe that is the appropriate place.

The Deputy Chairman: It says:

—in any quantity, in any other case;

"logging" means the felling, limbing, bucking and marking of trees, construction of logging roads, off-highway—

Does the Hon. Member want the words "off-highway transportation of logs" to be deleted?

Mr. Riis: Mr. Chairman, for clarification, my concern is the term "off-highway". We submit that that is a reasoned amendment to make the point of the problem associated with that particular clause.

● (1710)

The Deputy Chairman: Order, please. With respect, this Bill is based on the ways and means resolution. Thus, the amendment only increases the ways and means, and therefore I believe it should be ruled out of order. Shall the clause carry?

Some Hon. Members: Agreed.

Clause 22 agreed to.

Clauses 23 to 40 inclusive agreed to.

On Clause 41—*Departmental regulations*

Mr. Baker: Mr. Chairman, in computing the amount of money that the rebate will cost, how did the Department arrive at the figures of on-highway and off-highway? In other words, the Minister outlined the total amount of money that it would cost the Government to implement the rebates. In the implementation of the rebates, is the Minister saying that there was some way the Department could compute a figure that would not take into account on-highway use?

Mrs. McDougall: Mr. Chairman, all we can do in situations like this is to estimate what we feel is valid and fair. We think we have done that.

Mr. Baker: Mr. Chairman, could the Minister tell us whether any assessment has been made? If you have done the assessment on the off-highway use, as a part of that assessment, did you also assess the cost of maintaining your off-highway use and also the on-highway use for off-highway purposes?

Mrs. McDougall: Mr. Chairman, we have made an assessment of what we think is a valid and fair return to primary producers. We have attempted to define it in such a way that it applies to all people within particular areas so that we do not get into situations where some people get it and some do not, depending on their type of business. That is the kind of assessment that we made.

Mr. Baker: Mr. Chairman, the Government had an assessment done. Its assessment was based on the use of gasoline and diesel fuel by primary producers.

I submit, with respect, that in the assessment that was done, the Government could not have removed on-highway use because, as Members of the House have said about the logging industry and the potato industry, the assessment was done on the consumption of gasoline and diesel fuel. There was not an assessment done, therefore, on that portion of the gasoline that would be used on the highway as it relates to the logging industry and as it relates to the potato industry. In fact, according to the Minister's response, the assessment could not have been done because there was no reason for doing the assessment in the past.

There was no way that the Department could have discovered what portion of that gasoline would have been used on the highway as opposed to off the highway if its assessment was done on the total consumption of gasoline and diesel fuels.

On that basis, I would like the Minister to respond because her response, I believe, would mean that a future amendment could be made which is similar to the one that was ruled out of order.

Mrs. McDougall: Mr. Chairman, I am very pleased to refer these comments to my officials for discussion. I believe we have made our assessments fairly and openly. We have provided valid tax relief. I believe that the tax relief we have provided is to the benefit of all those industries. Those with whom we have discussed this have had a favourable response.

The Deputy Chairman: Shall Clause 41 carry?

Some Hon. Members: Agreed.

Clause 41 agreed to.

Clause 42 agreed to.

On Clause 43—*Interim Rate of Interest*

Mr. Brisco: Mr. Chairman, while I do not want to prolong this, my comment concerns the questions that have surfaced on both sides of the House with respect to the application of the term "off-highway". I simply suggest that it might be useful to have the benefit of the Department's interpretation of off-highway at some point today or in the future. We may well find that that interpretation in itself may provide the solution we are looking for in this debate.

While I am on my feet, I would like to make note of the contrast between the definition of logging and the reference to off-highway which is followed by the definition of mining and the absence of any reference to off-highway. The two are inextricably entwined in a constituency such as mine.

Miss Nicholson (Trinity): Mr. Chairman, the February, 1984 Budget contained proposals for a formal assessment and appeal system to be introduced into the Excise Tax Act. We are now almost at the end of this Bill and at the section dealing with interest and penalties.

It seems that the Government has chosen not to proceed with those proposals, which were an effort to have the appeal rights of Canadian taxpayers protected and entrenched in law. I would appreciate an explanation of that.

Mrs. McDougall: Mr. Chairman, the Minister of Finance specifically indicated in the economic statement his intention to deal with the administration and appeals proposal at a later date. We would like to have some further consultations. Some private sector groups have expressed concern with certain aspects of the proposed system. The Government will be reviewing those concerns and we will bring them to the attention of the House at a later time.

● (1720)

Miss Nicholson (Trinity): Mr. Chairman, I am sorry to say that in view of this Government's record of promises to date, that answer does not inspire confidence.

The Deputy Chairman: Shall Clause 43 carry?

Some Hon. Members: Agreed.

Clause 43 agreed to.

Clauses 44 to 55 inclusive agreed to.

Title agreed to.

Bill reported.

The Acting Speaker (Mr. Paproski): When shall the Bill be read the third time? By leave, now?

Some Hon. Members: Agreed.

Mrs. McDougall moved that Bill C-17, an Act to amend the Excise Tax Act and the Excise Act be read the third time and passed.

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

Some Hon. Members: Agreed.

Some Hon. Members: No.

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

Some Hon. Members: Yea.

The Acting Speaker (Mr. Paproski): All those opposed will please say nay.

Some Hon. Members: Nay.

The Acting Speaker (Mr. Paproski): In my opinion the nays have it.

And more than five Members having risen:

The Acting Speaker (Mr. Paproski): Call in the Members.

And the division bells having been rung:

● (1850)

Mr. Speaker: After consultation with all of the Parties, I have made a simple decision. I intend to order that the bells be stopped. I am now suspending the sitting until nine o'clock tomorrow morning, at which time the bells will recommence.

At 6.51 p.m. the sitting was suspended.

SITTING RESUMED

The House resumed at 9 a.m., Thursday, December 20, Mr. Paproski in the chair.

● (0900)

And the division bells having stopped at 10.42 a.m.:

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

(*Division No. 8*)

YEAS

Messrs.

Andre
Attewell
Beatty
Belsher
Bissonnette
Blackburn (Jonquière)
Blais-Grenier (Mrs.)
Blenkarn
Bouchard
Boyer
Bradley
Brightwell
Cadieux
Caldwell
Carney (Miss)
Champagne (Mrs.) (Saint-Hyacinthe-Bagot)
Champagne (Champlain)
Clark (Brandon-Souris)
Cochrane
Comeau
Cook
Cooper
Corbett
Cossitt (Mrs.)
Côté (Lac-Saint-Jean)
Côté (Langelier)
Crofton
Crombie
Crosbie (St. John's West)
Crosby (Halifax West)
Crouse
Della Noce
Desrosiers
Domm
Dorin
Edwards
Ellis
Epp (Provencher)
Fennell
Ferland
Fontaine
Forrestall
Fraleigh
Fretz
Friesen
Gagnon
Gérin
Gormley
Graham
Gravel
Greenaway
Gurbin
Halliday
Hamelin
Hamilton
Harvey
Hawkes
Hees
Hicks
Hnatyshyn
Hockin
Holtmann
Hudon
James
Jelinek
Jepson
Jourdenais
Kelleher
Kempling
Kindy
King
Ladouceur
Landry (Mrs.)
La Salle
Lawrence
Layton
Lesick
Lewis
MacDonald (Miss) (Kingston and the Islands)
MacKay
Mailly (Mrs.)
Malone
Martin (Mrs.)
Masse
Mayer
Mazankowski
McCain
McDougall (Mrs.) (St. Paul's)
McInnes
McKenzie
McKinnon
McKnight
McLean
McMillan
Merrithew
Mitges
Moore
Mulroney
Murta
Nicholson (Niagara Falls)
Nickerson
Nielsen
Nowlan
O'Neil
Oostrom
Paproski
Pietz
Porter
Price
Ravis
Reid
Reimer
Ricard
St. Germain
St-Julien
Scott (Victoria-Haliburton)
Scowen
Siddon
Sparrow (Mrs.)
Speyer

YEAS

Messrs.

Stackhouse
Tardif (Mrs.)
(Charlesbourg)
Taylor
Thacker
Tremblay
(Québec-Est)
Tupper
Valcourt
Vézina (Mrs.)
Vincent
Wenman
Wilson
(Swift Current-
Maple Creek)
Wilson
(Etobicoke Centre)
Winegard
Wise
Witer—135.

NAYS

Messrs.

Allmand
Althouse
Angus
Baker
Blaikie
Boudria
Broadbent
Caccia
Cassidy
Copps (Ms.)
Deans
de Corneille
Dingwall
Epp
(Thunder Bay-Nipigon)
Finestone
(Mrs.)
Frith
Fulton
Garneau
Gauthier
Gray
(Windsor West)
Guilbault
(Saint-Jacques)
Jewett (Ms.)
Johnston
(Saint-Henri-Westmount)
Kaplan
Keeper
Lapierre
MacLellan
Malépart
Marchi
McCurdy
Mitchell (Ms.)
Murphy
Nicholson (Miss)
(Trinity)
Nunziata
Nystrom
Orlikow
Ouellet
Penner
Pépin (Mrs.)
Prud'homme
Riis
Robichaud
Skelly
Waddell—44.

● (1050)

Mr. Speaker: I declare the motion carried.

Mr. Hnatyshyn: I rise on a point of order, Mr. Speaker. I should rise at this time to indicate that when the House reconvenes for business today at the normal hour, eleven o'clock this morning, we propose to call forward for second reading the Bill dealing with amendments to the Criminal Code. If that were to pass we would then consider going on to the currency Bill which should receive first reading later today. The borrowing Bill would be the third option.

Mr. Gray (Windsor West): Mr. Speaker, may I ask the Hon. House Leader a question? Firstly, what is the disposition of the Government to split the Bill amending the Criminal Code so that the drunk driving provisions can go through possibly immediately? I say this by way of inquiry. Secondly, when will I get a response to the very reasonable request that was made by our Leader in the House yesterday for a special debate on the subject of the protection of our social programs, before the House rises for Christmas?

Mr. Hnatyshyn: Mr. Speaker—

Mr. Speaker: I am in some difficulty given the fact that we are past six o'clock p.m. of this parliamentary day. I suggest that those matters could be discussed outside the House in context.

Some Hon. Members: No.

Mr. Speaker: If the Members wish to discuss this matter by unanimous consent, we are going to run into a problem. The Hon. Government House Leader, briefly.

Mr. Hnatyshyn: Mr. Speaker, suffice it to say that of course we are amenable, with respect to the Criminal Code amendments, to working on the basis of consensus. As the Opposition House Leader will know, I have had discussions with both opposition Parties. At this point in time it is not possible to arrive at a consensus with respect to this matter, but I take it that he is opening that matter up for discussion.

With respect to the second item, I guess he will have to make up his mind, Mr. Speaker. If he wants to discuss matters in House Leaders' meetings and then ask for a response here, come on to the floor of the House of Commons and start negotiating in public, I guess he will have to decide how he wants, on behalf of his Party, if he indeed speaks for his Party, to conduct the negotiations with respect to House business. I am happy to carry on the tradition of dealing in a spirit of co-operation in House Leaders' meetings with the opposition House Leader, but I am not going to sit and negotiate publicly a matter that he initiated privately.

Mr. Speaker: The rules require me to find that it is after six o'clock p.m. The Hon. Member for Hamilton Mountain (Mr. Deans) on the same point of order.

Mr. Deans: Mr. Speaker, I cannot see that anything useful is being achieved at the moment. I would like to invite my colleagues to join me and perhaps we can discuss these matters.

Some Hon. Members: Hear, hear!

Mr. Speaker: It being after six o'clock p.m., this House stands adjourned until eleven o'clock a.m. later this day.

At 10.54 a.m. the House adjourned.

HOUSE OF COMMONS

Thursday, December 20, 1984

The House met at 11 a.m.

• (1105)

GOVERNMENT ORDERS

[*English*]

CRIMINAL LAW AMENDMENT ACT, 1984

MEASURE TO ENACT

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada) moved that Bill C-18, an Act to amend the Criminal Code, to amend an Act to amend the Criminal Code and to amend the Combines Investigation Act, the Customs Act, the Excise Act, the Food and Drugs Act, the Narcotic Control Act, the Parole Act and the Weights and Measures Act, to repeal certain other Acts and to make other consequential amendments, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Kaplan: Mr. Speaker, before we begin debating the substance of the Bill, I wanted to ask, as a matter of order, whether the Government is prepared to separate out the drunk driving provisions so that they could be enacted before—

Mr. Speaker: That may well be a matter for negotiation between the Parties, but I really do not think it is a point of order, with respect. I therefore recognize the Hon. Minister of Justice (Mr. Crosbie).

Mr. Crosbie: Mr. Speaker, in starting the debate on second reading of this Bill I might say that the situation has not changed since yesterday. The Hon. Member for York Centre (Mr. Kaplan) heard me say yesterday, at a press conference which he attended, that I am hopeful that this Bill will go through the House as a whole. There is nothing in it which is strange or startling compared to last year. Most of these provisions were introduced last year in a Bill known as C-19.

We are prepared, of course, to consider that the Opposition is obdurate and for some reason does not want to pass the Bill as a whole. As far as I can see, the provisions in this Bill are largely non-controversial. They are provisions that were introduced last year. The more controversial aspects of the Bill that was introduced last year have been removed. Many of them will be back in the House in further legislation which I hope to introduce in the next session.

I hope to persuade the House that the proposals now before it are not controversial or strange or in any way dangerous to the public will. I am hoping that the whole Bill will go through because all of the provisions of the Bill are needed. However, if it appears that it is going to take a long time or there is some great difficulty, we are prepared to consider other arrangements. This Bill is not just concerned with impaired and drunken driving. There are many other good provisions changing the law in this Bill that need to be passed by the House. I do not think that we should fasten on only one aspect of this Bill.

I would like to indicate at the start some of the provisions of the giant Bill introduced last year that are not included in this Bill. We have removed from the Bill the areas dealing with sentence reform. Last year's Bill was a 306-page Bill. This is a 172-page Bill. The area of sentencing reform is going to be dealt with in 1985.

I hope to deal with the area of obscenity and pornography when we introduce legislation in February or as early in the year as possible. The area of soliciting for the purposes of prostitution will be dealt with in amendments which will be introduced next year.

The area of contempt of court, which was quite controversial, particularly with respect to the judiciary, will be dealt with. There are going to be changes there. I think some of the objections that were put forward by members of the judiciary with reference to those proposed changes had to be considered and dealt with, so that will be dealt with next year. The question of changes with respect to jury trials is another area which I propose to leave until next year.

In the Bill before the House, which I will be describing for the next few minutes, are areas which are largely non-controversial. There are provisions to deal with computer crime. There are provisions to deal with search and seizure to ensure that that area of the law complies with the Charter of Rights and court decisions. In this Bill we are dealing with international conventions which relate to the proliferation of nuclear material. We are dealing with provisions that enable us to carry out our responsibilities under the International Convention on the Physical Protection of Nuclear Material. In addition, there are provisions in the Bill which deal with enabling us to carry out our responsibilities under the Convention to Facilitate the Prevention, Prosecution and Punishment of Acts of Hostage Taking.

This is not just a Bill to deal with impaired driving. It is a Bill to deal with many important areas of the law that need to be changed at the moment, including hostage taking and drug control. There are provisions in this Bill to deal with controlling the medical use of narcotics and controlled drugs.

When I am finished outlining the provisions that are in the Bill, most of which are not new to Members of the House, having been proposed last year in Bill C-19, I trust and hope that Members of the House will be—

Mr. Prud'homme: There are 125 new Members.

Mr. Crosbie: That is right. There are 125 new Members and just about all of the old Members replaced were Liberals. It is a painful memory for the hon. gentleman, but the new Members who replaced the old Members are quick-thinking, intelligent, alert and they can catch up on these things.

Some Hon. Members: Hear, hear!

Mr. Nunziata: Thank you.

Mr. Crosbie: It does not take too long for them to catch up on what the old Members had learned.

Mr. Nunziata: I agree with you, John.

Mr. Crosbie: I know that you will want to listen to me in dead silence and not interrupt me.

Mr. Ouellet: Dead silence?

Mr. Crosbie: Dead silence is probably the best kind of silence you can have after a caucus party.

With the exception of Bill C-127, which was enacted in 1982 and dealt primarily with sexual assault, extensive amendments have not been made to the criminal law since 1977. Our Bill presents proposals to amend the law concerning impaired driving and other aspects of the Criminal Code. As I have said, many of them were introduced last year in Bill C-19. I do not view changes to the criminal law as being partisan or feel that it should all originate in the mind of one political Party or the other. We are quite prepared to give hon. gentlemen opposite credit for coming forward with these changes last year. That is, of course, why we expect their co-operation in passing this Bill through the House and into committee as we have requested. The parts before the House now are either needed on an urgent basis or are needed and are non-controversial.

I have mentioned some of the main points that we are dealing with in the legislation. First, let us deal with impaired driving. We all know that the consumption of alcohol seriously affects a person's ability to drive. In fact, it seriously affects a person's ability to perform generally. Certainly, the ability to drive is impaired by alcohol. In spite of this, there are tens of thousands of people who insist on driving while their ability to drive is impaired by alcohol.

• (1110)

I remember being extremely impressed during a visit to Switzerland some years ago on a financing deal on behalf of the Newfoundland Government. I can say that I was not visiting my bankers but was there on business for the Newfoundland Government to borrow some money. Arrangements had been made for us to see the president of one of the major Swiss banks. As it turned out, we could not see him because he was serving a jail sentence for impaired driving. There are no options in that country; there is no namby-pamby option of a fine in Switzerland. If a person is convicted for impaired driving that person goes to jail. It does not matter if you are the president of a bank and earning $500,000 a year. Perhaps we will have to consider that in other years if this legislation does not improve the situation.

Impaired driving is one of our most serious social problems. On any given night, 25 per cent of the drivers on the road in Canada have been drinking, 6 per cent of whom are legally impaired, according to the studies. That is a frightening statistic. If one drives along the Trans-Canada Highway in Newfoundland—believe me, that is the highway on which you need to have all of your faculties at their pitch of perfection in order to survive anyway—when one considers that 25 per cent of the drivers on the Trans-Canada Highway in Newfoundland have already been drinking and 6 per cent are legally impaired, one would turn one's car in and walk from then on.

It is estimated that alcohol is involved in 50 per cent of all fatal traffic accidents and in 30 per cent of all injuries caused in traffic accidents. Drunk drivers take the lives of some 2,500 Canadians each year. I think we all agree that this is alarming and that we must do something to attempt to stop that kind of carnage.

Our legislative response in this Bill focuses on three main concerns: new offences concerning the impaired driver who injures or kills; second, the penalties meted out to impaired drivers; third, the deficiency in the law whereby an impaired driver can, in certain circumstances, avoid a blood test to determine the amount of alcohol in his bloodstream. Such a circumstance could be if he is admitted to a hospital or is suffering in some way.

These are the three areas with which we want to deal. There are offences which address the causation of death. For example, there is manslaughter which is causing death or bodily harm by criminal negligence. However, there is a serious discrepancy between the incidence of fatal or serious collisions and the rate of convictions on those offences. In part, this may be due to the exercise of prosecutorial discretion but there are legal reasons as well.

When dealing with offences based on negligence, proof of impairment of the ability to drive will not support a finding of criminal negligence unless accompanied by extrinsic physical evidence of conduct that shows wanton or reckless disregard for the lives and safety of others. That is why it is difficult to get convictions for motor manslaughter. Therefore, the present provisions applicable to situations where impaired driving causes injury or death are not broad enough to be applied in all instances where death or bodily harm has resulted.

We are introducing new offences in this Bill. In order to expand the scope of liability in cases where the driver's consumption of alcohol or drugs was the cause of the death or the injury, we are proposing that new offences of dangerous driving and impaired driving causing death or bodily harm be enacted specifically to address the causation of death or bodily

harm in circumstances which, while amounting to illegal driving behaviour, may not amount to criminal negligence or manslaughter. That is a bit of a tortured way of explaining it but, as Hon. Members know, law and the legal system often require tortured language to try to explain what is being done. We are creating these new offences to apply in circumstances where there has been illegal driving behaviour but it is not perhaps criminal negligence or manslaughter.

There are three reasons for considering whether steps should be taken to increase sanctions against unlawful driving that causes death or bodily harm. First, it is an anomaly that driving offences should explicitly condemn conduct that creates a grave risk to public safety but fails specifically to condemn the conduct when the risk results in bodily harm or death. Second, an alarming proportion of deaths and grievous injuries involving motor vehicles, vessels and aircraft are caused by negligence or dangerousness which can be attributed in large measure to impairment. Third, public opinion is changing with respect to how we perceive criminality and unlawful driving that causes death or bodily harm, especially where impairment is a significant factor.

The opinion of the public is changing. The public no longer regards drunken driving to be merely some kind of offence that can happen to any of us and for which we might all be guilty and therefore should not be punished too severely. That attitude is changing.

In recent years we have seen many organizations of people who are concerned about the rights of victims. I am continually receiving correspondence from organizations or people whose relatives had suffered terrible injuries in automobile accidents caused by an impaired driver and from organizations whose families have had someone die as a result of impaired driving. They are forming groups and organizations and demanding that we do something about this. We are attempting to do that.

In addition, we are proposing that a new offence of driving while disqualified be enacted. We all know dozens of cases of people whose licences have been lifted by the provincial authorities but who drive and are picked up again. We will create a new offence of driving while disqualified. We expect that the wording of the new offence will rectify the problems that were presented by the Supreme Court of Canada decision in the case of *Boggs versus The Queen*, where the Supreme Court ruled that the current offence of driving while disqualified was *ultra vires*, "beyond our power", because the criminal sanction could be imposed for the violation of a provincial licence suspension pursuant to a conviction for a non-criminal highway traffic offence.

In order to get around that, the new offence will apply only to violations of a new judicial order of prohibition which is contained in this legislation, upon which I will expand later, and violations of provincial licence suspensions that are imposed pursuant to a criminal driving offence. That will get around this difficulty that the Supreme Court of Canada found.

I propose that the penalty for dangerous driving be increased from the present maximum of two years to a maximum of five years. If one is convicted of dangerous driving after this legislation is passed, one can be sentenced for up to five years.

I am also proposing that the offence of criminal negligence in the operation of a motor vehicle be repealed. The distinction between negligent and dangerous driving has troubled the courts for many years. In a nutshell, the controversy arises from the need to distinguish driving that shows wanton or reckless disregard from driving that is dangerous to the public. That has been the problem. The repeal of criminal negligence in the operation of a motor vehicle will eliminate these difficulties.

There is no substantive reason why the criminal law should provide for negligent and dangerous driving as separate offences. They are variations of a single concept of risk creation. The offence of dangerous driving is a broader concept and includes instances where liability could be imposed for negligent driving. Increasing the penalty to five years, which was the previous maximum for criminal negligence when you operated a motor vehicle, will give the courts the discretion to impose heavy sentences where the circumstances warrant. I hope the House will support that.

Research shows that the typical drinking driver appears to be male, single, less than 50 years of age and coming from a bar, and driving a car as opposed to a truck or other vehicle. Let me emphasize the fact that the typical drinking driver is male, single, less than 50 years of age, who is coming from a bar and is driving a car. It is likely that the offender has committed other non-criminal traffic violations, and approximately one-quarter of offenders have previously been convicted of drinking and driving offences under the Criminal Code. This suggests that the penalties imposed on these offenders have not worked in the past. That is an argument for increasing the penalties now. Ninety per cent of the offenders are now fined and the fines for impaired drivers range between $100 and $300, above the mandatory minimum of $50 but well below the maximum fine of $2,000 for a first offence.

• (1120)

Fines appear to vary somewhat by offence and in different parts of the country. They are usually higher in western and Atlantic Canada than they are in central Canada. I do not know why that is but it is a fact. The courts are now prepared to impose fines substantially above the average where circumstances warrant. Depending on the province, 25 per cent to 40 per cent of all Criminal Code matters—and this is interesting, Mr. Speaker; I know this is a bit turgid and heavy—

Mr. Waddell: And fascinating.

Mr. Crosbie: Is the Hon. Member for Vancouver-Kingsway (Mr. Waddell) fascinated?

Mr. Waddell: Yes.

Mr. Crosbie: Anything that can fascinate the Hon. Member for Vancouver-Kingsway has got to be of some interest to everybody, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Crosbie: Depending on the province, 25 per cent to 40 per cent of all Criminal Code matters dealt with by the courts are for impaired driving, driving when one has over 0.08 per cent of alcohol in one's blood or for refusing to provide a breath sample. Convictions for those offences account for 20 per cent to 25 per cent of all provincial jail admissions.

There is a noise in the Chamber, Mr. Speaker. Maybe somebody is being taken away now.

Some Hon. Members: Oh, oh!

Mr. Waddell: They are calling for you, John.

Mr. Crosbie: I think there is a Cabinet meeting on, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Crosbie: The average daily cost of incarcerating an individual—I would have said, had I written this, "jailing" an individual—is approximately $65. The direct cost to the taxpayer is therefore pretty significant.

Mr. Nunziata: Mr. Speaker, the Minister just said, had he written what he is delivering. The former Minister of Justice and Attorney General of Canada on November 9, 1983 delivered a speech to the Victoria Chamber of Commerce in Victoria, British Columbia—

Mr. Speyer: What is the Hon. Member's point of order?

Mr. Nunziata: The Minister has misled this House. He has virtually plagiarized a speech delivered—

Some Hon. Members: Order.

Mr. Deputy Speaker: Order, please. The Hon. Member does not have a point of order.

Mr. Crosbie: Mr. Speaker, I was interested in that point of order. It shows the degree of imbecility that one can come across in this House.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Crosbie: These are notes prepared by the Department of Justice. I am going to use them. If the hon. gentleman wants to say that some Liberal used similar notes a couple of years ago, all I can say is that I hope he delivered them as well as I am delivering them.

Mr. Deputy Speaker: The Minister should go on with his speech and not argue a point which the Chair has ruled is not a point of order.

Mr. Nunziata: This is the epitome of laziness. You liked our Bill so much you took our speeches.

Mr. Speyer: There are echo chambers between your ears.

Mr. Crosbie: The hon. gentleman has just come from Queen's Park. That explains it.

Mr. Nunziata: You have had too much to drink.

Mr. Crosbie: Drinking and driving is perceived by the public to be a matter of concern. There is more public support for tougher drinking and driving legislation. There is some evidence that the desire for heavier sentences has focused particularly on drinking drivers who have been involved in serious traffic accidents and have killed or injured innocent people. The surveys show that a majority of people do not favour a mandatory prison term for a first offence. They prefer instead fines in the range of $100 to $500. A substantial majority appear to support mandatory imprisonment for a second offence. I would be prepared, I think, to consider a mandatory prison term for a first offence, but the public does not appear to favour that yet. However, if the steps we are taking now do not appear to result in a satisfactory response, then the Members of the House can consider that in future years.

The experience also suggests, and this is interesting, that where legislative reforms are introduced with considerable publicity and accompanied by enhanced enforcement efforts, alcohol-related traffic fatalities decrease in the short run but return to their previous levels within a period ranging from several months to a year or two. In other words, when the House passes this legislation and there is publicity and enhanced enforcement, the statistics will show that the number of traffic fatalities from alcohol will go down.

The view is widely held that legislation tends to be effective in the short run because drinking drivers perceive that there is a higher probability of being apprehended and punished. That kind of perception does not continue as publicity dies down and enforcement efforts are relaxed because drinking drivers feel that there is a low probability they will be caught. Therefore, a driver's perception of the risk of being caught is a more critical factor in the longer term than the severity of the sentence.

The most significant implications that might occur would flow from a decision to make more extensive use of incarceration. Experience in the United States suggests that if you introduce jailing rather than fining, those kinds of changes can lead to more plea bargaining, larger numbers of contested trials and increased pressure on prison facilities. The American Bar Association reported that mandatory sentencing for drinking and driving offences caused overcrowding of jails in almost every section of the U.S.

We cannot predict with any precision what the impact on our justice system might be with these possible amendments to the Criminal Code. It is interesting to note that British Columbia officials have estimated that increasing the mandatory minimum period of imprisonment for a second drinking

and driving offence from 14 days to 30 days would result in additional spending in that province of $2.7 million because of the increased numbers of people who would go to jail. You can see, Mr. Speaker, that if we introduce mandatory minimum terms of imprisonment on the 90 per cent of offenders currently fined there would be a very significant increase in the number of people jailed and a significant increase in costs.

The legislation proposes that the minimum fine be increased for impaired driving from $50 to $300. That would be a six-fold increase in the minimum fine. This would also bring the minimum fine more in line with what judges are actually imposing.

We are not suggesting an increase in mandatory jail sentences at this time for the reasons that have been suggested earlier. Research indicates that it will not deter impaired driving and might be counter-productive, although I am inclined to the other view.

• (1130)

As Hon. Members know, a sentencing commission has been appointed to examine the whole question of sentencing in Canada. I think it is supposed to spend the next two years on that task. It will be examining the usefulness of effectiveness of all mandatory minimum sentences. That will be included in the report at the end of the period of the commission.

In addition we are suggesting mandatory suspension of driving privileges. That appears to be an even greater deterrent to impaired driving because that sanction causes impaired drivers great inconvenience. The legislation proposes a mandatory judicial order of prohibition from driving. The maximum period of prohibition would be three years and the minimum period would be three months for a first offence, six months for a second offence and one year for a third or subsequent offence.

That prohibition will apply all across Canada. It will be superimposed. It will not depend upon penalties or restrictions which provincial registrars of motor vehicles may impose. They could still impose what penalties or restrictions they like. This will be superimposed over any penalty they may wish to impose. There will be no exceptions to the rule. Every drinking driver will have to be made aware of the risk of the loss of the privilege to drive. No matter what their personal circumstances or occupation may be, there will be a mandatory judicial order of prohibition from driving if they are convicted.

The Bill also proposes a discretionary judicial order of prohibition from driving for all other driving-related offences. There is the mandatory and the discretionary. The maximum prohibition would be for life for those offences which have a maximum sentence of life imprisonment—manslaughter or criminal negligence causing death. In the case of criminal negligence causing bodily harm or causing death or bodily harm by dangerous driving or impaired driving, it will be 10 years, and three years for all other driving-related offences. There will be much greater stress on the suspension of driving privileges.

Also it is proposed in the legislation that a judge be empowered—and this is new—to order that any vehicle used in the commission of an impaired driving offence be immobilized for up to one year if the accused is the owner, the holder of a long-term lease or the principal driver of the vehicle. Another possible penalty will be that the vehicle is ordered to be immobilized. That is to ensure that persons, in particular those who do not obey or observe orders of prohibition from driving or licence suspensions, do not drive the vehicle. We all know of many instances where people who were ordered not to drive or had their licence cancelled continued to do so. The judge will be able to order that the vehicles of repeat offenders be immobilized. It will depend upon the province; they can use a Denver boot or whatever other means they want to see that the vehicle is immobilized.

We are informed that research on deterring impaired drivers indicates that the emphasis has to be put on the effectiveness of the sanction, not just how severe or how difficult it is. Some people may feel that the increase in the minimum fine from $50 to $300 is not severe enough to deter impaired driving, but when that is placed in the context of the other penalties which I have just outlined, it is different; then I think the sanctions are tough and effective—to have one's vehicle impounded, be prohibited from driving and so on.

Another feature of the Bill which is very necessary and has to be included with the provisions applying to driving offences is the acquisition of blood samples. In 1969 Parliament reached a compromise. It required a person to provide a breath sample, not a blood sample. That may have been an acceptable compromise at that time. However, since then we are all aware of the fact that fatalities on the highways have risen, the public is more aware of the problem, there are demands for action and more has to be done. We need other tools in addition to the obtaining of a breath sample.

It is difficult to prove responsibility under existing legislation in a number of cases where evidence may become unavailable.

Mr. Nunziata: You are just reading Mr. MacGuigan's speech.

Mr. Crosbie: This is my speech.

Mr. Nunziata: It is MacGuigan's.

Mr. Crosbie: MacGuigan's speech was prepared by the Department of Justice. The same people prepared notes for me. Many of the notes might be the same.

Mr. Nunziata: Many, many.

Mr. Crosbie: So what?

Mr. Nunziata: Can't you read your own speech?

Mr. Crosbie: If the hon. gentleman does not want to listen to me, he does not have to stay in the House. He can leave the House. I would take a blood sample from the Member if I thought I would find any blood.

Mr. Waddell: Mr. Speaker, I rise on a point of order. I hesitate to interrupt the Minister, but this is a very important debate, with 2,500 people dying per year. Rather than supercilious heckling from both sides, we should get on with the matter. If the Minister wants to read his speech, it is fine with us. It is a very technical and very important area, and we should get on with it.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: I would invite all Hon. Members to listen to the Minister, especially one Member who has been interrupting him.

Mr. Crosbie: Mr. Speaker, I am quite prepared to wing it, but the information would not be as accurate as the House is getting at the moment. When I finish with these notes, I intend to speak for another couple of hours. I will wing it for a few hours. The Member should put his mind at ease. I can give a speech without notes. I can give a speech for two hours. If he aggravates me, I will do it until the end of the session on Friday.

Mr. Ouellet: That is what we want.

Mr. Crosbie: To get back to breath samples, there are cases where the present sample is not adequate. What are some of the examples? Sometimes there has been an accident and the driver is unconscious and cannot provide a breath sample. Perhaps the Hon. Member could; he seems to be able to blow on all occasions, conscious or unconscious. Another situation would be where the driver is conscious but has sustained injuries which make it impossible for him to comply with the demand for a breath sample. Or the driver may be conscious but pretends to be seriously injured in order to avoid a breath test. He may be conscious but incapable of comprehending the nature of the demand for a breath sample, or he might be conscious but incapable of providing a breath sample because of his medical condition. He may be suffering from emphysema, asthma, brown lung disease or some other disease which renders him incapable of giving a breath sample. Breath samples are not always satisfactory.

One solution is a blood sample from people suspected of impaired driving. However, we have to balance certain interests, civil liberties or rights, such as the right not to have one's person interfered with. That right has to be balanced against the right of the public to be secure and people to be protected from injuries when on public highways, the rights of society as a whole. One has to be balanced against the other.

• (1140)

What can we do with respect to blood samples? The balancing process has produced the provisions we have included in this Bill. In respect of people who are conscious and can consent to giving a blood sample, we are proposing that a blood sample be taken only if there is consent. Suppose there has been an accident and someone is suspected of drinking. That person will be asked for his or her consent to give a blood sample. If he or she says no to giving a blood sample, then he or she will not have to give a blood sample. However, if that person does not give the blood sample after having been asked to and is conscious and can make a choice, he or she can be charged with the offence of refusing to give a blood sample and the penalty would be the same as if that person were charged with impaired driving. In other words, that is the same provision that now applies with respect to breath samples.

Mr. Marchi: What page is he on in the MacGuigan speech?

Mr. Crosbie: Mr. Speaker, that is how it works when a person is conscious.

Some Hon. Members: Oh, oh!

Mr. Crosbie: If the hon. gentlemen are interested—

Mr. Waddell: The Liberals are not interested in this Bill.

Some Hon. Members: Hear, hear!

Mr. Crosbie: Mr. Speaker, what about a situation in which an individual cannot give his consent for reasons that I have mentioned? We are then proposing that acquisition of a blood sample be mandatory. We are proposing that if a person is not conscious, we will be able to take blood sample under certain circumstances through the use of a judicial warrant which might be obtained by means of a telephone or other telephonic instrument. This is to be limited to cases where death or injury has occurred at the scene of an accident. We believe that if death or injury has occurred at the scene of an accident, then the rights of society justify the potential infringement on the civil liberties of the unconscious person. This, of course, can only occur if the person is unconscious.

All of the blood samples, if they are taken, will be taken by licensed medical practitioners or other qualified persons who are authorized by, or working under the direction of, a licensed medical practitioner. A blood sample will not be taken in these circumstances unless a medical practitioner is satisfied that taking a blood sample will not endanger the life or health of the person involved.

In addition, the legislation proposes that the accused be given a sample of his own blood for independent analysis. There are many safeguards in connection with the taking of blood samples. As I recall, the laws of Saskatchewan and British Columbia already provide for the taking of blood samples in similar circumstances.

What, then, is this telephonic warrant or telewarrant? As you know, Mr. Speaker, the legislation will remove writs of assistance. Under previous Governments, the writ of assistance has existed for many years. That writ permits a certain number of RCMP officers who are enforcing the drug or customs and excise laws to enter homes without a search warrant. Many have considered the writ of assistance to endanger basic individual rights of Canadians. A writ of assistance continues to run, has no time limit and can be used by the RCMP member who has it. New writs have not been issued since 1976, I believe.

The British Columbia Court of Appeal has found the writ of assistance to be in accordance with, and not invalidated by, the Charter of Rights and Freedoms, while the Ontario Court of Appeal has found the writ of assistance to be invalidated by the Charter of Rights and Freedoms. If the House passes this legislation, it would end the matter in any event because the writ of assistance will no longer exist.

As was proposed last year, we are proposing the telewarrant. There is nothing new, strange or startling about the telewarrant, Mr. Speaker. The State of California has had them for a number of years, as has the State of New York, the State of Arizona and the State of New South Wales in Australia. They are in use in other jurisdictions as well. In effect, it is a conventional warrant that is obtained by using the telephone or other means of telecommunication. The person seeking the warrant does not appear in person before a justice of the peace or provincial judge to get a search warrant, but gets it most likely over the telephone. It is done under oath, and reasonable grounds for believing that evidence of an offence may be found at a specific location must still be given.

The person seeking the warrant does not appear personally before the judicial person to obtain it and the judicial officer's signature will not appear on the copy of the telewarrant. However, the judge himself will be filling in the necessary details on his side of the telephone and the police officer will do the same on the document that he has on his side of the telephone. He will then leave a copy of it with the person whose premises he is searching by use of that telewarrant.

Telewarrants are to be used only in cases in which it is impractical to apply for a conventional warrant. In some circumstances they may be used in order to get a blood sample from a person who was in an accident, is suspected of impaired driving and is unconscious. They may be used in a situation such as one which might occur in the Yukon or Northwest Territories in which the RCMP member or police might have to travel 40, 50 or a couple of hundred miles before he could find a person to whom he could apply to receive a search warrant. It is to be used under those kinds of circumstances.

This proposal is similar to a recommendation made by the Law Reform Commission of Canada and, I think, fully protects individual rights. It is fully—

Mr. Deputy Speaker: I regret to interrupt the Hon. Minister but the allocated time is up.

Mr. Kaplan: Mr. Speaker, in view of the importance of the subject and the importance of the Minister's having the opportunity to explain it all, I think he ought to have more time, but certainly not the unlimited weeks, days and hours that he implied might be required.

Mr. Deputy Speaker: Do I gather that there is unanimous consent for this? I would like to put a limit on the time of 10 or 15 minutes. May I suggest 10 minutes?

Some Hon. Members: No.

Mr. Nunziata: Mr. Speaker, perhaps we might ask the Minister how much time he requires in order adequately to introduce the Bill, and then agree unanimously to a specific amount of time.

Mr. Crosbie: Mr. Speaker, I was under the impression that when introducing a Bill one has unlimited time.

Mr. Ouellet: No, you're not the Leader.

Mr. Crosbie: We're not talking about what should be. I will certainly finish within 30 minutes, Mr. Speaker.

Mr. Deputy Speaker: I gather there is such unanimous consent?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: I recognize the Hon. Minister of Justice.

Mr. Deans: One of the most interesting leadership speeches I've heard in a while.

Mr. Crosbie: The difference between us and the two opposition Parties is that we do not need any other Leader.

Mr. Ouellet: It took you a long time to say it.

Mr. Crosbie: It took me a long time to be convinced but now I am convinced.

I had better speed up a bit in order to cover some of the other main sections of the Bill. My parliamentary assistant who, of course, is a real expert in all these areas will hopefully be able to answer any questions that are asked.

• (1150)

The legislation also deals with computer crimes. It covers three aspects of the problems associated with the abuse of computer systems. One of those aspects is already covered by the law, that is, the destruction of hardware and instruments of a computer system. That is adequately covered. However, there are two areas which are not adequately covered. One area is the unauthorized acquisition or destruction of the data in a computer system. The other area which is covered by this legislation is the unauthorized use of computer services.

As all Members of the House will know, with the increased use of computers the instances of abuse are occurring more frequently. People who are not authorized to use computer systems are plugging into them. I do not know how this is done because I am not mechanically minded, but apparently it can be done and it is being done.

Mr. Waddell: Watch the movie *WarGames*.

Mr. Nunziata: Look who's talking! You sanctimonious son of a gun.

Some Hon. Members: Oh, oh!

Mr. Crosbie: Mr. Speaker, some people cannot help but let their innate nastiness out.

In order to save time, I would suggest that Hon. Members look at the provisions which deal with computer systems. The legislation will bring the law up to date in that area. If the amendments are passed, it will be an offence under the Criminal Code to wilfully destroy, alter or interfere with the lawful use of data in computer systems. In addition, it will be an offence dishonestly and knowingly, without authority, to obtain a computer system service, intercept the function of a computer system, or use a computer system with the intent to commit any of the above-mentioned offences. That will correct an area of the law which is now lacking. As a matter of fact, a year or two ago there was a committee of the House which examined this area and recommended changes similar to the ones which are included in this legislation.

The legislation deals with the matter of search and seizure. I have already talked about the writ of assistance, but I would like to put on the record that a writ of assistance is a court order issued by the Federal Court under the Customs Act, the Excise Act, the Food and Drugs Act and the Narcotic Control Act. The writ empowers the officers named to search any place, including a dwelling or a house, at any time in the execution of their duties, to enforce the relevant Act. The writ empowers its holders to enter any place without requesting entry, to break open doors, chests, locks and containers. It is valid as long as the holders are officers under the Acts. Obviously, a very broad power is being removed. In removing the power of the writ of assistance, I believe we will have to replace the system with telewarrants. Telewarrants will be of some assistance to the police and the RCMP when they lose the right of issuing a writ of assistance.

I have already described telewarrants. The United States has been using telewarrants for 14 years. They have consistently withstood constitutional challenges. In other words, the system has been found to be in accord with United States law and the Bill of Rights. The system has been held to be a reasonable alternative to the conventional warrant. Telewarrants must be taken under oath and recorded by the justice who issues them. Research has been done in this area, mostly by civil liberties groups, and it has been found that there is broad support for this procedure in the legal community.

The Bill includes restrictions on publicity when searches are made. A search may be made on a certain premises, but there may not be any charges laid. It would seem to be unnecessarily harmful to the persons whose premises had been searched to have their names reported and publicized in the event that a charge is not laid. It could affect their reputations. The amendment would impose restrictions on publishing the facts of the search, unless the persons involved gave their consent or charges were laid.

Another area in the legislation deals with solicitor/client privilege. If documents are seized from the possession of lawyers and they claim that the documents are privileged, the documents can still be seized but they would be placed in a sealed packet and would only be made available to the prosecution if a judge made the finding that the documents were not protected by the solicitor/client privilege.

There is a provision in the Bill which calls for the prompt return of seized property. We have all happened upon people who were quite annoyed because they had suffered a theft or a break-in and their property had to be used as evidence in court proceedings. It often takes months, sometimes years, before that property is returned to those individuals. The proposed amendments will require reviews to be made at each stage of the proceedings, and will require that such property be quickly returned to the owners.

As I mentioned earlier, there are two provisions in the Bill which will enable us to carry out our obligations pursuant to the International Convention on the Physical Protection of Nuclear Material and the Convention to Faciliate the Prevention, Prosecution and Punishment of Acts of Hostage Taking. Both of those conventions require changes in our criminal law.

Canada's jurisdiction over nuclear material offences will be extended to cover instances where crimes are committed in our territory, on board a ship or aircraft which is registered in Canada, where the offender is present in Canada but not extradited, or where the offender is a Canadian national. Although we are a party to that convention, we have not ratified it because the necessary amendments have not been passed.

With regard to the hostage taking convention, the Bill creates a specific offence for hostage taking which includes essential elements as defined in the convention. The legislation sets out a penalty which reflects the grave nature of the crime and gives the courts extra-territorial jurisdiction in connection with the offence and the offender, in accordance with the manner in which the convention sets it out. If the amendment is passed, we will be in a position to ratify that convention and to act in the event of hostage taking incident.

I mentioned earlier that there are provisions in the legislation which will provide more effective control over medical prescriptions which are issued by practitioners who do not observe the law. It will help in controlling the medical use of narcotics and controlled drugs, and people who seek narcotic prescriptions without telling the medical practitioner that they had obtained a narcotic prescription during the previous 30 days. I believe that these steps need to be taken and should be taken quickly. Another amendment in the legislation would clearly provide that the proof of commercial consideration is not an essential element of the offence.

There are a number of other amendments which are designed to improve the administration of justice. They deal with the jurisdiction of provincial courts, appeal procedures, preliminary hearings, the powers of judges at trials, credit card crimes, air safety and motor vehicle odometers.

There are two specific amendments that should reduce the backlog of cases and expedite trials: pre-trial conferences and the disposition of preliminary matters in the absence of a jury. Those amendments are very sensible. Pre-trial conferences would allow the judges to hold those conferences and to call in

counsel for both sides to consider various matters which might make the trial more clear or expedite the trial. The value of the pre-trial conference has been proven very amply. In jury trials, pre-trial conferences will be mandatory, if the amendments are passed. The conferences would be held pursuant to the rules of the court. It is done a great deal in Ontario and it has been found to be most valuable.

We are all familiar with the movies and with the fact that arguments often ensue as to whether certain evidence is admissible. The jury must be absent from the courtroom when these arguments are being made. Sometimes the arguments take as long as a day or a day and a half. There was one case in Newfoundland recently where the jury had to be excluded for a couple of days while the admissibility of evidence was argued.

• (1200)

If we pass the amendments which have been suggested to the House, then the judge and the lawyers could decide those kinds of questions before the trial begins so that the jurors are not forced to be absent from the court for hours while these arguments take place. It is time that someone gives some thought to the comfort of jurors. People called upon to serve as jurors lose a lot of their time and it is too bad that they are treated in this way. To exclude jurors from the courtroom while these arguments go on is a waste of time and extremely expensive as well. The provision is included here so that the judge and the lawyers involved can settle these issues before the trial begins.

I believe I have now outlined the Bill, with the help of the Department of Justice which prepared the notes. Most of the important provisions which are in this legislation have been pointed out to the House. I could continue but my Parliamentary Secretary will be speaking and he will be able to address himself to any points which Hon. Members opposite want to raise.

With respect to any suggestion that the Bill should be divided, as I said previously we are not opposed to considering whatever might be suggested. However, I do not believe that to be necessary. These amendments are all necessary and timely. It is long past time they were passed. They do not endanger the common weal of the country at all. They are a step forward and an improvement to the law. While I am anxious that we should deal with the question of impaired and drunk driving as quickly as possible, I believe these other issues should be dealt with as quickly as possible as well.

Considerable work was done on this Bill in order to divide up Bill C-19, which was felt to encompass too much for one swallow by Members of the House of Commons and the Justice Committee. We have attempted to address these provisions which I am sure it will be widely agreed are necessary. I cannot see them as being controversial and I believe we should deal with them, and deal with them expeditiously. There may be—and I am sure there will be—much more need to debate amendments in the other areas I mentioned earlier which we hope to come forward with in February. They will be more controversial and we will need a longer time to deal with them. However, I hope that Members of the House will deal expeditiously with this legislation today and we will be able to refer the Bill to the Justice Committee.

Unless the Opposition is very much impressed it is unlikely that we can pass the legislation in all stages today and tomorrow. Upon looking across the way, I feel it might be possible. But if it is not, then I suggest we have the Justice Committee take a good look at the Bill in January and I can see no reason why it should not be possible to pass it before the end of January.

The Bill, I am sure, Mr. Speaker, is going to be treated in a non-partisan manner since most of these provisions, except for minor changes, were contained in the previous Bill C-19. We know we have the support of the Official Opposition, and from the attitude of the Hon. Member for Vancouver-Kingsway, it is extremely likely that we have the support of the New Democratic Party as well. In any event, we will soon know. Therefore, I commend the Bill and move second reading so that the Bill may be referred to the Justice Committee, unless Hon. Members want to deal with all of it here today by putting it through Committee of the Whole.

Hon. Bob Kaplan (York Centre): Mr. Speaker, the Minister concluded with some suggestions as to how the Bill might be handled. Perhaps I could begin by talking about some of those suggestions. I gather that the Minister would be delighted to get the whole Bill through all three stages today. However, I do not feel that would be appropriate. I believe that some of the provisions of the Bill, although supported by my Party—I will explain why and the nature of our support—do require some further discussion.

I know that when the former Government brought this legislation forward, part of the contemplation of the Government was that it would go to committee and that the private sector and public interest groups would have the opportunity to come forward, make representations and express views about other particular aspects of the Bill. I believe the Bill could be improved even though, as I say, it had its genesis with the former Government, and it could be improved by the process of committee hearings. I make that observation in general but I want to make an exception of the provisions which deal with drunk driving. Those provisions received instant attention and consideration when they were brought forward by the former Government. As the minister indicated, they have been changed very little from the form in which they were first introduced.

I noted with interest the Minister's observations during the last few months that this law might be in effect by Christmas and the New Year. I know that drinking occurs all year and drunk driving regrettably occurs all year as well. However, it is a special problem at this season and I had hoped, and still hope from what the Minister said, that it might be possible to detach that one portion of the bill, which has had quite a lot of public scrutiny, and see that portion enacted today and tomorrow. I would like to offer the full co-operation and support of

the Liberal Members of Parliament in order to achieve that goal.

I do not believe it is good enough for the Minister to say, as he did, that it is all important legislation and it should all go forward. I wonder whether there is not behind that statement an attempt by the Minister to force the hand of Hon. Members on this side of the House by indicating that if we want the drunk driving provisions, we are going to have to agree today as well to all of the other provisions. I do not feel that is an acceptable bargain. I put it to the Minister that that is unfair and that the drunk driving provisions can stand on their own. I know that the justice critic for the Conservative Party in the last Parliament put that position forward. That was available all during the year. But now we are reaching a critical time when drunk driving does become a special problem. The Minister should know that, of course, because it is a well known police matter across the country. Provincial Attorneys General would be very much assisted by the gesture of this Parliament in legislating the drunk driving provisions right away. The other provisions could be left for committee study and for the receipt of briefs and hearings.

I can also give the Minister the assurance, as I did when he appeared before committee on estimates, that we will not hold this Bill up. This is a Bill we would like very much to see in the law in general, although certain other provisions will require study. Nothing is gained from the point of view of the Government or the legislative timetable by trying to twist the arms of the Parties opposite by saying we can only give the country the drunk driving legislation by giving it the rest of the legislation. I urge the Minister, perhaps through his Parliamentary Secretary who might speak this morning, to accept that offer before the Senators leave for the Christmas holidays, in order to get these drunk driving provisions into effect.

Let me say in general that I was interested in the length of time it took for the Minister of Justice (Mr. Crosbie) to come forward with the omnibus, "minibus" Bill which is now before us. I had assumed, as the days, weeks and months went by, that the Conservative Government was going to deal in the first omnibus Criminal Code amendment with some of the issues which were current during the election campaign, that there might even be provisions dealing with prostitution and pornography. These are issues in which voters had a considerable interest, as was expressed during the last election campaign. I would not even have been surprised if the Bill had addressed the problem of capital punishment, a high priority issue to many Conservative candidates during the election campaign.

• (1210)

So when the Bill came forward I was disappointed to find that it was actually less than the Bill that was before the House in the last Parliament. I had expected that in that amount of time criminal law reform would be a priority and that this Bill would show it. But what we see is that this Parliament and perhaps the new Government will continue to be governed by the Liberal criminal law agenda. Certainly this Bill has less than the Liberal criminal law agenda, but I think I can say with some pride that that agenda is still governing this Parliament.

This Government has brought forward some but not all of the very important reforms introduced last year by my colleague Mark MacGuigan, to whom I think this Bill, even in its diminished form, is a tribute. I wanted to begin by noting that and by expressing our approval in general of the Liberal criminal law agenda which this new Conservative Government has seen fit to follow.

I mentioned there were some very sad omissions from the Bill. The Minister has referred to some of them himself. For example, I am very sorry that we have not moved ahead with the contempt of court provisions because Members on our side have been aware of and discussing the problems with respect to wife battering. According to media reports, a number of wives have over this past summer ended up in jail for contempt of court because they did not want to testify, after charges were laid, against husbands who beat them. I think this is an urgent matter. I know it is a difficult matter, but criminal law reform is sometimes difficult. The former Government bit the bullet, made a decision and put forward provisions which would have helped in that situation. I wish they were in the law now because there would be less battered wives going to jail for not testifying against their husbands. Yet this Government has taken a step backward and said it will not act, that it will leave things the way they are until it can have further discussions and give it some further thought.

I place in the same category the problems of pornography. The House has been discussing those problems in Question Period regularly. Pornography seems to be on a descending dynamic; the degradation gets worse and worse. Instead of moving forward the new Government has chosen to wait and have more discussions and consultation before acting.

In the same area I include the general subject of sentencing reform. I had hoped to see in this Bill something like the toughening up of the mandatory supervision law which I had introduced shortly before the election and which the Conservatives indicated they supported. I think everyone in the country knows, and it is a discredit to the criminal justice system, that there are a number of hardened criminals whose violence and aggression and further criminality can be predicted with a pretty high degree of accuracy. Yet because of certain failings in the present law, they get out on the street before the end of their sentence where they represent a kind of walking time bomb or menace to the Canadian people. New victims are created.

As the inadequacy of the law was recognized, I brought forward a Bill for tougher treatment and tougher rules concerning mandatory supervision. But instead of going further, as one might do in view of certain things which have happened in the last few months, the Conservatives have stepped back and we find no reforms being offered to the Canadian people right now.

Similarly, Mr. Speaker, prostitution has been omitted. I thought the present Government, given statements made

during the election campaign, had a pretty clear idea of what it wanted to do with street prostitution. I have made public my own views and I would have been very happy to have seen street prostitution dealt with by removing the requirement for pressing and persistent behaviour and by introducing a provision to allow prosecution of both the prostitute and the prospective client. I wish more had been put on the table by the Government in this regard, indeed in general.

There is as well an urgent requirement for law reform dealing with the profits of crime. The former Bill contained a provision which helped the state confiscate the profits of crime. There are some provisions for this now in the present criminal law but their inadequacies are well known. There are huge fortunes being built in North America as a result of illegal activities and illegal funds being laundered. I can refer to statements made by the RCMP Commissioner recently about the limitations on police and court action under the present Criminal Code. I know that some of the provisions we had were controversial. Perhaps they might have been improved in committee through the appearance of civil liberty groups and the banks who were worried about the consequences of those measures. But instead of doing that and seeking a way of dealing with the profits of crime, the Government has taken a big step backward and is going to sit and wait until a perfect solution is devised. This will perhaps be done without the benefit of the public input that the former Government would have liked to see in the committee when the matter was considered there.

I would also like to have seen more for victims in this package because there was more proposed for victims in the other package. One of the most remarkable and troubling injustices of the present system is its failure adequately to recognize the needs of the victims of crime. The Government has done a little in this Bill but I think it is a discredit to the criminal justice system that victims suffer as much as they do from that system as well as suffering at the hands of the criminal who has caused them their loss or damage. To me it meant a lot to see more for victims and I am glad the Minister has said he is thinking about it and is going to bring forward more provisions in that area. But if he had put them in this Bill and sent it to the committee, I think there would have been a better process of law building and we would have achieved justice for victims more quickly than by seeing a lesser package than the one that was before the House at the time of the last election.

I would like now to turn to a couple of the substantive subjects affecting this Bill. I talked earlier about the timing of the drunk driving provisions. Concerning substance, I would like to say that there is no doubt that there is a great interest in having tougher treatment of drunk or impaired drivers. The inadequacy of the law and the failure of the courts to impose a certain minimum sentence is becoming a public scandal in many ways. I welcome the opportunity for Parliament to give some direction to the courts about how the Canadian people feel about drunk drivers, whether they actually injure anyone or damage property or not. This is an act of social irresponsibility and that should be underlined, and the Bill will do that.

If the Minister does not accept the opportunity to pass the Bill today and it goes on to committee, there may be some interesting questions which could be addressed in this area, although they are not questions which would have led us to want to see the Bill delayed.

● (1220)

I would just like to mention one that the Minister referred to in his remarks, and that is the problem of involving a doctor in taking a blood sample. There are a number of doctors' associations that are raising the issue of whether doctors should perform any services at all that do not contribute directly to improving the health of their patient. Of course, taking samples for the purpose of prosecution is in that category. If the Bill goes to committee, I want to be certain that we can get the CMA, or one of the other medical associations in the country, to appear to give us the good housekeeping seal of approval on that feature if we are going to make the opinion of the doctor as important as it seems we intend to from what the Minister said.

With regard to telewarrants, I think they really are urgent. There are still some writ of assistance cases before the courts. There are a few dozen cases that are at some stage or other of the criminal justice proceedings. The validity of the writ of assistance is a matter for the courts. The former Government ordered the RCMP to turn in all writs of assistance and none was being used, even the outstanding ones, at the time of the last election. The absence of the writ of assistance and the non-arrival of the telewarrant presents a serious problem for law enforcement because there is an important element of time in which a drug criminal can commit an offence and get away with it because the telewarrant and the writ of assistance are not available to permit the evidence that would be required for effective prosecution to be seized. We need telewarrants and I hope all Members of the House will recognize that, whatever the problems with them. I hope we will try to solve those problems to get an instrument which will permit a policy action on a timely basis to permit the drugs to be seized so that they will be available for trial.

I certainly do not hold it against telewarrants that they are new. As I mentioned yesterday at my press conference, I had the opportunity to visit the United States and to follow the process of a telewarrant in a police car to a house. There was no doubt that if the normal alternative procedure of looking for a justice of the peace or a judge, appearing before that individual, and swearing the affidavit is followed, hundreds of thousands of dollars worth of drugs could easily be flushed down the toilet, burned, or contaminated very quickly and the police would just be wasting their time.

Therefore, we do need that, but I was concerned about the newness of the telewarrant and the Bill which was before the last Parliament reflected that concern by limiting the issuing of telewarrants to senior judicial officers, excluding justices of the peace. I notice in this Bill that a judge can designate

specific justices of the peace to issue telewarrants. I am concerned about that. At the moment I am not saying that that is an unacceptable feature, but I would like to know why the Government feels that it ought to extend the authority to issue telewarrants that widely. My own preference would be to keep them narrow and to have tight judge-shopping provisions. I think Canadians are concerned about their civil liberties. We are in an era of the Canadian Charter of Rights and Freedoms. I do not think that we want to introduce a provision lightly without all of the safeguards that can possibly be included. I am putting the Government on notice that I would like a good explanation for Canadians as to why the authority to issue telewarrants needs to be given to justices of the peace, even designated ones.

I was hoping that it would be possible to finish by one o'clock, or perhaps shortly after three o'clock, so I will not go on at very great length. I want to close by noting one very important omission from the drunk driving legislation. I hope the Government is prepared to correct the omission of the requirement for mandatory treatment of drunk drivers, particularly repeat offenders, during further consideration of the Bill. I think that treatment should be imposed.

In saying that I recognize all of the difficulties with that. It is hard to impose a process on an individual in which his participation is required to make it work. On the other hand, I think that a direction ought to be given to courts to ensure that some effort is made to get at repeat drunk driving offenders. There are some in every province of the country. I myself believe that the Government is hung up on the idea that there are some difficulties with it. When we brought it forward we knew that there were some difficulties with it, but I would have looked forward to the chance to try to improve it. Even if there are some difficulties with it, we are ultimately faced with the problem that drunk driving is a fact in our society. Any reasonable measure that we can introduce to limit it should be introduced and there would be public support for it. I regret very much that the Government has abandoned that. If this Bill is not enacted today I call upon the Government to bring back the provisions for treatment of drunk drivers so that we will have a Bill which will do something to correct the problems of the abusers in addition to simply punishing them.

Having said that, I would like to say that I am glad that criminal law reform is a priority of the Government. I am proud that the Liberal political agenda in the criminal law area is still the guiding principle of the new Parliament. I look forward to co-operating to ensure timely consideration of all of the important provisions of this Bill.

Mr. Ian Waddell (Vancouver-Kingsway): Mr. Speaker, I am very pleased to speak today on behalf of the New Democratic Party. This is a very important Bill, as I am sure all Members realize. We heard mention of prostitution, soliciting, pornography and so on, but when you think of it, perhaps impaired driving affects more of us. We are all potentially at risk from the dreadful consequences of the impaired driver. We have heard from the Minister of Justice (Mr. Crosbie) today that 2,500 lives per year are taken by drunk drivers. I suspect that the problems of injury or death caused by an impaired driver have touched the lives of most of the Members of the House, whether through friends, relatives or young people struck down in the prime of life. We have all read about it and some of us have knowledge of personal cases.

I myself am particularly interested in this area because in my first job as assistant city prosecutor for the City of Vancouver I literally prosecuted about five impaired drivers a day for about a year and a half. As is often done in law, I switched to the other side after that and spent another year and a half defending many impaired drivers. Therefore, I know a little bit about this area.

I also had the privilege of serving on the Alcohol and Drug Commission in British Columbia for two years. Later I would like to speak a little bit about one of the programs that we had to deal with, which I think is the main issue that is not even faced in this Bill. I refer to the treatment of the alcoholic problems of people who get into their cars and drive.

• (1230)

Our Party would like to see this Bill go through today in principle. It can then go to committee where it can have an expeditious hearing so that these provisions, especially those concerning drunken drivers, can come back to the House as soon as possible. The Minister of Justice indicated that it was not necessary to divide the Bill today because Parliament has already sent a signal that it is ready to crack down on impaired drivers in this country. I agree with the Minister that we have sent the signal.

I understood the Minister to suggest that the Bill could be split in committee. It is an interesting observation that it might be better dealt with in committee.

The Hon. Member for York Centre (Mr. Kaplan) dealt with this Bill in an honest way. I agree with him when he said that drinking and drunken driving takes place throughout the year and not only at Christmas. There is nothing special about Christmas except that it is a more festive time of the year.

I regret that the Government did not introduce the Bill earlier because I believe it would be almost impossible to split the Bill now. Our justice critic, the Hon. Member for Burnaby (Mr. Robinson), in committee on December 4, warned the Government that it should try to bring in the Bill sooner so we could deal with it. Indeed, the Hon. Member for York Centre said in the committee on December 4 at page 3:20:

> I am not committed to the provisions in Bill C-19, but I feel that if it has taken you this long to bring forward your own bill, it is pretty unfair to put us under the gun of having to respond and give the country the bill by the New Year. I do hope you will try to beat your deadline of December 15 and get it forward by an earlier date, if possible. If not, at least put out some kind of interim statement so that we, and the various groups in the country who care about it, can at least start thinking about it. If we are going to be given only a few hours in the House to pass it or be blamed for not doing so, that will give us some time to reflect on it.

He was also asking that the Bill be brought forward and that we should not have a gun to our heads. As a matter of fact, he said that the part of the Bill dealing with the taking of blood samples especially needed further consideration. He said

we should not rush it through in order that we could hear from the Canadian Medical Association, I believe, in committee. I think that is a good suggestion and perhaps a reason why we should put the Bill into committee.

During the last session I, along with other Members at that time, rushed a Bill through at the last moment. It concerned an amendment relating to Indian women. That Bill was rushed to the Senate. I suggest it was embarrassing for Parliament when one senator would not consent to the Bill and it died. Eventually that legislation will have to be passed but we were clearly not ready to put it through at that time. I suggest it is irresponsible for us as legislators to rush legislation through for a symbolic purpose or for political postering. I believe if something is worth doing it is worth doing right.

Let me point out some of the provisions of this Bill which I would like the committee to consider. As I have said, there is obviously a public will that we become more strict with impaired and drunken drivers. We have sent that signal as a result of this Bill. However, I want to ask the Parliamentary Secretary whether tougher penalties will really solve the problem. During his speech the Minister of Justice said it would not. In fact, he said that these penalties would have a short-term effect because people thought they might not get caught. They knew the laws were tougher but that fear would wear off in the long run.

I had the benefit of looking at a study called "Deterring the Drinking Driver" conducted by H. Lawrence Ross of the State University of Buffalo. Let me refer to this study because it is similar to what the Minister of Justice was talking about. At page 111 it states:

> However, deterrence-based policies are questionable in the long run. No such policies have been scientifically demonstrated to work over time under conditions achieved in any jurisdiction. This fact does not mean that such policies are hopeless but rather that success—if achievable—probably will involve something other than what has been done in the past. On the basis of the evidence, it will not suffice to import further elements of the Scandinavian approach into other jurisdictions in the expectation that Norway and Sweden have the answers. Moreover, the option of merely increasing penalties for drinking and driving has been strongly discredited by experience to date. The most hopeful opportunities for further deterrent accomplishments would seem to lie in increasing the actual probabilities of apprehension and conviction of drinking drivers.

The Minister of Justice acknowledged in his speech that increased penalties will not solve the problem in the long run. This Bill provides for increased penalties. The Minister said he would advocate a penalty of a jail sentence and gave the example of the bank president in Switzerland. We know that in Scandinavia and in Norway and Sweden there are tougher penalties for first offences. I suggest that we will return here in a couple of years to pass that type of law. We will probably favour a law that will place a drunk driver in jail. My point is that we know that it still will not solve the problem. While increased penalties may partly solve the problem, it does not answer the entire question.

The average Canadian is most familiar with our provincial courts or lower court system. If one studies a court docket, there are usually about two or three impaired driving cases each day on a judge's court docket. These cases take up much time in our courts. It is at this level that most Canadians usually become involved. I have found in my experience that many of those who were charged with impaired driving were repeat offenders.

This was also reflected in the Minister's statistics which he gave us today. I have found through my personal experience that many were repeat offenders and had a drinking problem. It is only occasionally that a person who drinks too much at a party gets caught and is charged with impaired driving. It is usually those who have a drinking problem who are caught and it is a symptom of deeper problems. It is often the case, when acting as a lawyer for someone who has been charged with impaired driving, that he has been stopped by the police before and let go because they were not quite sure of his condition. In British Columbia in the past there was a provision for roadside suspension of a licence. However, such people would finally be charged with impaired driving.

● (1240)

That is really an alcohol problem, a treatment problem. What we tried to do in the Alcohol and Drug Commission of B.C.—I am having a little trouble speaking; perhaps Members could go and converse in the lobby. I am sorry, Mr. Speaker, but it is a little distracting. We formed local committees made up of local citizens. In Nanaimo, British Columbia, volunteer groups had programs for impaired drivers after conviction. These drivers would meet with the local coroner, a local doctor, local policemen and nurses. It had a bit of shock value. Then they would meet with job providers and so on. These were not fancy professionals but local people. It did not cost very much because it was mostly volunteer work. We provided some of the films, the aids and things like that. It cost the Government very little. We started to get good results in that we were stopping repeaters. A ripple went out in the community that impaired driving was a community problem.

I want to say something to Canadians. I suppose one is not supposed to criticize one's electors but Canadians are hypocritical on this issue. We all want to stop impaired driving. We want to have tougher penalties; at least, we say we do. On the other hand we are not prepared to face the problem that we are a pretty alcohol-soaked society. I am not advocating prohibition or anything like that, but there will have to be some fundamental changes in attitude. It is coming. You notice it at a party. A couple goes to a party and one person does not drink so he or she can drive home. I am told this is much more prevalent in Scandinavia.

These are, however, the responsible people. The problem is some younger people who are less responsible and some people who have an alcohol problem. We also have a problem of people making judgments. You hear people say: "If you get in your car and drive you will get a penalty. You might go to jail or it might cost you a lot of money". We can all appreciate that now, but we may have a different attitude after six or seven drinks because then one is impaired. That person then has to judge whether to get into a car. As I say, Canadians are a bit hypocritical. We know that 2,500 people a year die as a

result of impaired driving, yet we continue to drink and drive and we continue to make it easier to do so.

I want to refer to some other parts of the Bill. The Minister said that he is going to change the two offences. I noticed in my practise of law that these were real problems. One offence would be .08 blood alcohol and then there would be another offence. Gradually these offences were combined. There was plea bargaining for one as opposed to getting convicted of the other. There are problems with second offences. There are tremendous technical problems in this area. I know because I used to get some of my clients off on technicalities. It is important that the committee look at the technicalities.

This Bill should not be put through quickly. The committee should hear from the Canadian Bar Association, prosecutors and defence counsel. The committee should hear about the difficult technicalities. One technical slip-up in this legislation and some bright young defence counsel will figure it out. A case could be thrown out as a result and all the other cases are backlogged until that one case goes to the Supreme Court of Canada for a decision. If we want to make this legislation effective, now that I am a legislator rather than someone at the other end I can see we must make the technical aspect absolutely correct.

I want to make reference to the matter of telewrits. Obviously writs of assistance had to go; that was long overdue. The process was an abuse of the due process of law. I regret the decision of the B.C. Court of Appeal. I think the decision of the Ontario Court of Appeal was the right one, but that is past history. As I understand this legislation, writs of assistance are gone. But let us not put in their place some sort of new creature that will also violate our due process of law.

The Minister says that telewarrants are being used in other jurisdictions. I acknowledge that. I think, however, as the Hon. Member for Burnaby has said in the past and as the Hon. Member for York Centre said today, that we should keep their use narrow and make sure that there is no judge shopping in order to get a judicial official who gives writs more easily than others. We should hear from the Civil Liberties Association. As I understood what the Minister of Justice said, civil liberties groups support telewarrants. I see the Parliamentary Secretary to the Minister of Justice (Mr. Speyer) in the House. I would like to hear the Government confirm that. We value our civil liberties in Canada. I agree with the Minister of Justice that it is a balance. I acknowledge that even the Warren court, the very liberal court in the United States, when it came to decisions concerning the drunk driver and providing blood samples, tended to rule on the side of the state to stop the problem of impaired and drunk drivers rather than on the side of the particular rights of the individual. Other cases have focused on the rights of the individual. I can see the balance in this area perhaps has to go on the side of the state. We have to look at these things in committee and I flag them for the committee.

Computer crime is a very current matter and should be looked at. The committee should get on with that. The Bill also deals with emerging sorts of crime, such as terrorism, hostage-taking and so on. Unfortunately, we have to deal with that type of crime because that is the nature of the modern world. These things have to be dealt with under the Criminal Code.

There are provisions in this Bill, as the Minister of Justice said, to deal with the backlog and to update trial procedure. I am now speaking personally. I would not hold your breath, Mr. Speaker, about those provisions to make fundamental differences to speeding up trials. You can put into legislation all sorts of pre-trial conferences and so on. Looking back in my experience there are tremendous inefficiencies in the courts. There are too many delays. Not being a business venture, the court system is a different sort of process and there are bound to be some delays. We all agree that justice delayed is justice denied. We need competent people in the courts. We need competent judges, and let me tell you, Mr. Speaker, without getting into any detail, that we have a big variation in the level of some judges. We need competent judges and competent counsel, both prosecution and defence counsel. We need experienced counsel. Having competent people speeds up cases just as effectively as all the pre-trial conferences you want to legislate.

I have gone over the technical faults in the Bill. I think we want to hear from the Canadian Bar Association, from crown attorneys and from the civil liberties people. We may want to put another message out to Canadians, that they will have to change their attitudes about impaired driving.

• (1230)

Another area I wanted to flag was the idea of blood samples. Again I am speaking personally. I think this provision is overdue. I remember cases which seemed unfair. For people who were not injured and survived accidents which were their fault because they were drunk—they could stand and walk and breath and talk—there was sufficient evidence to convict them of impaired driving. However, if they hit their heads or something like that, it was very difficult to deal with them. It was difficult to request that they take breathalyser tests and it was difficult for the police to deal with them. However, it was easy for defence counsel to say that they hit their heads. A perfectly sober person could hit his head, stagger, have strange looking eyes and so on. Blood samples give the prosecution a definite advantage. In some ways it is overdue.

However, I have some questions about blood samples. We have to look at this area very carefully because it is an intrusion into civil liberties; in fact, it is an assault. I noticed in the legislation that the Minister mentioned that the accused be given a sample of his own blood. In the previous impaired driving legislation, the accused was supposed to be given a sample of his breath. I never had one case in which anyone ever got a sample of his or her breath. In fact, I think that provision was never proclaimed.

Mr. Speyer: It was never proclaimed.

Mr. Waddell: Will we have a similar situation, that it will not be proclaimed? I do not find that to be very acceptable

law. Let us decide whether we will give them a sample of their breath or a sample of their blood. Do we have the equipment? Can it be done? If we are not going to do it, then it should not be put in the law.

Mr. Speyer: I agree.

Mr. Waddell: I flag that for the committee's attention.

The Hon. Member for York Centre spoke about prostitution and pornography, as well as aid to victims. My understanding was that these other matters would be dealt with shortly by the Government in other Bills that will come before the House of Commons early in the New Year. The Hon. Member for York Centre mentioned victims. I think he said that there was more for victims in the previous package that distresses me somewhat because I personally think that our criminal law should be focusing more on the victims of crime, on ways in which to help them and give them some rights in this process. I hope the committee looks at what the Hon. Member for York Centre said and at what the Hon. Member for Burnaby has said in the past on this matter.

I think I have said all I want to say in terms of the Bill. In summary, the fact is that the Bill is overdue in terms of its impaired driving sections. There seems to be a growing consensus on the part of Canadians that we should get tough on impaired drivers. Perhaps they do not understand the consequences of that. It is not only the impaired drivers or drinking drivers out there, it is us. We are all involved. Perhaps we should be a little less hypocritical. We will all be affected by it; we have to adjust our behaviour accordingly. Sometimes that will not be easy.

I am glad the Minister of Justice recognized that there was a limited aspect to deterring drinking drivers with greater penalties. It will not be the entire answer. It may be the short-run answer but it is not the long-run one. No one has the long-run answer. I do not pretend to have it. It may lie in enforcement. It may lie in the area of treatment, education or understanding. I think that is probably where it lies. The next generation, through its notion of what it is like to live in the late 1980s and the 1990s, will live in a new society which is much more interested in the good life, a clean and pure life. It will mean limiting one's intake of drugs and alcohol, in the recognition that one can have a good time and fun without being impaired, without being stoned or without changing in other ways. If there is any hope in the upcoming generation, that is the great one. In the long run it will be the way to deal with this terrible problem with 2,500 people per year, many of whom were young, losing their lives as a result of the actions of drinking drivers.

I commend both the present and previous Government for putting a lot of thought into the Bill. For our part, we are prepared to let it go through today. I am the last speaker for our Party. We would like to see it go to committee immediately and to see it back in the House as soon as possible for early passage in the New Year.

Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice): Mr. Speaker, the Minister of Justice (Mr. Crosbie) articulated what is in the Bill. I have enjoyed very much the comments of the critic of the Official Opposition. I also enjoyed in particular the comments of the Hon. Member for Vancouver-Kingsway (Mr. Waddell). They expressed their personal concerns. I will articulate many of them also, as well as some of my concerns and the reason I support the Bill. I have absolutely no intention of repeating what the Minister of Justice said about what is in the Bill. I should like to analyse it and to talk about where we have been in terms of the criminal law and where we are going.

In 1953 the Criminal Code provided that a person who stole a car must be incarcerated for a period of one year. The same Criminal Code also indicated that if a person stole from the post office, it was mandatory that he go to jail for six months. My point is that there was a tremendous emphasis upon property rights. There was not an emphasis upon drinking and driving nor upon the protection of one's body or safety. That was the ethos of the fifties, the forties and indeed the 19th Century.

Times change. Crown attorneys, in order to ensure that young people would not have to go to jail for taking a car for a very brief period of time, would take a lesser offence of possession. Sometimes when one stole from the mail, one would be charged with theft as opposed to theft from the mail.

In the 1960s I became a prosecutor and, Mr. Speaker, I speak to you as one who has a wonderful reputation in terms of your own practise of criminal law. In 1967 when there was no mandatory breathalyser and I was a prosecutor, if a person did not blow 1.5 or over the charges would be withdrawn. We are talking of less than 15 years ago, but that was the rule of thumb. Unless a person refused to blow, had tremendous physical symptoms of impairment or there were other special circumstances, we would withdraw the charge because we did not believe he was impaired. Thank God there has been an evolution in thinking.

The point I am trying to make is that in those years when I was a young prosecutor, a person who would have a puff of a marijuana cigarette had to go to jail for six months; it was mandatory. Everyone must have been interested in hearing the Commissioner of the RCMP—he is a fine man and a great Canadian—who said he thought the penalties were too harsh, that the courts were not enforcing them and that indeed police forces were not enforcing them in the circumstances.

May I call it one o'clock?

Mr. Deputy Speaker: It being one o'clock, I do now leave the chair until two o'clock.

At 1 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

S.O. 21

STATEMENTS PURSUANT TO S.O. 21

[*English*]

PENSIONS

OLD AGE PENSION QUALIFYING AGE

Mr. Sergio Marchi (York West): Mr. Speaker, the Liberal Party has continuously been championing the importance of universal social programs against the misguided, half-hidden agenda of the Conservative Government. Of special significance has been the plight of pensioners. I think it appropriate, therefore, not only to echo the concerns of those on this side of the House to protect that which we pioneered, but to urge the Government to enhance the old age pension system by lowering the qualifying age from 65 to 60.

In my own riding I have witnessed people who are 60 years of age and over, particularly those engaged in heavy construction work, who continue their work in pain and agony. They do so because they must put food on the table. However, these individuals would gladly take a well deserved rest at age 60 and enjoy their remaining years with some comfort and integrity. This would also open up opportunities for many of our young people.

It was a Liberal Government which lowered the pension age from 70 to 65. It is the Liberal Party which today is leading the fight to preserve an equitable pension system. It is my recommendation to establish the qualifying age at 60 so that we may make pensions even more progressive and fair for all Canadians.

* * *

SOCIAL JUSTICE

RECORD OF PROGRESSIVE CONSERVATIVE GOVERNMENTS

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, the commitment of the Conservative Government to social insurance was expressed in this year's Throne Speech which introduced improved pensions for widows and veterans. This was no innovation. For over a quarter of a century, Progressive Conservative Governments in Canada have shown the same concern for universal social justice for all Canadians regardless of age, sex, race, religion or region.

One reason for the Liberal defeat in 1957 was the niggardly treatment of old age pensioners by the St. Laurent Government. Soon after taking office the Diefenbaker Government fulfilled its pledge to make a substantial increase in the old age pension, an act which helped gain that administration a victory in 1958. That Diefenbaker Government introduced the first federal hospital insurance to Canada and thus began the publicly-funded medicare programs across the country which are now administered by seven provincial Progressive Conservative Governments.

It was a PC Government that introduced the Canadian Bill of Rights which assured social justice and civil rights for all Canadians.

The technological and vocational education Act provided educational opportunities for all Canadians regardless of their region, including those in regions which were not adequately funded.

For over a quarter of a century, Progressive Conservative Governments and their policies have sought to give social justice to all Canadians regardless of age, sex, race, religion or region.

* * *

CRIMINAL CODE

WARRANT ISSUED FOR ARREST OF DR. MORGENTALER

Mr. Mike Cassidy (Ottawa Centre): Mr. Speaker, yesterday the Metropolitan Toronto Police issued a warrant for the arrest of Dr. Henry Morgentaler on a charge of conspiring to procure an abortion. I am rising to express my concern, and the concern of many people in my Party and across Canada, that yet another charge is being laid against Dr. Morgentaler despite the fact that four juries have acquitted him on abortion charges laid over the past decade, and that doctors who provide abortions in the Province of Quebec under the same federal law have not faced criminal charges since 1976.

My Party calls on the Government to repeal Section 251 of the Criminal Code so that women can have access to a full range of reproductive health services, including access to medical abortions in free conscience.

Four juries have sent a clear message to Parliament that they will not convict under the current law. They are saying that the law is unenforceable, and a law that cannot be enforced makes a mockery of the law generally and should be changed. In the majority of countries with a common law system, the Crown is not permitted to appear a jury acquittal. In announcing his decision to appeal, the Attorney General of Ontario said that to proceed with another prosecution without the law being clarified would clearly not be in the public interest.

I therefore call on the federal Minister of Justice (Mr. Crosbie) to expedite the process of clarifying the law. All of the proceedings in the Morgentaler case in Toronto should immediately be put before the Supreme Court of Canada on a direct constitutional reference, in order to get the opinion of the highest court of the land on this important social issue. It is a question of justice and fairness.

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

* * *

PARLIAMENT

EXPECTATIONS OF CANADIANS

Mr. Bill Attewell (Don Valley East): Mr. Speaker, Canadians realize that we must all get down to the job of solving the

country's problems and building on its strengths and potential. I submit that they do not want this Parliament to be paralysed. They do not want an extended period of obstruction. They do not want a stalemate. They want responsible action by this Government and this House.

What we need now, Mr. Speaker, is input from, and consultation with, all Canadians so that the Minister of Finance (Mr. Wilson) will be able to present a thoughtful budget which will be sensitive to the needs of all Canadians. Canadians have every right to expect and demand open, responsible, and constructive action by this Parliament. Let's get on with it.

* * *

SOCIAL SECURITY

SUPPORT FOR UNIVERSALITY PRINCIPLE

Mr. John Nunziata (York South-Weston): Mr. Speaker, it is with pride that I say that universality is the cornerstone of the Liberal legacy in Canada. Rich and poor alike through their taxes pay for social programs. As a result, rich and poor alike are entitled to these programs. From bank presidents to bus drivers, everyone is equal under these programs. At least everyone was equal while our Party was in Government.

If the Tories want to reform the tax system by making the rich pay their fair share of taxes, that is fine with us and we will support them. However, when they tamper with universality, they tamper with the heart and soul of the Liberal Party. We will not stand for it, and we will fight them every bloody inch of the way.

The vacuous garbage that the Prime Minister (Mr. Mulroney) has been spouting on the subject of universality leads us to believe one of two things. Either the Tories are innocently and unforgivably naive and confused, or they have been deliberately dishonest with the Canadian public. Either situation is dangerous for the people of Canada. Elderly people have planned their retirement based on the expectation of receiving the old age pension. Young couples are planning their families with the expectation of receiving the family allowance. I say to the senior citizens and families of the nation that the Liberal Party will defend and protect their pensions and family allowances with all the vigour and aggressiveness it commands. We may be small in number, but we are large and strong—

Mr. Speaker: The Hon. Member's time has expired.

* * *

SOCIAL SECURITY

METHOD OF FUNDING BY FORMER LIBERAL GOVERNMENT

Mr. Gordon Taylor (Bow River): Mr. Speaker, social benefits depend on the productivity of a country. The higher the productivity, the better the social benefits. During their years in office Liberals kept up the social benefits only by borrowing and building up the national debt to some $200 billion. Had the Liberals continued this practice, it would have caught up to them eventually and the social benefits would have had to be cut or eliminated.

The P.C. Government was elected last September because the people of Canada saw what was happening. The new Government inherited a whopping debt and an empty treasury, and now the same Liberals who lived in extravagance on borrowed money are obstructing the elected Government that is determined to increase the productivity so that we can pay more to those who need it the most. Both Liberal and NDP Members do not like this.

The Bay Street lawyer does not want one cent taken from the income of his pals who are making well over $100,000 per year. Like the pampered rich in days of yore, he in effect says: "Let the poor eat cake". NDP Members, always palsy-walsy with their Liberal bed-partners, go right along with the obstruction. The people foresaw this obstruction and gave us a large majority so the Liberals and the NDP could not stop the passing of needed legislation.

In spite of the Liberals and the NDP, the programs of the PC Government are what the people want. Let us go over the top of the trenches and advance Canada and its people, including the seniors, the crippled, the halt and the blind, into a new era of prosperity; indeed, a new Canada.

* * *

EXTERNAL AFFAIRS

APARTHEID IN SOUTH AFRICA—VISIT BY BISHOP TUTU

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, this week Canada is honoured by the visit of Bishop Desmond Tutu, winner of the Nobel peace prize. This morning when he met with a group of parliamentarians, Bishop Tutu pointed out that he would not be able to meet with a similar group in his own country of South Africa.

Because of its apartheid policy, South Africa does not even recognize Bishop Tutu as a citizen. Its new Constitution excludes 73 per cent of its population from any meaningful participation in national affairs. Only one sentence of it refers to blacks. It reads:

• (1410)

All matters relating to Blacks will be dealt with by presidential decree.

Bishop Tutu has pointed out that apartheid will be dismantled, either by negotiation or by violence—but it will be dismantled.

Canada should hasten the negotiation process, and the chance for a peaceful solution, by applying economic pressure. Bishop Tutu himself cannot call for economic sanctions, since that would be an indictable offence which carries a minimum sentence of five years. But if Canadians do not want to be complicit in the injustice and inhumanity of apartheid, and if

we want South Africa to avoid a blood bath, we should use the full range of economic pressures, up to and including sanctions.

Some Hon. Members: Hear, hear!

* * *

SOCIAL SECURITY

ENTITLEMENT OF SENIOR CITIZENS

Mr. William C. Winegard (Guelph): Mr. Speaker, all Members of this House have a responsibility to the senior citizens in their ridings. We in the Government know—and so do members of the opposition Parties—that the Government has no intention of dismantling or removing the old age security.

Some Hon. Members: Hear, hear!

Mr. Winegard: Let us stop the scare tactics which are not worthy of Members of this House. Let us, with one clear and loud voice, tell the people of our ridings that we will not let them down.

An Hon. Member: This is a plea for help.

Some Hon. Members: Oh, oh!

Mr. Winegard: Mr. Speaker, the louder the bray, the bigger the donkey.

Some Hon. Members: Hear, hear!

Mr. Winegard: Senior citizens will, as the Prime Minister (Mr. Mulroney) has promised, receive their pensions and the security to which they are entitled. Let us do what we can to ensure that some joy, peace, and security are in the minds of all of our senior citizens during this holiday season.

Some Hon. Members: Hear, hear!

* * *

EMPLOYMENT

SUMMER JOBS NEEDED BY STUDENTS

Hon. Warren Allmand (Notre-Dame-de-Grâce-Lachine East): Mr. Speaker, on or about April 15 students will be out of university and ready for summer employment. Many of them are already looking for work, and a good many have been to our offices. They are concerned because the Government, which said that its first priority was jobs, has already cancelled the Summer Canada program which operated for many years.

When I asked the Prime Minister (Mr. Mulroney) on December 5 when he would announce a new program to replace Summer Canada, he said that the Government was consulting and would announce something soon. It is now December 20, the House adjourns tomorrow, and we still have no news from the Government. In a few months' time students will require this employment to pay for next year's tuition and other expenses. They and their prospective employers must know now what the Government's program will be.

The Government has said that it would keep the student employment offices and employment in the public sector, but what about the summer jobs which were always sponsored by Summer Canada in the voluntary sector? That program was not only important for students, it was also important for the many services which were provided by voluntary groups.

As it is traditional to announce the summer employment program before the Christmas adjournment, will the Prime Minister tell us today, or tomorrow, what the Government intends to do? Students want answers now, before it's too late.

* * *

[*Translation*]

SOCIAL SECURITY

CHILD TAX CREDIT

Mrs. Cabrielle Bertrand (Parliamentary Secretary to Minister of National Health and Welfare): Mr. Speaker, I would like to take this opportunity to set the record straight following a statement made by the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) on Monday. The Hon. Member said that when the previous Government introduced the child tax credit in 1978, it did so without reducing other benefits for Canadian families.

Mr. Speaker, the truth of the matter is that at the same time, the previous Government modified benefit payments to Canadian families, but not to their advantage. Under the previous administration, the system of benefits for children was restructured as of January 1, 1979. Family allowance went from $25.68 per month per child to $20 per month. This is a reduction of 22 per cent. The Government also eliminated the $50 tax rebate per child.

In fact, the child tax credit was financed by reducing family allowance payments and eliminating the child tax rebate.

Now that we are mentioning the possibility of again making changes in the way benefits are distributed within the system, Liberal Members find the idea unacceptable. Mr. Speaker, it is interesting to note how commitments that were acceptable to the Liberals become unacceptable when they are being considered and proposed by a Progressive Conservative Government.

ORAL QUESTION PERIOD

[*English*]

SOCIAL SECURITY

GOVERNMENT POLICY

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, my question is directed to the Right Hon. Prime Minister. It is a specific question which relates to the future of old age security pensions and the baby bonus cheques which are provided to millions of Canadians from coast to coast. My question is factual. Is it the Prime Minister's view that one possibility would be to reduce the amount of pension or family allowance paid to higher income pensioners or families, or to tax it back at higher than normal rates of tax, or in some way to achieve a tax-back of those pensions and family allowances?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it is our intention to maintain and enhance the integrity of the universal system of social benefits in Canada—and I think my right hon. friend would agree—while attempting to find an acceptable formula which would allow us to place more money into the hands of those Canadians who need it most.

Some Hon. Members: Hear, hear!

STATEMENTS IN GOVERNMENT DOCUMENT

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I did not get an answer to my question. Yesterday it appeared that the Prime Minister was in favour of a tax-back. Does he agree with the propositions which were put forward in the Minister of Finance's paper, on pages 73 and 77, that taxing back higher income families and higher income pensioners was a possibility and an option?

Because the different positions which have been taken by the Minister of Finance and the Prime Minister are causing confusion in the minds of Canadians, I would hope that the Prime Minister could give us a clear answer on where he and the Government stand.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, there is no confusion, and there is no partisan advantage to be gained or lost. I think it is widely accepted that, by and large, to the credit of the House of Commons, all leading political Parties have over many years, and in support of many administrations, endorsed the principle of universality.

From time to time Governments have had to face the problem of scarce resources. What we are trying to do, and what we shall do, is maintain the integrity of the universal system of delivery of social benefits to Canadians, to the elderly, to the dispossessed and those who need help, while attempting to find a formula—we hope pursuant to mature debate with our friends—that will allow us, even in difficult times, to do more for those members of our society who genuinely need help. It is the doctrine of fairness. We want to listen to the Opposition. We want to listen to Canadians. We are trying to apply the doctrine of fairness in social policy and in tax policy, to get more into the hands of those who need it most.

DELIVERY OF PROGRAMS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, with the greatest respect to the Prime Minister, there is still a deep confusion in the country as a result of the Government's recent statement, and the statements which have been made by the Prime Minister and two of his senior Ministers, the Minister of National Health and Welfare and the Minister of Finance. It is crucial for us to know that the Government is truly committed to a system of universal delivery in our major social programs, that the system will be available to all Canadians, and that it will not be a two-tier or a two-class system with a cut-off point in personal revenue. That is what we are getting at. That goes right to the fundamental fabric of those programs and to the way the country has treated its citizens.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, without hesitation I believe that I can give my right hon. friend the assurance that there will not be a two-tier or a three-tier system. There will be the kind of system which has over the years done honour to our traditions as Canadians, and which Members of all political Parties have supported.

• (1420)

What we are trying to do was set out in the paper to which my right hon. friend refers. We said: "The Government agrees that a frank and open discussion is timely and that there is considerable scope for improving and redesigning social programs based on the twin tests of social and fiscal responsibility". It is clearly, as we go on to indicate, an attempt, pursuant to mature and thoughtful dialogue with Canadians, with trade unions, with the poverty groups, with the provinces and others—

Mr. Skelly: Get to the point.

Mr. Mulroney: —to maintain the integrity and the strength of our social programs, which have done great honour to Canada, and to try to agree upon a formula whereby we could place more money into the hands of the poor and the dispossessed who need it perhaps more than the fellow making a half a million dollars a year. We are trying to be fair and do it that way.

[*Translation*]

TAX EXEMPTIONS FOR FAMILIES WITH CHILDREN

Mr. Raymond Garneau (Laval-des-Rapides): Mr. Speaker, my question is directed to the Right Hon. Prime Minister.

Could the Prime Minister inform the House whether it is his Government's policy, or whether his Government intends, to

reduce gradually over the years the tax exemption for families with children?

Right Hon. Brian Mulroney (Prime Minister): No, Mr. Speaker. That is not what the Government intends to do.

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

If the Government does not intend, or it is not this Government's policy, to reduce, gradually or otherwise, tax exemptions for dependent children, does it intend to reduce gradually the amount of universal family allowance now being paid?

Mr. Mulroney: I would say that having initiated the dialogue, we shall submit a document for discussion purposes and ask all Canadians to give us their comments, both critical and otherwise, to see whether together we can find a formula that will make it possible, as I said before, to allocate more funds to the people in our society who really need it. I am referring to people on very modest incomes, including widows and senior citizens. We have a moral obligation to help the elderly in our society, and I know I can count on my hon. friend's co-operation in this respect.

[*English*]

TAXATION QUERY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, yesterday in response to a question put by myself, the Prime Minister did clearly indicate that the Government would not favour a special tax of any kind on a particular program in our social system. Outside the House, the Minister of Finance said something quite different. He said that that is still an option which the Government is considering. I listened carefully to what the Prime Minister had to say today and he said that he would maintain—and these were his words—"universality of delivery" in the system, which leaves open the possibility of the tax-back to which the Minister of Finance referred outside the House. Will the Prime Minister give us an unequivocally clear answer? Will he assure the House that there will be no tax-back provision of any kind applied to pensions or any other social program?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the tax-back was raised and initiated by the Hon. Member for Vancouver East, a member of your own Party.

Mr. Broadbent: Here we go again.

Mr. Mulroney: That is where it came from. More important, the Hon. Member referred to a conversation or comment by the Minister of Finance. The Minister of Finance said yesterday, "There will be papers that will be sent out as soon as they are ready and we will set out the options that are available, and after that we want to have a rational debate". That is what the Minister of Finance is saying. I suppose the proper question is: Is the Leader of the New Democratic Party interested and capable of mature, rational debate on an important issue which affects the welfare of so many Canadians? I invite the Hon. Member to set aside the nit-picking and to join in a healthy, vigorous, and positive debate, where we can help Canadians who need it most.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I invite the Hon. Member to do that.

Mr. Broadbent: I do not need lectures on maturity from Mr. Puff'n'stuff who does not give a clear answer to any question in the House, whether it is asked by the Liberals, asked by ourselves, or even asked by his own back-benchers. It is time he lived up to the responsibility of his job.

GOVERNMENT POLICY

Hon. Edward Broadbent (Oshawa): I want a straight, factual answer. I know the Prime Minister has trouble dealing just with facts. But I will ask a factual question and see if he will give me a factual answer. Will he tell us what he told me yesterday, which was different from what was said by the Minister of Finance outside of the House? Will he assure Canadians, the pensioners, recipients of family allowances, for example—never mind just the Opposition—that there will not be any special tax imposed upon a particular social program? That is the question. Will he say yes or no?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I will tell the Hon. Member that, notwithstanding the pernicious tax suggestions made by the Hon. Member for Vancouver East, we will defend and enhance—

Mr. Broadbent: Yes or no?

Mr. Rodriguez: This is a recording.

Mr. Mulroney: —the integrity and the positive benefits which come from a universal social program—

Mr. Rossi: How do you spell "integrity"?

Mr. Mulroney: —in favour of the elderly in this country who need it so much. We will defend and enhance that program, as a Government in Canada which believes in the concept should. We hope to do it with the full co-operation of my hon. friends from the New Democratic Party. But I guarantee them that if they stick to those nasty tax habits where they want to destroy universality, we will fight them on that—

Mr. Skelly: Answer the question.

Mr. Mulroney: —because we are going to protect the integrity of universality in this country. I will guarantee it.

PROGRAM TAXATION QUERY

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I will ask the Prime Minister for the third time.

Mr. Hnatyshyn: You don't like the answer, but it is true.

Mr. Broadbent: I would like to remind the Prime Minister that there are indeed thousands of Canadians, pensioners, recipients of family allowances, who are concerned out there as they watch his attempt to evade these questions. I will ask the Prime Minister for the third time: Will he give us the assurance that there will not be a special tax on a particular social program? Yes or no? It is pretty straightforward. We want no fluff and stuff; just give us a straight answer.

Right Hon. Brian Mulroney (Prime Minister): For some reason the Leader of the New Democratic Party feels that in advance of the consultation documents which have been promised, in advance of listening to Canadians, in advance of responding to the question of fairness—is it fair for someone making a half a million dollars a year to receive the same benefits as others?—these are legitimate questions which have to be debated and understood—in advance of these things, and in advance of consultations with the provinces, we are supposed to respond to every conceivable hypothetical question that that Hon. Member proposes to raise, not to enhance the integrity of social programs but to try to score a few brownie points.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Mulroney: Well, the Hon. Member is wrong. The people of Canada have got your number. They have got the NDP's number.

Some Hon. Members: Hear, hear!

Mr. Mulroney: and I can assure my hon. friend that he will be standing in his place and will be voting with the duly elected Government of Canada when we bring in our social programs which will contribute so much to the universality and to the advancement of those in Canada who need it. He will be voting with us that day.

Some Hon. Members: Hear, hear!

MINISTERIAL STATEMENTS

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, the Prime Minister says that the viewpoints of himself and his front-bench are not contradictory. Is the position of the Prime Minister and his Government on universality that which he outlined when he said that he will not tax-back old age pensions from upper income Canadians? Or will it be the viewpoint which was put forward by the Minister of Finance yesterday after Question Period in which he contradicted the Minister of National Health and Welfare—that is the third viewpoint we have had from the front-beach—when he said that the Finance Minister has not ruled out a special tax on the family allowance and old age security benefits going to the well to do?

Lastly, Mr. Speaker, is it the position of the Government, which the Prime Minister represents, what a member of his own Cabinet, the Government Leader in the Senate, who is quoted in the Senate *Hansard* of two days ago—

Mr. Crosbie: Order.

Mr. Frith: That is a question. It is not out of order.

Mr. Crosbie: You are not on *The Journal* now.

Mr. Frith: He was asked the question by Senator Frith in the Senate.

Mr. Crosbie: Get to the point.

Mr. Frith: He was asked: "Is the question of the means test still open?" And the reply was—

Mr. Speaker: Order, please. The difficulty, with respect—

Some Hon. Members: Oh, oh!

Mr. Hees: The Hon. Member should sit down.

Mr. Speaker: Order, please. With respect, it is not normally permitted to quote from debates in the other place in this House. The Hon. Member's first question could now be answered, I believe.

Mr. Frith: Would the Prime Minister explain to the House which Minister is speaking for government policy?

An Hon. Member: Erik Nielsen.

Mr. Speaker: Supplementary.

Mr. Frith: Mr. Speaker, you are right. There are no rules in the House which dictate that the Prime Minister has to respond.

Mr. Mulroney: I would be happy to respond.

Mr. Frith: The question is which viewpoint, that of the Minister of Finance, of the Minister of National Health and Welfare, of the Prime Minister, of the Government Leader in the Senate, is the position of the Government? Which one do we believe?

• (1430)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, we have said we believe in universal social programs, we are opposed to a means test, and we are looking for ways to try to put more into the hands of the poor. Are you opposed to that? I want to know now, Mr. Speaker, if the Liberal Party is opposed to that. You should stand up and ask your question in consequence.

POSITION OF MINISTER

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, my question is for the Minister of Finance. Yesterday the Prime Minister said that he, on behalf of the Government, was

opposed to imposing a tax-back scheme on the pensions of the elderly. Is that the position of the Minister of Finance?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, let me make it quite clear to Members opposite—

Some Hon. Members: Please.

Mr. Wilson (Etobicoke Centre): —that we intend to set out in a very clear way, in papers that will be issued early in the new year, the various options available to us in a limited way. We then want to have an open discussion on these various options to see how we can fulfil the principle that the Prime Minister has just established, that we want to see whether there are ways of maintaining the universality of the programs and direct a greater degree of benefit to those who need it most in our society.

POSSIBLE OPTIONS

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, would the Minister then inform the House whether one of the options that will be considered is that of taxing back the benefits received by old age pensioners in certain income categories, in direct opposition to the position put forward by the Prime Minister yesterday?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, patience is a virtue. The papers will be available early in the new year. I think that if Hon. Members opposite would cease trying to cast fear into the hearts of the people who need help most, and let us get on with the debate we have said is important, it will happen in due course, and I hope that Hon. Members participate fully in that debate.

* * *

UNEMPLOYMENT INSURANCE

REQUEST FOR MINISTERIAL ASSURANCE

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. I have been informed that during the Christmas recess the Minister, through Order-in-Council, will be making far reaching changes to the Unemployment Insurance Act. I request an undertaking from the Minister that there will be no changes to the Act through Order-in-Council during the Christmas recess. As well, will she undertake to complete the consultation process evidenced in the economic statement of the Minister of Finance, by consulting with labour, business, the provinces, and Members of Parliament?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am not sure where the Hon. Member has been gathering his information. Certainly not through consultations with me, I can assure you, Sir. I have no intention of making any statement or undertakings by Order-in-Council during the Christmas recess.

WORKING PAPER INQUIRY

Mr. David Dingwall (Cape Breton-East Richmond): Mr. Speaker, will the Minister undertake to provide the working document outlining the details of proposed changes to the Unemployment Insurance Act? Will she be prepared to table that today prior to Members going home for the Christmas break?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I am still somewhat bewildered by what the Hon. Member is referring to.

Mr. Crosbie: So is he.

Miss MacDonald: There is no document. Perhaps if he would like to speak to me privately to explain what it is he is getting at, we might be able to satisfy his request. I can assure you, Sir, that there is no document that I have yet had a chance to prepare.

* * *

SOCIAL SECURITY

MINISTER'S STATEMENT

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, my question is also for the Minister of Finance. Since he said yesterday outside the House that one option was a tax-back provision, does he not consider that this is a clear contradiction of what the Prime Minister said yesterday within this House?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, I characterize that as a clear distortion of what I said outside the House.

GOVERNMENT POSITION

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, in view of the contradictions from various parts of the Government, is the Minister of Finance in favour of full universal old age pensions and family allowances with no means tests and no specific tax on those programs? Is he also in favour of major tax reform which will help to pay for social programs? Major tax reform?

Hon. Michael Wilson (Minister of Finance): Mr. Speaker, what the Hon. Member is trying to do is prejudge the whole consultation process that Canadians want to participate in. I say to her, as I said to her colleague, be patient. The papers will be out shortly and then—

Ms. Mitchell: People are worried. Old age pensioners are worried.

Mr. Wilson (Etobicoke Centre): —we want to have a full discussion. She says the old age pensioners are worried. They have no reason to be worried, and they would not be worried except for the canards the Hon. Member throws up to cast fear into their minds. There is no reason.

OLD AGE PENSIONS

Mr. Stan Darling (Parry Sound-Muskoka): Mr. Speaker, my question is directed to the Minister of National Health and Welfare. The largest and most important of the programs we are contemplating are those affecting Canadians 65 and over. Will the Minister confirm that Canadians at age 65 will continue to receive this benefit on a universal basis, as they do now, and that no surtax will be paid on this benefit by any pensioner after the review process has been completed?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, the Hon. Member asks me will old age pensioners receive the same benefit in the same manner as they are now, as well as those who come to retirement at age 65, and the answer to that question is yes.

* * *

DISARMAMENT

UNITED STATES STAR WARS TECHNOLOGY PROPOSAL

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I would like to ask a question of the Prime Minister. Apparently the United States Secretary of State, Mr. Shultz, has announced that star wars testing and research will continue in the new year despite the scheduled talks in January with Foreign Minister Gromyko. Mr. Speaker, the British Government firmly opposes the star wars plan. Last week in Europe the Secretary of State for External Affairs said, and I quote: "This was a question I was hoping to avoid". In view of those facts, can the Prime Minister tell Canadians why his Government is refusing to support the policy that this Parliament and the previous Government enunciated, opposing strongly the new development of the star wars system which is threatening the world at this time?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, Canada is an adherent to the 1967 outer space treaty. We believe very fundamentally in it. We have not been approached in regard to what is not an undertaking but a research project, I understand, which is going to get under way. There has been no change. We have not been asked to consider anything, but we have ventured the view that the Canadian Government will press incessantly for the elimination of all instruments that damage the cause of peace. We are deeply committed to the talks in Geneva, and we hope that good will flow from them.

GOVERNMENT POLICY

Hon. Jean Chrétien (Saint-Maurice): Mr. Speaker, I would like to ask the Right Hon. Prime Minister if this is a change in policy? It is very disturbing for Canadians to realize that everything the Americans are asking of the Canadian Government is agreed to. The star wars system is a new dangerous development. The speech in New York by the Prime Minister offered Canada as a give-away to the United States, with, for example, the abandonment of FIRA and the changing of energy policy to please the big American corporations. Is it the Prime Minister's ambition to become the first Governor of the united states of Canada?

• (1440)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, as I indicated in my speech in New York, the Government of Canada will defend the integrity and the interests of this country at all times and in all circumstances. The Hon. Member referred to international corporations. His law firm is representing most of them in this country.

Some Hon. Members: Hear, hear!

Mr. Mulroney: We are committed to the integrity of this country, and we shall defend it. We need no lessons from the Hon. Member from Bay Street in that regard.

Some Hon. Members: Hear, hear!

* * *

SOCIAL SECURITY

OLD AGE PENSIONS

Mr. Neil Young (Beaches): Mr. Speaker, my question is for the Minister of National Health and Welfare. A few minutes ago a member of his own caucus, the Hon. Member for Parry Sound-Muskoka, asked the Minister very clearly whether there will be no surtax applied to old age pensions. The Minister conveniently avoided answering that question. I would like to ask him again whether it is the intention of the Government that there will be no surtax on pensions or family allowances.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, with regard to the question that was asked in terms of universality, maybe at this stage, in this House and in the country, we can put the question that the Opposition has been putting forward, to rest. There is no change. There never was any intention to change. There are no conditions to change the universality under which the old age pension is being paid to Canadians. It will be paid.

Mr. Broadbent: That is not the question.

Mr. Epp (Provencher): Just a minute, Ed, patience. You were taught that earlier today.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): On the matter of resources, the Minister of Finance and the Prime Minister have asked whether it is fair to ask of Canadians whether at certain income levels a certain amount of the money they receive could be better used, for example, by single parents who live below the poverty line. Those are the questions and answers that we want discussed, and I would like to have the Hon. Member's input too.

SURTAX QUERY

Mr. Neil Young (Beaches): Mr. Speaker, I will simply ask the question again. As the Member of his own caucus, the Hon. Member for Parry Sound-Muskoka asked, will the Minister clearly tell the House whether it is the intention of the Government to place a surtax on pensions or family allowances? Yes or no?

Hon. Jake Epp (Minister of National Health and Welfare): The Hon. Member says he repeats his question. I give him the same answer.

Some Hon. Members: Hear, hear!

PAYMENT OF PENSIONS AND FAMILY ALLOWANCES

Mr. Alan Redway (York East): Mr. Speaker, my question is also for the Minister of National Health and Welfare. It is extremely important that the people of Canada quite clearly understand what the Government is saying.

Some Hon. Members: Hear, hear!

Mr. Redway: I would like to ask the Minister whether the Government is unequivocally committed to maintaining the current old age security system and the family allowance system? Will every Canadian who is presently entitled to receive a cheque for old age security or for family allowance continue to receive it? If so, how does the Government propose to improve benefits for low income Canadians?

Some Hon. Members: Hear, hear!

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I am pleased that the opposition Members recognize that good questions can be asked.

Mr. Gauthier: Answer it.

Mr. Epp (Provencher): The answer to the question is yes. It is the same situation and we have answered it the same way to others. I am glad that Members can understand it. I hope that the Opposition might consider that as well.

CHILD TAX DEDUCTIONS

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my question is directed to the Prime Minister. I would like to give him one more chance to tell the truth to the Canadian people.

Some Hon. Members: Oh, oh!

Ms. Copps: Did I understand the Prime Minister to respond "no" to my colleague when asked:

[*Translation*]

Does his Government intend to eliminate gradually, over a number of years, the tax exemptions for children? Did he say no to that question here in the House today?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Hon. Member will find out when she reads *Hansard*. It is all there.

[*English*]

GOVERNMENT DOCUMENT

Ms. Sheila Copps (Hamilton East): Mr. Speaker, my supplementary question is also for the Prime Minister. He said "no" in the House today. In fact the document from whence came the question of my hon. colleague was drawn from his Government's discussion paper called—

Mr. Speaker: Order. Does the Member have a supplementary question?

Ms. Copps: Will the Prime Minister tell the truth on what his Government intends to do as described in his own document, *A New Direction for Canada*?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, when my hon. friend understands that you do not have to offend people to get an answer in this House, she will realize that the answer was amply and adequately given to her satisaction and the satisfaction of all Members of the House of Commons.

* * *

IMMIGRATION

LONG TERM ILLEGAL MIGRANTS PROGRAM—ANONYMITY OF APPLICANTS

Mr. Dan Heap (Spadina): Mr. Speaker, my question is for the Minister of Employment and Immigration. The Minister and her predecessors have given assurance that under the Long Term Illegal Migrants Program the anonymity of applicants will be so honoured that those applications which are rejected will not in any way be used to trap people who trusted the Government's promises. Therefore, will the Minister explain why the executive director of immigration caused this copy of a rejected anonymous application to be sent to the Director General, Immigration, Ontario Region, Toronto, for matching for the purpose of enforcement, that is, deportation? How does the Minister intend to correct this dangerous abuse of the executive director's power?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, I have met with the Hon. Member to discuss this situation. I have given him my assurance personally that the identity of individuals will not be disclosed. I do so again publicly today.

ABORIGINAL RIGHTS

NEGOTIATIONS WITH COUNCIL FOR YUKON INDIANS

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, the Minister of Indian Affairs and Northern Development is not here so I will address my question to the Prime Minister, although had the Deputy been here he may have wished to answer. Was a decision made in Cabinet this morning regarding the Council for Yukon Indians? Will the negotiations be allowed to continue into the new year? Will the benefits to the elders continue to be received? Will the land freeze be maintained? Will funding for those negotiations go on until they are satisfactorily completed?

Hon. Jake Epp (Acting Minister of Indian Affairs and Northern Development): Mr. Speaker, I would like to reply to the Hon. Member on behalf of the Minister of Indian Affairs and Northern Development. I know that he has been seized with this situation. He has been looking at it very carefully over the past weeks. The Hon. Member will know that there has been a long period of negotiation with the CYI and the Government of Yukon. We are all hoping for a satisfactory conclusion.

As to the four specifics which he mentioned that flow from the agreement, at the present time I can only tell him that I will take that to the Minister. I can assure him that the Minister is well aware of those difficulties.

STIPULATED DEADLINE

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, I gather that no decision has been made. In working towards this decision will the Minister not agree that December 31 was never a deadline but only a target date? Will he take that into consideration so that the future of the Council for Yukon Indians will not be foreclosed by a decision taken in haste?

• (1450)

Hon. Jake Epp (Acting Minister of Indian Affairs and Northern Development): Mr. Speaker, I recognize the sensitivity with which the Member brings this matter to the House and I will convey that to the Minister.

* * *

DISTINGUISHED VISITOR

NOBEL PEACE PRIZE WINNER, BISHOP TUTU OF SOUTH AFRICA

Mr. Don Ravis (Saskatoon East): Mr. Speaker, my question is directed to the Prime Minister. Has he had an opportunity to meet with Bishop Tutu who is visiting here from South Africa?

Right Hon. Brian Mulroney (Prime Minister): No, Mr. Speaker, I have not. However, I look forward to this afternoon when I meet with this extraordinary and exemplary man who is with us today. On your behalf I want to welcome him to the House of Commons.

Some Hon. Members: Hear, hear!

* * *

INCOME TAX

REQUEST FOR TAX ON RICH PERSONS

Hon. Edward Broadbent (Oshawa): Mr. Speaker, my question is directed to the Prime Minister. Today members from all sections of the House have asked questions about the Government's intention or otherwise to impose special taxes on particular social programs. I regret to say that the Government has not answered these questions but has suggested that it wants to raise money for the poor.

My question to the Prime Minister is very direct. Considering that the previous Liberal Government reduced taxes on the rich by $1.7 billion, and there is another $400 million left untouched because thousands of uppper income Canadians pay no tax whatsoever, would he obtain this additional revenue, which is more than $2 billion, by putting a reasonable tax on the rich instead of undermining the credibility of our social programs by the process that his Government is going through right now?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, it is pretty apparent. The desperation to see who will be the Leader of the Opposition is coming through every day. That is the real problem. All the hanky-panky around here deals with the NDP trying to get over there. That is all it is, and everyone knows it.

Some Hon. Members: Hear, hear!

Mr. Mulroney: As my hon. friend knows, and I will repeat it again, we are fully committed to the concept of universality. We are opposed to means tests and we are seeking a formula which will allow us to get more money into the hands of the poor and the underprivileged in our society. I hope that the NDP agrees with this. I hope you are not opposed to that.

The other matter that we are in agreement with is the concept of introducing more fairness into the tax system. We propose to do that, and we hope you will applaud that as well when the Minister of Finance brings in his new budget in April.

TAX REFORM

Hon. Edward Broadbent (Oshawa): Mr. Speaker, the Prime Minister has expressed concern about getting more income that can be distributed in a more equitable way to the poor in our society. That is something that my Party has fought for year in and year out.

Some Hon. Members: Oh, oh!

Mr. Broadbent: We agree with that. I just want to test his commitment to the idea.

Given that the Prime Minister during the election campaign promised a minimum tax on the rich, which he has not brought in yet, and since we know that we can get a minimum $2 billion simply by restoring taxes for the rich to where they once were, why will he not bring in tax reform now to get that additional revenue and spend it now for the poor, instead of just talking the way he is in the House?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I don't know what has come over my hon. friend who has a tradition of reasonableness in the House, and relative objectivity in dealing with problems. I know that he has disappointed a great number of Canadians with the malice he has shown in the last couple of days. I want to tell him that that kind of conduct is unbecoming and unrewarding.

Some Hon. Members: Oh, oh!

Mr. Mulroney: My hon. friend knows it. He knows full well that there will be consultation in regard to the introduction of tax changes that simplify and render the tax system more fair in order to achieve some of the objectives of equity that we are all seeking.

I hope my hon. friend will drop the malice and come out in support of a Government that wants to do more for those people in our society who genuinely need and deserve the help. That is where the NDP should be standing up, to agree.

* * *

ENVIRONMENTAL AFFAIRS

ACID RAIN—CONTROL OF AUTOMOBILE EMISSIONS

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, my question is directed to the Minister of Transport to whom I have given previous notice. It concerns the announcement made in the House yesterday by the Right Hon. Prime Minister when he informed Canadians of his impending meeting with the President of the United States and the fact that acid rain would be high on the agenda. Before that meeting takes place, will the Minister of Transport announce his decision on introducing control of automobile emissions as part of the over-all Canadian strategy to control acid rain emissions in a better manner?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, as I indicated in the House earlier, I am expecting a consolidated report arising out of the public hearings that were held here in Ottawa, public hearings that the former Government chose to hold in private. As soon as I get that consolidated report I will consider it and take appropriate action arising therefrom.

ANNOUNCEMENT OF DECISION

Hon. Chas. L. Caccia (Davenport): Mr. Speaker, in view of the fact that the hearings were completed a couple of weeks ago, does the Minister see any difficulty in making his decision and announcing it in January, before the proposed meeting between the Prime Minister and the U.S. President?

Hon. Don Mazankowski (Minister of Transport): Mr. Speaker, I do not want to get locked into a definitive timeframe but I will certainly act upon the report as soon as I see it. It will naturally have to be a decision that will be taken in consultation with my cabinet colleagues.

* * *

THE ECONOMY

REVIEW OF FOREIGN INVESTMENT

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, my question is directed to the Prime Minister. As reported in this morning's *Globe and Mail*, New York bankers have said that the Government's approach to foreign investment will have little impact on the level of investment flows, and that FIRA itself was not the bogyman that kept away foreign investment. Will the Prime Minister admit that he is wrong to think that abolishing foreign investment review will help create the jobs that Canada needs?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I don't suppose the Hon. Member would want me to argue or quarrel with the opinion of an investment banker or take particular pride in statements made by investment bankers on the other side of the concept. We will continue to work hard to build a stronger economy because we believe that, in part, the attraction of capital will create jobs that our fellow Canadians need.

I think we should all recognize modest indications of progress. The Bank of Canada bank rate dropped 40 basis points to 10.16 today. I think that is an indication of how well things are going.

GOVERNMENT'S STRATEGY

Mr. Steven W. Langdon (Essex-Windsor): Mr. Speaker, since it is not Canadian bankers or the bank rate that the Prime Minister has relied on, but foreign investors, will he now concede to the House that his strategy of trying to charm New York investment with speeches and legislative changes designed to weaken our economy is not working? Will he change that strategy?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I don't know what it is about the NDP, that they see problems under every rug. We are attempting to conduct ourselves in a civilized manner with our friends. We make no bones about that. We are trying to create jobs. There are 1.5 million Canadians crying out for work and we are trying to

re-energize the economy to deal with that moral difficulty confronting Canada. We will commit every resource and all of our talents, and we hope the co-operation of the House of Commons, to reduce unemployment so that Canadians can find that degree of prosperity they need. You should be applauding that.

Some Hon. Members: Hear, hear!

* * *

● (1500)

SOCIAL SECURITY

PREPARATION OF DISCUSSION PAPERS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, I have a question for the Minister of Finance. In his discussion paper *A New Direction for Canada* he refers to some directional and discussion papers which include subjects like old age pensions and the family allowance. His colleague, the Minister of National Health and Welfare, indicated that those papers were to be published before mid-December. Have those papers been withheld and rewritten as a result of questioning in this House of Commons—

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): —as a result of the public furor and anxiety in the country—

Some Hon. Members: Oh, oh!

Mr. Turner (Vancouver Quadra): —and the concern now being expressed by the backbenches of the Conservative Party?

Hon. Michael Wilson (Minister of Finance): No, they have not, Mr. Speaker.

* * *

CLERK OF PETITIONS' REPORTS

Mr. Speaker: I have the honour to inform the House that the petitions presented by Hon. Members on Wednesday, December 19, 1984, meet the requirements of the Standing Orders as to form.

* * *

MESSAGE FROM THE SENATE

Mr. Speaker: I have the honour to inform the House that a message has been received from the Senate informing this House that the Senate has passed the following Bills without amendment: Bill C-5, an Act to amend the Freshwater Fish Marketing Act; Bill C-7, an Act to amend the Income Tax Act and related Statutes; Bill C-8 an Act to amend the Petroleum and Gas Revenue Tax Act; and Bill C-14, an Act to authorize

the making of orders relating to the production of records and the giving of information for the purposes of proceedings in foreign tribunals, relating to measures of foreign states or foreign tribunals affecting international trade or commerce and in respect of the recognition and enforcement in Canada of certain foreign judgments obtained in antitrust proceedings.

* * *

THE ROYAL ASSENT

Mr. Speaker: I have the honour to inform the House that a communication has been received which is as follows:

Rideau Hall,
Government House,
Ottawa.

December 20, 1984

Sir:

I have the honour to inform you that the Honourable Willard Z. Estey, Puisne Judge of the Supreme Court of Canada, in his capacity as Deputy Governor General, will proceed to the Senate chamber today, the 20th day of December, at 3:00 p.m. for the purpose of giving the Royal Assent to certain Bills.

I have the honour to be, Sir,
Your obedient servant,
Edmond Joly de Lotbinière,
Administrative Secretary
to the Governor General.

ROUTINE PROCEEDINGS

[*English*]

REFORM OF THE HOUSE OF COMMONS

PRESENTATION OF FIRST REPORT OF SPECIAL COMMITTEE

Hon. James A. McGrath (St. John's East): Mr. Speaker, I have the honour to present the first report of the Special Committee on the Reform of the House of Commons to which, pursuant to Standing Order 69(13), the Committee requests a comprehensive response.

It is my understanding that today's report will be printed and appended to today's Votes and Proceedings.

Mr. Speaker: I must treat that as a request that it be so. I presume there is unanimous consent for the appending. Is there unanimous consent?

Some Hon. Members: Agreed.

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

Tabling of Documents

PETITIONS

REDUCTION IN POSTAL SERVICE

Mr. Fred McCain (Carleton-Charlotte): Mr. Speaker, I have a petition to present to the honourable the House of Commons in Parliament assembled. The petition of the undersigned residents of the Village of Upper Woodstock, in the Province of New Brunswick, who now avail themselves of their ancient and undoubted right thus to present a grievance common to your petitioners in the certain assurance that this Honourable House will therefore provide a remedy, humbly sheweth that Canada Post has intentions of reducing local postal services by eight hours a week, and that last year we lost our rural delivery on Saturdays. Wherefore we seek to retain the hours presently in effect in the post office. And as in duty bound your petitioner will ever pray.

Mr. Speaker: Order, please. I must remind Members that the purpose of this moment when we get to petitions, which we got to by my error, is not to read the face of the petition. It is to present a summary of the petition.

* * *

LAW REFORM COMMISSION

TABLING OF 1983-84 ANNUAL REPORT

Hon. John C. Crosbie (Minister of Justice and Attorney General of Canada): Mr. Speaker, I am pleased to lay upon the table of the House in both official languages a copy of the Annual Report for 1983-84 of the Law Reform Commission of Canada. I ask that the report be referred to the Standing Committee on Justice and Legal Affairs.

The Commission produced four reports to Parliament, five working papers and two study papers this year and it is continuing its very valuable and helpful work.

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NORTH ATLANTIC TREATY ORGANIZATION

TABLING OF COMMUNIQUÉ ISSUED BY FOREIGN MINISTERS

Mr. Gerry Weiner (Parliamentary Secretary to Secretary of State for External Affairs): Mr. Speaker, pursuant to Standing Order 41(2), I would like to table on behalf of the Secretary of State for External Affairs (Mr. Clark) in both official languages the final communiqué issued by NATO Foreign Ministers at the conclusion of their meeting in Brussels, December 13 and 14, 1984. Appended to the communiqué, which deals with the important issues of East-West relations on arms control, are extracts from the agreed minutes of the ministerial meeting which deal with subjects not directly covered in the communiqué.

[*Translation*]

BELL CANADA ACT

MEASURE TO ENACT

Hon. Marcel Masse (Minister of Communications) moved for leave to introduce Bill C-19, an Act respecting the reorganization of Bell Canada.

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

Mr. Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

CANADIAN RADIO-TELEVISION AND TELECOMMUNICATIONS COMMISSION ACT

MEASURE TO AMEND

Hon. Marcel Masse (Minister of Communications) moved for leave to introduce Bill C-20, an Act to amend the Canadian Radio-television and Telecommunications Commission Act, the Broadcasting Act and the Radio Act.

Mr. Speaker: Is it the pleasure of the House that the Hon. Member shall have leave to introduce the Bill?

Some Hon. Members: Agreed.

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

Mr. Speaker: When shall the Bill be read the second time? At the next sitting of the House?

Some Hon. Members: Agreed.

* * *

• (1510)

[*English*]

CURRENCY ACT

MEASURE TO AMEND

Hon. Harvie Andre (Minister of Supply and Services) moved for leave to introduce Bill C-21, an Act to amend the Currency Act.

Mr. Speaker: Is it the pleasure of the House that the Hon. Minister shall have leave to introduce the said Bill?

Some Hon. Members: Agreed.

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

* * *

INTERNATIONAL CENTRE FOR OCEAN DEVELOPMENT ACT

MEASURE TO ENACT

Hon. Jake Epp (for the Secretary of State for External Affairs) moved for leave to introduce Bill C-22, an Act to establish the International Centre for Ocean Development and to amend the Financial Administration Act in relation thereto.

Mr. Speaker: Is it the pleasure of the House that the Hon. Minister shall have leave to introduce the said Bill?

Some Hon. Members: Agreed.

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

THE ROYAL ASSENT

[*English*]

A message was delivered by the Gentleman Usher of the Black Rod as follows:

Mr. Speaker, the Honourable Deputy to the Governor General desires the immediate attendance of this honourable House in the Chamber of the honourable the Senate.

Accordingly, Mr. Speaker with the House went up to the Senate Chamber.

● (1520)

And being returned:

Mr. Speaker: I have the honour to inform the House that when the House did attend His Honour the Deputy to Her Excellency the Governor General in the Senate Chamber, His Honour was pleased to give, in Her Majesty's name, the Royal Assent to the following Bills:

Bill C-3, an Act to amend various Acts as a consequence of the reconstitution of the courts in Ontario and Manitoba—Chapter No. 41

Bill C-4, an Act to amend the Farm Products Marketing Agencies Act—Chapter No. 42.

Bill C-5, an Act to amend the Freshwater Fish Marketing Act—Chapter No. 43.

Bill C-6, an Act to amend the Saltfish Act—Chapter No. 44.

Bill C-7, an Act to amend the Income Tax Act and related statutes—Chapter No. 45.

Order Paper Questions

Bill C-8, an Act to amend the Petroleum and Gas Revenue Tax Act—Chapter No. 46.

Bill C-9, an Act to amend the Customs Act and the Customs Tariff—Chapter No. 47.

Bill C-10, an Act respecting the interpretation of Canada's international conventions relating to income tax and the Acts implementing such conventions—Chapter No. 48.

Bill C-14, an Act to authorize the making of orders relating to the production of records and the giving of information for the purposes of proceedings in foreign tribunals, relating to measures of foreign states or foreign tribunals affecting international trade or commerce and in respect of the recognition and enforcement in Canada of certain foreign judgments obtained in antitrust proceedings—Chapter No. 49

Bill C-16, an Act for granting to Her Majesty certain sums of money for the Government of Canada for the financial year ending the 31st March, 1985—Chapter No. 50.

ROUTINE PROCEEDINGS

[*English*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice): Mr. Speaker, the following questions will be answered today: Nos. 72 and 78.

[*Text*]

INMATES INCARCERATED IN FEDERAL CORRECTIONAL INSTITUTIONS

Question No. 72—**Mr. Nunziata:**

1. Of those presently incarcerated in federal correctional institutions, how many are (a) male (b) female?

2. How many inmates convicted of murder were released from the correctional system during the past five years after having served their sentences and, how many were subsequently convicted of a further indictable offense?

3. How many inmates in the federal correctional system are currently serving life sentences for murder and manslaughter?

Hon. Elmer M. MacKay (Solicitor General of Canada): In so far as the Correctional Service of Canada is concerned:

1. (a) Male inmates incarcerated in federal correctional institutions: 11,813

   (b) Female inmates incarcerated in federal correctional institutions (includes federal female inmates incarcerated in provincial institutions under Federal/Provincial Exchange of Service Agreements): 232

2. See Annex A.

3. Number of inmates serving a life sentence for murder:

capital murder:	20
non-capital murder:	359
first degree murder:	252
second degree murder:	785

Number of inmates serving a life sentence for manslaughter: 20

Order Paper Questions

ANNEX A

	1980/81	1981/82	1982/83	1983/84	1984 (Apr 1 to Nov 13)
2. Inmates convicted of the following offences and released or paroled:					
capital murder	3	4	2	2	5
non-capital murder	33	39	44	44	28
first degree murder	—	—	1*	—	—
second degree murder	—	—	—	1	—
Of the above, those who were released or paroled and subsequently convicted of a further indictable offence:					
capital murder	2	—	—	—	—
non-capital murder	3	2	1	—	—
first degree murder	—	—	—	—	—
second degree murder	—	—	—	—	—

* Inmate was sentenced in the United States to 9,131 days for first degree murder. He was brought to Canada under the Canada/USA transfer treaty and was therefore eligible for parole.

EXPENDITURE OF PROVINCIAL CORRECTIONAL SERVICES

Question No. 78—**Mr. Nunziata:**

What is the per capita and total budgetary expenditures on provincial correctional services in each province, and what are the amounts?

Mr. Bud Bradley (Parliamentary Secretary to Minister of Supply and Services): Statistics Canada reports:

The attached table shows the provincial operating expenditures for fiscal year 1982-83 on adult correctional services and the per capita operating cost by province.

Capital cost figures are not available, nor are juvenile correctional operating expenditures.

Provincial Correctional Operating Expenditures
for Fiscal Year 1982/83
(Adult Correctional Services)

Province/Territory	Total ($000's)	Per Capita ($)	Population Estimate June 1/82
Newfoundland and Labrador	9,741	17.11	569.2
Prince Edward Island	2,388	19.45	122.8
Nova Scotia	13,173	15.46	852.3
New Brunswick	11,180	15.99	699.1
Quebec	106,518	16.43	6482.5
Ontario	207,557	23.81	8715.7
Manitoba	19,758	19.09	1035.2
Saskatchewan	31,952	32.62	979.4
Alberta	66,014	28.49	2317.0
British Columbia	62,265	22.31	2790.1
Yukon	2,421	101.72	23.8
Northwest Territories	6,315	133.79	47.2
All provinces/Territories	**539,282**	**21.89**	**24634.3**

Notes: 1. The per capita figures are calculated using the total population of each province on June 1, 1982 from the 1982 population estimates of Canada and the provinces.

2. Costs of federal correctional services are not included.

[*English*]

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

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

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CRIMINAL LAW AMENDMENT ACT, 1984

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Crosbie that Bill C-18, an Act to amend the Criminal Code, to amend an Act to amend the Criminal Code and to amend the Combines Investigation Act, the Customs Act, the Excise Act, the Food and Drugs Act, the Narcotic Control Act, the Parole Act and the Weights and Measures Act, to repeal certain other Acts and to make other consequential amendments, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Chris Speyer (Parliamentary Secretary to Minister of Justice): Mr. Speaker, before lunch I was trying to demonstrate to the House the tremendous change that has evolved over time in our criminal law. It has been an evolution that is very, very important. At that time I said that property rights received far more emphasis than rights that related to the person. I gave as an illustration the fact that one could go to jail for one year for stealing a car with absolutely no discretion. I traced the fact that stealing from the post office carried an automatic six-month jail term.

We then moved into the 1960s. As I said, when I was a young prosecutor I remember that when a person was caught smoking a marijuana cigarette, there was absolutely no alternative but to send him to jail for a period of six months. Then in 1968 and 1969 we saw further matters that relate to this Bill evolve that dealt with drinking and driving. Until that particular point in time there was no compulsory breathalyser test. There was a very substantial debate as to whether or not a person should be compelled to take a breathalyser test for the purpose of determining the amount of alcohol in his system. There was substantial debate and certain safeguards were implemented with respect to it.

As I pointed out, in the City of Toronto in the 1960s, unless a person who blew less than 1.5 on the breathalyser was a falling-down drunk, the charges against him were withdrawn. That was less than 15 years ago. The law has evolved so that it is an offence not only for a person to be an impaired driver,

but for a person to blow over the statutory limit. That statutory limit, whether or not the person is impaired, is the 0.8 reading which we have today. The law is moving in such a way that there is a substantial body of opinion which believes, as they do in other jurisdictions, that the limit should be further reduced to .05. Now, finally, in the fullness of time, there are more severe penalties for those who drink and drive.

• (1530)

The Hon. Member for Vancouver-Kingsway (Mr. Waddell) asked a very pertinent question. He asked if these tougher impaired driving laws were going to be the panacea which Canadians hope they will be. The Minister of Justice (Mr. Crosbie) and the Hon. Member for Vancouver-Kingsway said that it was only a partial answer.

I would like to tell the House a story. I spent some time in Sweden. Back in the early seventies there were very restrictive driving and drinking laws in Sweden. If charged, a person was automatically incarcerated in that jurisdiction. But there is something far more than that which Canadians must learn—

Mr. Keeper: Socialism.

Mr. Speyer: Not socialism. We have enough of that. What Canadians must learn is that it is wrong to drink and drive. Those good people who would have absolutely no thought of breaking and entering, stealing or committing a crime in which there is some sense of moral opprobrium, will get into a car, having had too much to drink, and drive it with the potential of risk. In a sense, the legislation forms a deterrent. I would say to all Members of the house, and to the people who may be watching these proceedings, that that is not the whole answer. In the home, parents teach their children what is right and what is wrong. Good education tries to instil in young people a sense of ethics and morality. Until the day comes when people think it is just as wrong to enter a car after having consumed alcohol as it is to commit a crime, this legislation will only be part of the answer. Over the fullness of time, people will become increasingly aware that it is not only illegal, but that it is morally reprehensible to drive when they have had too much alcohol.

For a lot of us there is a certain amount of personal hypocrisy in that. I know that is the way society is moving and it is the way in which changes have evolved in other aspects of criminal law. As sure as I am standing here, in 10 or 15 years, I know our children will not understand how we could have been so lax with respect to drinking and driving in previous years.

There are other aspects of the legislation about which I would like to speak. One of them is the necessity to have a degree of flexibility. There are no minimum penalties which have been increased. Judges still have the ability, in worthy cases, to exercise discretion in favour of the accused. We cannot categorize every case in terms of minimum laws. This legislation increases the penalty in cases which are reasonable. If a person assumes the risk of getting into an automobile after drinking, whether or not that person intended to, and causes injury, bodily harm or death, that person will be susceptible to a very harsh penalty. In the case of bodily harm, the penalty will be ten years. In the case of death, the penalty will be 14 years. That is the risk which is being run. It is one of the deterrent aspects of the legislation.

A new feature of the Bill which I would like to draw to the attention of Hon. Members is that normally in criminal law offences the offender is punished. However, in this legislation, which is subject to being proclaimed in each and every province, there is the provision for a judge to order the immobilization of a vehicle. Why is that included in the legislation? It is in the legislation so as to prevent the prohibition—when a person cannot drive after a conviction—from being neglected or disobeyed. This happens often. One of the ways to punish the offender is to seize the vehicle. The vehicle is not being impounded, it is being immobilized. The intention does not involve the cost of bringing the vehicle to a pound. The provinces must decide what they will do. It may very well be that a vehicle will end up in the owner's garage, locked with a device such as the Denver boot. The power will be with the courts to order immobilization in some circumstances.

The Hon. Member for Vancouver-Kingsway mentioned some concerns with respect to telewarrants. I hope that I am second to nobody in terms of defending rights. When I first considered telewarrants, I was concerned and apprehensive because it was a new system. I agreed that writs of assistance had to go. I was glad to see the Ontario Court of Appeal strike them down as unconstitutional. However, in emergency circumstances we had to put an authorization in place by which a judicial officer could issue a warrant. I ask Members to focus on this point. A telewarrant is an extraordinary measure. The normal measure is an ordinary warrant. It is a warrant which protects people from police or other people of authority entering their houses, offices, cars or domains. Under normal circumstances, that is what will happen. Normal warrants will be taken out and sworn before a justice of the peace.

However, there are extraordinary circumstances. For example, if a person is found unconscious and a police officer suspects that that person has been drinking, then the police officer will be forced to comply with all the conditions before obtaining a warrant. He will have to swear an oath and set forth the facts upon which that oath is taken. Then the police officer must confirm it. I hope that in practice there will be tape recordings of the oaths. Then the authorization will be given to a medical practitioner who will take a blood sample. If a person is in northwestern Ontario and an emergency situation occurs, a police officer will have the ability to swear under oath that he has reasonable and probable grounds to believe an offence has been committed, to state the facts upon which his belief pivots and, under those circumstances, an oath would be forthcoming, subject to it being confirmed. The protections are there.

The Hon. Member for Vancouver-Kingsway asked where the proposition came from, and I would like to answer that. Believe it or not, it came from the Law Reform Commission. I have been here since 1979 and I have never known of a Law

Reform Commission recommendation to be adopted by this House with respect to criminal legislation. No one could ever accuse the Law Reform Commission of being a red-neck body. It is a commission which is dedicated to civil liberties. It saw a vacuum which could be created at the time when the writs of assistance were disposed of. So it put in this very sensible mechanism which, on the one hand, will balance the interests of the state and, on the other hand, will give the protection which all of us desire with respect to warrants.

● (1540)

I am going to speak very briefly about two other matters in terms of the administration of justice. People such as yourself, Mr. Speaker, who have had many jury trials know that one of the things which happens is what is known as a "trial within a trial" where the jury is not entitled to hear the evidence. That does not occur until a jury is empanelled. The jury then sits at the expense of the state sometimes for days and days while lawyers argue points of law. What we have done here is to put into legislative form that which is the practice in some jurisdictions such as Ontario whereby matters which come before the court would be able to be argued prior to the empanelling of a jury. This is entirely practical and sensible. It will save the time of the court and the jury and will save Canadians needless expense.

I ask Hon. Members to contemplate a particular feature which, in my view, is underrated. We are talking about the 1984 law. If there are any deficiencies of substance, they have to do with computers, because the last substantial change in the criminal law was in 1954. There have been amendments throughout the years, but what we had to do was to come up with a good law which would protect property rights from the wilful and unauthorized invasion of a computer. We must protect against the destruction of property which is held in computers because the present laws are not sufficient. It is really an extension of the law which we call "the law of mischief", and I certainly believe that is important.

In conclusion, I would like to make a point which I believe is very important. I feel that this Bill is not at all contentious. I would be very interested to hear from anyone who has a substantial or fundamental disagreement with respect to the Bill. There were aspects of the former Bill which was brought forward which were contentious and which divided the people or parties involved. For example, prostitution and soliciting is a very sensitive topic about which reasonable people could differ. I believe it would be wrong to include provisions with respect to prostitution and soliciting in a Bill which deals with impaired driving, computer crime and matters relating to streamlining the court process.

Obscenity is another sensitive topic. I have a lot of difficulty, Mr. Speaker, in all frankness, with respect to amendments to the law dealing with obscenity. I want to make sure there is a balance so that there is a maximum of tolerance on the one hand and, on the other hand, children are protected. We must draw the proper line in the proper place so that there is no real restriction of freedom of speech, but at the same time we do not want people to see certain things because it is just wrong. Hon. Members of this House are going to have to draw that line, and that certainly will be a contentious issue.

Another contentious topic is contempt of court proceedings. Judges did not like the various proposals. These are matters which should be debated individually. There are also the topics of gun control and jury trials. We have taken all of these matters out which would divide people. They are not in the Bill.

What is in the Bill, in my view, Mr. Speaker, is necessary. It is timely, and it deserves the attention to the House in terms of putting it through quickly. I have yet to hear anyone, either the critic for the Liberal Party or the acting critic for the New Democratic Party, give any substantial reason why he would disagree with this Bill. The Hon. Member for Vancouver-Kingsway raised certain legitimate questions. Those questions can be disposed of. This Bill ought to be law and we ought to act promptly to make it so.

Mr. Nunziata: Mr. Speaker, I would like to ask the Hon. Member whether he agrees with me that along with these very important amendments to the Criminal Code dealing with impaired driving, it is absolutely essential that the Government undertake a public education program which would send very strong messages and educate the public with respect to this very serious problem. If he does agree, can the Hon. Member advise this House as to the reasons why the Minister of Justice (Mr. Crosbie), in his wisdom, decided to cut some $700,000 from public legal education? I would like the Hon. Member to advise the House why such a drastic measure would be taken when it is so absolutely necessary and essential that the public be educated with respect to matters of law reform?

Mr. Speyer: Mr. Speaker, in answer to my friend's question, may I say that I hope that I articulated the fact that this Bill is not a panacea. It is one aspect of deterrence. Public education is very important, I agree with the Hon. Member. I believe that, whether it be in the schools or whether it be at home, these things take a period of time. As the Hon. Member heard yesterday, because I saw him at the press conference, over $200,000 is going to be spent on public education and advertising. The Attorneys General of the provinces have all pledged money. In Ontario it is in train right now. We must make people aware that society will not permit this kind of behaviour.

Quite frankly, I would love to spend incredible amounts of money to make people aware of the importance of certain things. But there are certain limits on the Government, and $200,000 is only the beginning. Public education is important. The Minister of Justice does not deny that. I do not deny it. I know, as the Hon. Member knows, that it is important. We are not cutting anything. The amount of $200,000 is being spent, and over the fullness of time people will become aware of the importance of this legislation.

Mr. Nunziata: Mr. Speaker, the Hon. Member just indicated that nothing was being cut. I beg to differ with the Hon.

Member. I was present at the meeting of the Committee on Justice and Legal Affairs where the Minister admitted that some $700,000 was being cut from the public legal education program which had been planned. Perhaps the Hon. Member could consult with his Minister.

Once the Hon. Member confirms that the $700,000 has been cut, I would ask him if he would petition his Minister and urge the Minister to reinstate that sum of money and specifically direct that $700,000 to a program of education for the public with respect to the very serious nature of drinking and driving.

Mr. Speyer: Mr. Speaker, first, I will not give such an undertaking. Second, I say to the Hon. Member that the $700,000 was never in train. It has never been a matter for which moneys had been committed. Third, the $700,000 refers to the totality of all matters involving legal education, not just impaired driving, but everything. The fact is that there are certain constraints on the Government. Every Hon. Member in this House hears of good programs which may very well have to be sacrificed because we just do not have the money. So I cannot give the Hon. Member the undertaking he is looking for.

• (1550)

Mr. Riis: Mr. Speaker, I have some questions for the Parliamentary Secretary. The Minister of Justice (Mr. Crosbie) as well as the Parliamentary Secretary referred to the importance of that part of the Bill dealing with drinking and driving. I think all Members of this House share in that concern and are anxious to get these changes into committee to hear various representations as soon as possible. My question is this. If the Government was really concerned about this provision, recognizing that this time of year is a little different as there is much more tendency to party and, as the police would indicate, more people are on the highway who have been drinking, why did it not separate this section from the Bill? The Bill is very complex and includes a variety of critical areas. The Minister said during his presentation that he would like to see this Bill passed today or tomorrow. Well, rather than introduce it the day before the House is going to recess for the Christmas break, why did he not introduce it two or three weeks ago so this could have been accomplished?

Mr. Speyer: Mr. Speaker, I do not know why the opposition Parties did not co-operate on the passage of this Bill—which, in my respectful submission, is not contentious. If the Hon. Member can point out any particular part of the Bill with which he is in substantial disagreement, I would be very surprised. Would he vote against those matters concerning computer crime, streamlining of the courts or telewarrants? I have heard absolutely no arguments from any Party against these provisions.

Mr. Nunziata: Be patient, we are not finished yet.

Mr. Speyer: The critic for the Official Opposition was the one who said this morning that not only does he favour telewarrants but he thought that he initiated them.

I say to the Hon. Member that, sure, it is important that this Bill be passed and I suspect very strongly that it will be passed before the end of January. It would be nice if it could be passed in a day or two, but the fact is that it will go to committee where people will have the opportunity to pose questions if they have any.

Mr. Caldwell: Mr. Speaker, regarding the new proposals concerning deterrence, does the Parliamentary Secretary know of a study being done or does he have any information available about where legislation of this type has acted as a deterrent in other sectors of society or in other countries?

Mr. Speyer: Mr. Speaker, I will attempt to answer as best I can. The Hon. Member for Vancouver-Kingsway referred to a study done in Buffalo on whether deterrence was effective. I think there are certain limits on deterrence. It is important, but after people become used to it, it may very well be that they will still drink and drive. I can tell the Hon. Member that in Sweden the laws are dramatically tougher than they are here. As a result of public pressure a number of years ago, Germany became far more severe. In the state of Maine and the state of New Jersey, dramatically new and tougher legislation has gone into place. Many states in the U.S. are contemplating these changes because there is an ethos going around the world that drinking and driving will not be permitted. If one is going to indulge in this form of conduct, then he or she will be punished more severely. I am not in a position right now to cite to the Hon. Member any studies that have been done, but I undertake to send him a letter on the subject when the Department gives me the list of studies that are available.

Mr. Deputy Speaker: The period for questions and comments is now terminated.

Mr. John Nunziata (York South-Weston): Mr. Speaker, I appreciate the opportunity to speak on this Bill. As a new Member it is my first opportunity to speak on a new legislative proposal. I would like to begin by indicating how chagrined I am by the fact that this Government should wait so long to introduce a Bill which was introduced by the Liberal Government on February 7 of this year.

Mr. Epp (Provencher): Then pass it today.

Mr. Nunziata: On the admission of the Minister of Justice (Mr. Crosbie), it is, with respect to the drunk driving provisions, virtually identical to the Bill introduced by the Liberal Government and the then Minister, Mark MacGuigan. This extremely important and urgent Bill could have been introduced by the Government some seven weeks ago in order to afford an opportunity for the House to take a very close look at its various provisions. But for some unknown reason the Government decided to wait. It is crucial that signals be sent out to the community as early as possible that drunk driving is a very serious problem. But this Bill was a Liberal initiative.

Mr. Speyer: Why not pass it, then?

Mr. Nunziata: With respect to the drunk driving provisions, we were prepared to pass them—10 months ago, but because of petty partisan politics, Mr. Speaker—

Mr. Speyer: On your part.

Mr. Nunziata: —the Progressive Conservative Party stalled and delayed.

Mr. Kempling: You were not here.

Mr. Nunziata: These amendments were necessary in order to toughen the laws with respect to drinking and driving. The Minister of Justice agrees so much with the drunk driving provisions that he had the audacity to read actually from a speech delivered by the then Minister of Justice, the Hon. Mark MacGuigan, on November 9, 1983.

Mr. Kempling: How terrible.

Mr. Nunziata: He was reading verbatim from parts of that speech. We appreciate that our speeches are good, but we would simply ask the Government—

Mr. Thacker: I rise on a point of order, Mr. Speaker. I am sure my friend opposite would not deliberately want to mislead the House. Beauchesne is quite clear. The Minister answered that allegation by saying he was reading from Department of Justice notes, the same notes with which the Department had prepared the speech for the previous Minister. That was my point.

Mr. Deputy Speaker: The Chair does not rule that this is a point of order. The Hon. Member for York South-Weston may continue in debate.

Mr. Nunziata: Mr. Speaker, I simply ask, with the greatest of respect, that when the Government intends to use speeches delivered by Liberal Ministers, that it ask permission before it plagiarizes.

Some Hon. Members: Oh, Oh!

Mr. Marchi: Or acknowledge it with a footnote.

Mr. Nunziata: Mr. Speaker, the Parliamentary Secretary says he would be surprised indeed if any Member were to have serious disagreement with any of these provisions. I would like now to surprise him, notwithstanding that the official critic of the Liberal Party has indicated that the Liberal Party fully supports the drunk driving provisions and would be prepared, if we could only gain agreement of the NDP and the Government, to pass those provisions immediately. We believe that even though improvements can be made to the drunk driving provisions, they are so necessary and important that they should come into effect immediately. We would have liked to have seen the amendments come into effect before the Christmas season, because it is at this time of year that public awareness is heightened with respect to drinking and driving. If we wanted to send out very clear and definite messages to those who drink and drive, now or three or four weeks ago would have been the time of year to do it. However, it appears that the Government fell asleep at the switch, either deliberately or innocently.

• (1600)

Although I did indicate that we would be prepared to pass this Bill as it is as there would be an opportunity at a later time to improve it, I would like to indicate to the Hon. Parliamentary Secretary the concerns that I have with respect to the various penalties with regard to drinking and driving. I am concerned specifically with certain inconsistencies. The Bill provides that on a second offence for drinking and driving there is an absolutely mandatory 14-day prison term.

Mr. Speyer: The same as it is now.

Mr. Nunziata: That is the same as it is now, as the Parliamentary Secretary points out. There is a minimum. As the Member is aware, Mr. Speaker, there are very few Criminal Code offences that carry minimum sentences. This particular offence is one of those few. Yet, with respect to the new offence of impaired driving causing death, there is no minimum sentence.

I would like to present a hypothetical situation to the House. Consider a situation in which someone deliberately consumes alcohol, becomes intoxicated, gets into his automobile and, with reckless and wanton disregard, causes an accident and the death of an innocent individual. In that case there is an option for the court not to impose a prison term. In the case of an individual who, on two occasions, may have had four or five drinks, the minimum amount of alcohol required to constitute a criminal offence, that person must, by law, serve a 14-day minimum jail term. That is an inconsistency that I am concerned about with regard to the drunk driving provisions of this Bill.

I am hoping that these concerns can be remedied. I am not quite certain what consultation process the Government went through before it introduced this legislation.

Mr. Speyer: This is your Bill.

Mr. Nunziata: I fully recognize that this is a Liberal Bill, and it is a good Bill. It is an excellent Bill and we wanted to pass it in February of this year, but because of petty politics, Mr. Speaker, that Party stalled.

Mr. Epp (Provencher): Let's pass it in December then.

Mr. Nunziata: They stalled and delayed, and because of their stalling and delaying more drunk drivers were permitted to drive and to kill and maim and to produce carnage on the highways.

Mr. Speyer: Let's get serious.

Mr. Nunziata: I assure the Hon. Member that I am very serious. I would have hoped that the Progressive Conservative

Party could have been a little more serious when these important amendments were introduced in February of this year. It is unfortunate that they chose to stall, but be that as it may, we are prepared to turn the page and to deal with this very important legislation.

As my hon. friend, the Member for York Centre (Mr. Kaplan) so eloquently stated, the Liberal Party will not oppose for the sake of opposing. We are prepared to co-operate with the Government. I am only sorry that the New Democratic Party is not prepared to co-operate to ensure that this Bill, especially the provisions with respect to drinking and driving, will become law before Christmas. I only hope that the NDP will reconsider its position.

With respect to the matter of drunk driving, it it quite clear that it is a very serious social problem in this country. As has been indicated in the past, in 1981 there were 158,000 convictions in the country for drinking and driving. Unfortunately, I do not have the statistics available with respect to the last few years, but I would suspect that the number of convictions has increased since 1981. That number itself would indicate how serious this problem is.

While it is recognized that the criminal law can go a long way to deter individuals from drinking and driving, the criminal law in and of itself is not sufficient to get the message out to the Canadian public that drinking and driving is a type of behaviour that will not be accepted. It is socially unacceptable. It is extremely dangerous and extremely costly. I am very disappointed, as are other members of my caucus, that the Minister of Justice would cut, purely for the sake of cutting, $700,000 from the public legal education program which was planned. That money could have been earmarked to educate the public with regard to drinking and driving. I asked the Hon. Parliamentary Secretary whether he would petition the Minister to re-instate those funds and to earmark them for this specific purpose. For whatever reason, he indicated that he would not so petition the Government. That would lead one to question the credibility of the Government when it talks about the seriousness of combatting drinking and driving. If the Government is serious, I challenge it to spend at least that $700,000 to educate the public.

We are talking about a very serious social problem. We are talking about human life. There are literally hundreds upon hundreds of individuals who are killed or maimed every year because of drunk drivers. The statistics indicate that alcohol is a contributing factor in 50 per cent of all fatal traffic accidents. Statistics also indicate that the economic cost of alcohol-related accidents is in excess of $800 million per year in this country. On any given night, 25 per cent of the drivers on the road in Canada have been drinking and 6 per cent are legally impaired. Drunk drivers cause 30 per cent of all traffic accidents in which injuries are sustained.

The Liberal Party is prepared to support the provisions with respect to drinking and driving, Mr. Speaker. We are also prepared to support in principle the other provisions in this Bill. However, with respect to the other provisions dealing with telewarrants, computer crime and other amendments that would allow for pre-trial conferences, we believe that those clauses of the Bill should be given some serious consideration by the Justice Committee. This would also provide an opportunity to various interest groups from across the country to indicate their concerns to the Justice Committee.

• (1610)

Returning to the question of sentencing, I have indicated one of my concerns with respect to the regime of sanctions that are proposed in this legislation.

In May of this year, I believe, the Liberal Government appointed a commission to study the whole question of sentencing in this country. Although the Sinclair Commission is to report to Parliament some time next year, I am disappointed to learn that the Commission has yet to meet. As of approximately two weeks ago, it had yet to commence deliberations to discuss the terms of reference for studying the question of criminal law sentencing in this country. I hope the Parliamentary Secretary and the Minister of Justice will request that the Commission begin immediately to look at the whole question of sentencing. This is a very important consideration when one talks about adding new offences to the Criminal Code of Canada.

I am also interested in the concept of adding the immobilization or impounding of vehicles to the impaired driving provisions. I believe that there would be a definite deterrent effect to impounding vehicles of those who are convicted of impaired driving. I say this because in the short time I have been a member of the Ontario Bar it has been my experience, while defending individuals who have been charged with drinking and driving, that it is the sanctions attached to drinking and driving that affect them the most.

In Ontario, the first offence fine for drinking and driving ranges anywhere from $150 to $500. This Bill will increase the minimum from $150 to $300. Presumably a clear message will go to the judiciary in this country that the existing tariff is too low and the penalty should be increased. I hope that there is some uniformity with respect to sentencing across the country.

With respect to the immobilization of vehicles, I suggest it would be an effective deterrent to include that sanction of impounding of a motor vehicle upon conviction. I would further suggest that the automobile should be impounded regardless of whether or not the person convicted is the owner of the automobile. This would make owners of vehicles more responsible in terms of the person to whom they lend their cars.

The current Ontario civil law holds that the owner of a vehicle as well as the driver are jointly and severally liable for negligence in the operation of that vehicle. I hope the Government would consider applying that principle to the Criminal Code and to the drunk driving provisions of the Criminal Code.

I recognize that my time is up. That is rather unfortunate because I wanted to discuss some other matters. However, I welcome any questions from Hon. Members.

Mr. Nicholson (Niagara Falls): Mr. Speaker, I was very pleased to hear the Hon. Member say that he was very serious about the subject of impaired driving and the introduction of legislation to deal with that. If he is so worried about this subject and about Parliament proceeding on this Bill as expeditiously as possible, why was he wasting the time of the House this morning and why did he comment again on the speech made by the Minister of Justice (Mr. Crosbie)? He was wasting the time of the House this morning by continuously interrupting the Minister of Justice. He referred to it again this afternoon. I would suggest to him that he is wasting the time of the House, and I want to know why he is doing that if he is so worried about getting this legislation through?

Mr. Deputy Speaker: The Chair would have to rule out of order only the part about the Hon. Member's comments about what the Hon. Member for York South-Weston (Mr. Nunziata) did this morning. However, I will allow the part about the speech of the Hon. Member for York South-Weston.

Mr. Nunziata: Mr. Speaker, I make no apologies whatsoever for representing my constituents in the House of Commons. I take particular exception to the Hon. Member's suggestion that I am wasting the time of the House by exercising my right in law to speak for my constituents who elected me to represent them here. It is quite surprising that the Member should indicate his concern in this respect.

Mr. Speyer: Mr. Speaker, I only have a brief comment. This morning, the Member for Vancouver-Kingsway (Mr. Waddell) and the official critic for the Liberal Party made speeches that were very thoughtful, thought-provoking and of substance. I believe that the intervention by the Hon. Member has introduced a number of new things in the House other than his new black leather pants. I have never heard such a low level calibre of speech from a Member who is allegedly trained at the Bar in Ontario. That is surprising. The Member, coming from Queen's Park, has delusions of adequacy.

Mr. Nunziata: Mr. Speaker, I rise on a point of order. I want to indicate to the Hon. Parliamentary Secretary that he should get his facts straight. I was not a Member of the Ontario Legislature and have never been a Member of the Ontario Legislature.

Mr. Deputy Speaker: I regret to interrupt the Hon. Member. That is not a point of order. I would also ask the other Hon. Member to refrain from speaking about one's clothing in the House. If we could end the matter there I think it would be in the best interest of the House with regard to the particular personal comments. However, it is the Hon. Member's right to reply.

Mr. Nunziata: Mr. Speaker, the arrogance of the Hon. Member—he may have had the opportunity to be a Crown attorney for some time and he certainly has the experience in the House because I understand he has been here for a number of years.

As I indicated at the beginning of my comments, this is the first opportunity I have had to speak. I take personal offence—

Mr. Speyer: Good. It was intended.

Mr. Nunziata: —that the Parliamentary Secretary should stoop so low as to comment about an Hon. Member's clothing and comment about the quality of an Hon. Member's speech.

Mr. Speyer: It was dreadful.

Mr. Nunziata: I would simply indicate to the Hon. Member that if you cannot stand the heat, get out of the kitchen.

● (1620)

Mr. Malone: Mr. Speaker, my first comment that I would like to make to the Hon. Member for York South-Weston (Mr. Nunziata) is that this is his first speech on a legislative issue in the House. I welcome him to the House of Commons. We are pleased to have his participation.

With respect to the content of the Hon. Member's speech, obviously, Mr. Speaker, I am at variance with what he has said. I want him to understand that the relationship of alcohol and accidents is a national tragedy. It is a non-partisan issue. It is not an issue on which Liberals, New Democrats or we as Conservatives can stand any higher than anyone else. As to his comments that in February the Liberals introduced the Bill and the Conservatives somehow filibustered it, I dare him to give us quotes to show where one Conservative filibustered the Bill on drinking and driving.

With respect to the question as to whether the Liberals were the first to introduce the Bill, let me give the Hon. Member the facts. I as a Member of Parliament introduced a Private Member's Bill on drinking and driving long before the Government did. I was the only Conservative to speak. The NDP put up one speaker and hoped my Bill would pass. But the good Liberals, who, as the Hon. Member says, supported the Bill, stood up one by one and talked it out. I dare the Member to claim that the Liberals are the ones who were trying to protect Canada from the dangers of drinking and driving.

This is not an issue for partisan debate. It is a national tragedy. People are dying as a result of drinking and driving. All Members of this House have sent the signal that on that aspect of the legislation this Bill should be passed. The country wants the Bill as law. It is not for any one of us to stand here as this Member did and try to say that somehow shrouded in his Party is this great belief. It simply does not stand the test of facts. I now challenge the Hon. Member for York South-Weston to give us those facts and to read out for us those excerpts which he said demonstrated filibustering last February. The truth is the Liberal Party could not get its legislation through from February to the end of June and the country said, "Let's get rid of them". That is the reason the Liberal Party forms the rump today.

Mr. Nunziata: Mr. Speaker, I agree with the Hon. Member that the Bill should be non-partisan. These very serious and important amendments to the Criminal Code of Canada

should be supported by all Members on all sides of this House. I simply indicated in my comments that this Bill was introduced in February this year by a Liberal Government and that the initiatives are Liberal initiatives. It is the Liberal criminal law agenda that is being proposed now by the Conservative Party. Yes, the Progressive Conservative Party, when it was in Opposition, stalled, delayed and insisted that the Bill be cut and separated and refused to give immediate consent. Had the Conservatives not done that, the Bill could have been passed at an early stage and stiffer penalties could be in place.

I can assure the Hon. Member and the Government opposite that we in the Liberal Party will not use the stalling and delaying tactics that were used by the Conservative Party simply for the purposes of gaining political brownie points when there is important legislation that must be passed for the benefit of Canadians from coast to coast.

If we wanted to, Mr. Speaker, we could stall this Bill.

Mr. Speyer: Try it.

Mr. Nunziata: But no, we will not do so because we believe in this Bill. We believe it is important and should be passed immediately. We are prepared to pass it today if we can get the agreement of the New Democratic Party and the Government.

Mr. Gauthier: Why did the Government wait until today to pass it?

Mr. Nunziata: The Member indicated that the Bill should be non-partisan, and I agree with him. I wish to point out that a few months ago when that Hon. Member was in Opposition, he stalled and delayed when the Bill should have been passed.

An Hon. Member: Prove it.

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

SUBJECT MATTER OF QUESTIONS TO BE DEBATED

Mr. Deputy Speaker: It is my duty, pursuant to Standing Order 45, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the Hon. Member for Louis-Hébert (Mrs. Duplessis)—Science and Technology—Establishment of GATIQ—Government position; the Hon. Member for Mount Royal (Mrs. Finestone)—Youth—Minister's area of responsibility. (b) Press statement attributed to Minister; the Hon. Member for Gander-Twillingate (Mr. Baker)—Environmental Affairs—Canadian Wildlife Service—Request for re-examination of budgetary cutbacks. (b) Terminated positions—Request that Minister table job descriptions.

GOVERNMENT ORDERS

[*English*]

CRIMINAL LAW AMENDMENT ACT, 1984

MEASURE TO ENACT

The House resumed consideration of the motion of Mr. Crosbie that Bill C-18, an Act to amend the Criminal Code, to amend an Act to amend the Criminal Code and to amend the Combines Investigation Act, the Customs Act, the Excise Act, the Food and Drugs Act, the Narcotic Control Act, the Parole Act and the Weights and Measures Act, to repeal certain other Acts and to make other consequential amendments, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I am pleased to have an opportunity in the latter part of today to rise and make some comments regarding Bill C-18, an Act to amend the Criminal Code. I plan to keep my comments brief to enable this very critical piece of legislation to get into committee quickly where it should have been some time ago, and to allow necessary public reflection on some of the critical parts of this Bill. I refer specifically to the need to have representatives of the Canadian Bar Association, to have provincial Attorneys General and to have various groups representing civil liberties who have indicated their interest on commenting on sectors of the Bill appear before the Committee.

I want to make a comment or two about the procedure. I have been listening to Members of the governing Party and to Members of the Liberal Party on the need to move with haste particularly on the most critical section of this Bill, that is the section that deals with amending the Criminal Code as it relates to drinking and driving.

The past Liberal Government had years and years in which to introduce a Bill that addressed the problems associated with drinking and driving if that had been a major priority for it. The Liberals were in power for many many years. There is no reason we could not have been debating this Bill six months ago if it had been a real priority. On the other hand, I say to the Government that I feel a little uncomfortable about the Minister of Justice (Mr. Crosbie) coming to the House of Commons the day prior to the Christmas recess and saying that he has a Bill that the Government would like to pass in the next few hours.

I must say, Mr. Speaker, that this is not a simple piece of legislation. This is a piece of legislation that will touch either indirectly or directly the lives of every Canadian. It has to do with changes to the Criminal Code, amendments to the Weights and Measures Act prohibiting fraudulent replacement of a motor vehicle's odometer and all the related problems associated with car sales. It includes amendments to the Combines Investigation Act. It amends the Narcotic Control Act, and it also amends the Food and Drugs Act. This Bill is not a simple piece of legislation that ought not to receive any public scrutiny. The committee is the place for it. Today, on

second reading, we speak to the Bill in principle. That is essentially what I plan to do. I plan to keep my comments brief to ensure that this Bill today is referred to committee where it will be dealt with expeditiously.

At the outset of today's discussion on this Bill, the Minister of Justice reminded us of some statistics that point out how serious the section of the Bill dealing with drinking and driving is. He mentioned that at certain times of the day on the roads of Canada 25 per cent of Canadians behind the wheels of vehicles have been drinking. At almost any point of the day, 6 per cent of those people could be classed as legally impaired. That is an extremely serious situation. I do not know how Canada compares to other countries around the world, but having 6 per cent of people who could be classed as a menace on the highway as a result of their drinking must be among the highest.

Fifty per cent of all fatal traffic accidents in Canada are the result of drivers of those vehicles having had alcoholic drinks. Two thousand five hundred lives are lost each year as a result of people drinking and driving. Two thousand five hundred lives is one statistic. There would be tens of thousands of other lives that are ruined in many respects, loved ones who have received serious injuries from which they suffer the rest of their lives causing disruption to individuals and their families. As other Hon. Members have indicated today, this is a tragedy with which we must deal as quickly as possible.

• (1630)

The Bill before us will not solve the problem per se. In fact, it attempts to deal with a small part of the problem. Basically, it increases the punishments meted out on people caught drinking and driving. For example, we find that the minimum fine associated with drinking and driving will be raised from $50 to $300. That does not seem to be a very punitive sum in today's society. Nevertheless, it is an increase in the minimum fine. Also, on a first offence the driver will lose his or her licence for a three-month period, and on a second offence, for a six-month period. The punishments being meted out are being increased in severity.

If a person is caught and convicted of driving impaired or being over .08, the second offence could result in 14 days imprisonment and being prohibited from driving for six months. Each subsequent offence could result in another 90 days in jail and as much as being prohibited from driving for a year. The maximum will be five years imprisonment, an unlimited fine, and three years prohibition from driving. I suppose they are severe penalties by some people's evaluation.

Other countries, particularly those in western Europe, have much more severe penalties. One receives an automatic jail sentence if caught behind the wheel with a minimum amount of liquor in one's blood system. That automatic jail term has deterred drinking and driving to a certain extent. However, the situation goes beyond that. I suspect that increased penalties will result in a reduction in the number of people drinking and driving as a result of partying. That is why passage of the provisions is so critical at this time of the year when people are in a festive spirit and parties occur more frequently and are perhaps more widespread than at other times of the year. It will serve as a deterrent to a certain extent. People could stand to lose their licence for a period or end up serving time in jail. I suppose some people will think twice about drinking and driving.

I heard with interest on the radio this morning a story about a reporter in the City of Montreal who went out to see how much people would support him as an intoxicated person who wished to drive. He approached a number of people. He was acting out a state of intoxication. Almost everyone assisted him to his vehicle, to get his key into the ignition and to get his vehicle on to the highway. If that is an indication of what is happening, we really have not adequately alerted people to the seriousness of drinking and driving.

Why is it that we stand here today passing legislation, which will hopefully result in a decrease in those persons drinking and driving, when at the same moment we are encouraging those firms which sell liquor, alcohol, beer and wine to support Canadian athletic events? When we are in our constituencies over the next few weeks, we will see the banners of various liquor companies on the ski hills as they support community events. When we catch up on some of our casual reading, we will find in popular magazines pages and pages and pages of liquor ads encouraging people to buy more varieties of liquors. We will see all these rather seductive pages of peoples holding wine glasses and cocktail glasses, obviously in their pursuit of an elegant and modern lifestyle. In a sense there is some hypocrisy, which I do not direct at any one Party or at any one set of individuals. On the one hand we are introducing legislation to punish people who are caught drinking and driving. On the other hand, we are condoning in a sense or almost encouraging by our silence more alcoholic consumption for Canadian citizens. I find it particularly despicable that liquor companies of one kind or another advertise at and support athletic events from one end of the country to the other. We are only touching one very small part of the particular problem.

We as parliamentarians do not want to feel that by passing this legislation today, getting it into committee and having it returned to the House early in the new year, our job is complete. Perhaps a more important job for the Government of Canada would be to bring out an educational program. It should invest in a program which will clearly demonstrate the problems associated not only with drinking and driving but with drinking per se.

Let us face it that those people who are convicted by the tens of thousands in our courts each year of drinking and driving are not simply party goers who have a few extra drinks and get caught. These are people who have serious alcoholic problems. The do not wilfully go out in unguided missiles to drive up and down our highway systems. These people have a serious illness, an illness which is not being adequately addressed at this time. I do not want to suggest for a moment that this will solve the problem. I do not think any other parliamentarian would suggest that, anyway.

I should like to refer to another two or three points of particular interest in this piece of legislation because it covers much more than drinking and driving. I refer specifically to the area dealing with credit card fraud. Now is a time perhaps plastic money is more popular than carrying cash for most Canadians. One important aspect of the Bill will be to set aside that particular area and to deal with the whole matter of credit card theft. Credit card offences have been modified to cope with the rising trend in credit fraud. Credit cards will be subject to the offence of forgery of documents and dealing with forged documents. Prosecutions for credit card offences may be instituted in a province other than the province within which the offence is alleged to have been committed. This is an important area, recognizing at the moment that people may be protected within various provincial jurisdictions.

Also I should like to deal with the provisions of the Bill dealing with new emerging types of crime, specifically computer crime. Basically the Bill recognizes three aspects of the problem of abuse of the computer system. The first is the unauthorized acquisition or destruction of hardware related to computers. The second is the unauthorized acquisition or destruction of computer systems data, and the third is the unauthorized use of computer services. At present the Criminal Code does not provide adequate protection for those adversely affected in these situations. Of course, these amendments will provide protection.

It is important to recognize that there are some obvious omissions in the very complex Bill before us. For example, we recognize that there are areas which have not been covered. We have indicated serious concern in the House over the last many months concerning pornography and the matter of changing the obscenity laws of the country. Many of us were hoping that this rather complex Bill would have included aspects dealing with pornography and defining obscenity. The whole matter of prostitution and soliciting for the purposes of prostitution must be dealt with. I trust the Government will be bringing in legislation quickly to address those areas.

A problem was brought to our attention not many months ago regarding the fact that women were jailed because they failed to testify against their spouses or people with whom they were living. Obviously the area dealing with contempt of court must be dealt with. There is the issue of trial within a reasonable time. This Bill takes a major step in an attempt to streamline the justice system, but I suspect that in spite of the changed and new regulations, it will often come down to the willingness of the players involved to streamline the justice system. Rules and regulations are only as good as the players involved. There are certain types of judges, who, in my estimation, do not necessarily fulfil their obligations as they ought to and will often allow an extended wait for trial.

● (1640)

There are the issues of child abuse and wife battering. There are a great many critical areas of the law with which we must deal. Since they are omitted from this particular Bill, I would certainly encourage the Parliamentary Secretary to the Minister of Justice (Mr. Speyer) to do what he can to ensure that legislation to address these very critical areas will be brought forward soon.

As far as all of us are concerned, the clauses dealing with drinking and driving are critical. I was pleased to see that the new provisions will also be applied to boating and flying. With the number of people who go to the recreational areas on the lakes, rivers and coasts of Canada, this has become a serious problem. It is natural that we would expect these changes to the Criminal Code as they relate to impaired driving to relate also to impaired boating and impaired flying. With all of these being grouped together in the Criminal Code, it will certainly make the work of the police much easier.

In closing, I would like to say that while we are anxious to get this Bill before the committee and to hear representations from the appropriate groups and individuals, we would like to point something out particularly to those folks who advocate instant or lengthy jail sentences for drinking and driving. In British Columbia alone, if a jail term were to be expanded from a minimum of 14 days to a minimum of 30 days, the additional cost to that one province would be $2.7 million. I would also like to point out to Hon. Members that the jails in both the United States and Canada are already jam-packed with people who are there because of drinking and driving offences. The average cost of jailing an individual who is held under these conditions is $60 per day.

I do not expect for a moment that, other than making a very clear statement of the seriousness with which we take this particular offence, simply jailing people for two or three months will be the answer that will resolve this question. I do believe the answer is education and an expenditure of funds by the Government to ensure that a decent educational process is put into place. I am disappointed, however, to find that the Minister of Justice recently reduced funding to the public legal education program by $700,000. I think it is appropriate to point that out today. Again, this is not the type of step that complements the legislation before us today.

We are looking very seriously at getting this Bill into committee for passage that is as rapid as possible. We anticipate the representations to be made by those who should comment on this Bill other than Members of the House of Commons.

Mr. Deputy Speaker: Questions or comments?

Mr. Nickerson: Mr. Speaker, I have one very brief question to ask the Hon. Member for Kamloops-Shuswap (Mr. Riis). Are we to understand from his presentation that it is the official policy of the New Democratic Party that liquor firms should not be allowed to sponsor sporting events? Second, am I to understand that it is that Party's policy to ban liquor advertising from newspapers and magazines and presumably also from radio and television?

Mr. Riis: Mr. Speaker, I have two observations to make. When the New Democratic Party formed the Government of Saskatchewan, it in fact did take steps in that direction. When

the Conservative Party formed the Government of that province, it again allowed liquor and cigarette companies to support and endorse sporting and athletic events.

I am sure the Hon. Member will appreciate what I was trying to do. We debate this issue very seriously in the House. As hon. Members have pointed out, it is not a particularly partisan discussion we are having today but it is one that indicates the grave concern of all Members of Parliament to ensure that drinking and driving is reduced and, hopefully, eliminated in this country.

As we speak about increasing the penalties associated with those who drink and drive, we are on the other hand encouraging in a variety of ways companies that sell liquor to support some of the more public athletic events in the country. There seems to be a certain hypocrisy in our society. I do not mean that any one Party is associated with that hypocrisy, but it exists in our society per se.

I think it is important to note that the New Democratic Party Government of Saskatchewan actually took steps to eliminate that type of support. I suspect that that might indicate the nature of our concern and the nature of the direction in which we would like to move.

Mr. Nunziata: Mr. Speaker, I would like to ask the Hon. Member whether the New Democratic Party would be prepared to sever the drunk driving provisions from this Bill in order to ensure speedy passage, if not tomorrow then at the earliest opportunity when the House convenes after the Christmas recess.

Mr. Riis: Mr. Speaker, many organizations have indicated a deep concern and a wish to be heard regarding the provisions of this Bill. My concern is that this is a very technical Bill and the clauses relating to alcohol-related driving offences are very technical clauses. There are tens of thousands of people in this country who should be prosecuted in our courts but who get off because of a technicality in existing legislation.

I am not certain that it would be in the best interests of Canada to move such an important piece of legislation ahead without the appropriate scrutiny of the Canadian Bar Association for example. Those people who act as defence counsel or prosecutors should have an opportunity to indicate what they feel about the specific technical portions of this Bill.

On the other hand, that is an option that the House Leader of the New Democratic Party, in concert with the House Leaders of the Liberal and Conservative Parties, would probably be quite prepared to discuss. I would like to point out why it is we are hesitant about so enthusiastically rushing this Bill through at this particular point. I do not want to see those people who should in fact be penalized for drinking and driving getting off because of the technicalities which today exist in the tens of thousands.

Mr. Deputy Speaker: The Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie) is rising on a question or a comment?

Mr. Blaikie: Mr. Speaker, I would like to make a comment on what my colleague, the Hon. Member for Kamloops-Shuswap (Mr. Riis), has said. What we ought to keep in mind today with respect to the timing of the Bill is not whether one Party could have introduced it at one time or another or whether the Government introduced it today when it could have done so two weeks ago. I think the timing is such that not only the Government and the political Parties but the Canadian society as a whole are arriving at a moment at which we now feel that something must be done.

At this point we are saying that the time has come, yes, but the time has come to do it right. Let us not do it on the last day before a recess. Let us have this legislation, which is so very important, go before the committee. Let us hear from the people who are concerned, such as the groups which have formed out of families that have been so tragically harmed by these kinds of events. Let us hear from people from the legal community. The time has come, but the time has come to do it right. I think that is what we are saying here today and, if they give it some thought, Hon. Members would agree with us on that.

We know that the Bill cannot become law by Christmas. Let us not kid ourselves or anyone else. Let us agree as a Parliament and as parliamentarians to get this Bill into committee and to come out of committee with the very best Bill possible so that having achieved this one part of the struggle against the kind of tragedies that we want to prevent, we can go on to some of the other issues which attend these problems, such as the whole question of alcohol advertising. Let us then move on to whatever the next stage may be. We have an automobile culture and we have an alcohol culture. Most, if not all of us, are part and parcel of those cultures. We have cities which are built around the automobile and we have a whole culture which is built around alcohol. Therefore, there are still serious steps which must be taken. This legislation is one step by which we should collectively dedicate ourselves to doing right. The examination which this legislation will get in committee will be a part of that.

• (1650)

Mr. Deputy Speaker: Is the House ready for the question? Is the Hon. Member for York West (Mr. Marchi) rising on a question or comment, or is he rising on debate?

Mr. Marchi: On debate.

Mr. Malone: Filibuster.

Mr. Deputy Speaker: If no Member wishes to put any questions or make any comments, I will recognize the Hon. Member for York West on debate.

Mr. Sergio Marchi (York West): Mr. Speaker, I am pleased to participate in this debate. I do not take very kindly the comments which the hon. gentlemen has just hollered across the floor. I will reiterate the comments of a previous speaker, that everyone in the House has an opportunity to participate in the debate. Every Member of the Chamber has a

responsibility to reflect the ideas and issues which they receive from their constituents.

I think that the problem of drinking and driving is well recognized by most Members of the House. However, the problem does not only occur during the festive season. I think the Bill is being brought in under the guise that it is a short-term problem. If it was a short-term problem the Government should at least have the responsibility to give it the importance it merits by putting forward a separate piece of legislation to address the very serious problem of drinking and driving. Therefore, I do not think it is completely responsible for the Government to come before Parliament with a 50 page Bill, which it wants us to pass in several hours, on the day before we break for the Christmas recess. The Government is asking Members not to use up time by rising to express their views on this matter. That is not responsible government, it is not communication, nor is it consultation. If the Government were serious about having a Bill which would effectively address the question of drinking and driving, it could have introduced the Bill much earlier. It should not have introduced the Bill at the eleventh hour. The Government could have introduced a separate Bill to focus debate on this particular item. There is not enough time to address the various elements which this legislation contains.

I agree that there should be minimum standards on the drinking and driving problem. I differ somewhat from the Hon. Member of the NDP who indicated that we require a perfect Bill and, therefore, the legislation must go to committee. It would be ideal to have perfect legislation on every matter, but perhaps the ideal is not always attainable. We must at least begin to address the problem. However, when the Government does not look at the process, then I think the Government is not completely serious. I would have preferred it if the Government had provided several days in which to debate this Bill. I would have preferred it if the legislation had dealt with one item, rather than the sophisticated and far-encompassing type of Bill which is before the House today.

When we talk about drinking and driving, we are talking about public education which goes far beyond the Christmas holidays. That public education should continue 365 days of the year. We must educate people about the serious effects of drinking and driving. Some Members have already pointed out that 25 per cent of the drivers on Canadian roads drink and that 6 per cent are legally impaired. That suggests that we have some distance to go in our public education efforts. We have some distance to go in telling Canadians that drinking and driving do not go hand in hand. But, on the other side of the equation, we have a Government that removed $700,000 from public programming and public education.

I would submit that the Government cannot have it both ways. It cannot be serious about drinking and driving legislation, and communicating and consulting with the public, and at the same time remove $700,000 from public education efforts. The Government cannot do both at the same time.

There is a lot of emphasis being placed on the whole question of greater and stiffer penalties. That is a start, but research suggests that the commission of an impaired driving offence is often an early indication of alcohol abuse and dependency. Therefore, we must place a greater emphasis on the question of treatment, as opposed to something which happens after the fact. Perhaps we should be initiating rather than reacting. It is fine and dandy to discuss stiffer fines and penalties after the tragic accident has occurred. However, that would suggest that there is trouble with some government mechanisms. It suggests that Government is merely a reactionary body. "Why didn't you act before?" is a criticism which is often levelled. Perhaps, the Government is introducing stiffer fines and penalties because of the percentage of accidents. Certainly that is a deterrent. Perhaps it is a deterrent to those who abuse the laws, who abuse drink and who abuse the privilege of driving an automobile. But we should look at the problem from a forward-looking policy perspective, and not simply focus on the penalties and fines which will be charged after the accidents have taken place. We must have the sense to go further than that. We must learn from those accidents. We should not simply increase the fines from $100 to $200 today, and from $300 to $400 tomorrow. We should nip the disease in the bud.

I notice that my time is becoming somewhat limited—

Some Hon. Members: Oh, oh!

Mr. Marchi: I hear some Hon. Members laughing. In his speech this morning, the Minister of Justice (Mr. Crosbie) placed great emphasis on the fact that we on this side of the House were not taking this Bill seriously. Yet Members on the government side are laughing. They say one thing when the TV cameras are on them, but they certainly act differently when the cameras are off them.

Mr. McKnight: It is the content of your speech which we find strange, not the Bill.

Mr. Marchi: It is also interesting that while the Government managed to amalgamate a number of different elements in this legislation rather than concentrating on one particular aspect, it also managed to leave some things out of the legislation. As critic for the Ministry of Multiculturalism, I find it strange that there was nothing said respecting the hate propaganda literature which infests this country from coast to coast. In the Liberal Government's introduction last February—

Mr. Deputy Speaker: The House will now proceed to the consideration of Private Member's Business.

Mr. Speyer: Mr. Speaker, I rise on a point of order. I would like some clarification, because it was my understanding that this matter would be referred to committee today. Is there unanimous consent of the House to refer this matter to committee today?

● (1700)

An Hon. Member: No.

Some Hon. Members: The Liberals say no.

Mr. Deputy Speaker: I hear a "no", so obviously there is not. Technically, it is not a point of order.

Mr. Nunziata: Mr. Speaker, I would just like to indicate to the Government that we in the Opposition may be small in number, but let it just provoke us. If it wants our co-operation to have this Bill passed as quickly as possible, let it recognize the right of each individual Member of this House of Commons to have the opportunity to speak, but when Hon. Members on the other side try to deny us that right, we will exercise that right.

Some Hon. Members: Oh, oh!

Mr. Blaikie: I rise on a point of order, Mr. Speaker. I just want to make it absolutely clear that the New Democratic Party said, yes, that this Bill could now go to committee and have serious work begin. It was the Liberals who said no.

Mr. Nunziata: I rise on a point of order, Mr. Speaker. I would just like to make it clear to the House that we in the Liberal Party as well would like to see this Bill go to committee for immediate review.

Some Hon. Members: Oh, oh!

Mr. Nunziata: There will be opportunity, Mr. Speaker, tomorrow to send it to committee.

Mr. Speyer: It is not on the Order Paper.

Mr. Blaikie: You've got as much class as a bag of nails.

Some Hon. Members: Oh, oh!

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

PRIVATE MEMBERS' BUSINESS—PUBLIC BILLS

[*English*]

Mr. Deputy Speaker: Shall all orders and items preceding item No. 4 stand by unanimous consent?

Some Hon. Members: Agreed.

* * *

NARCOTIC CONTROL ACT

MEASURE TO PROVIDE FOR MEDICAL USE OF HEROIN

Hon. James A. McGrath (St. John's East) moved that Bill C-213, an Act to amend the Narcotic Control Act (therapeutic use of heroin) be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

He said: Mr. Speaker, this is a Bill whose time has clearly come. Perhaps by way of background I can bring the House up to date on the genesis of this Bill. This Bill was first introduced in the House on April 29, 1983 by the then Hon. Member for Nepean-Carleton, the late Walter Baker. One of the tragic ironies of the Bill, Sir, is that when it came up for second reading on June 1, 1983, the sponsor of the Bill, the then Hon. Member for Nepean-Carleton, was stricken with cancer but did not know it at the time. Indeed, he was to die a few short months later. He has motivated, Mr. Speaker, to bring in this Bill by a personal experience he had had within his own family with someone who was close to him. I suppose there is not an Hon. Member of this House who has not been touched at one time or another by the tragedy of a loved one or friend or neighbour who has come down with a terminal illness and in many cases has had to die a slow, painful and agonizing death.

Unfortunately, at that time the Bill did not get referral to committee. I had the pleasure in the next session of that Parliament, on February 23, 1984, to reintroduce the same Bill. It was then Bill C-221. It received second reading on March 15. The House was moved at that time to allow the Bill to be referred to the Standing Committee on Health, Welfare and Social Affairs.

I want to acknowledge now, Mr. Speaker, the support I have received during the course of the debate on my Bill, as well as during the debate on the Bill put forward by my colleague, by the Hon. Member for Provencher (Mr. Epp), who is now the distinguished Minister of National Health and Welfare, the Hon. Member for Beaches (Mr. Young), the Hon. Member for Trinity (Miss Nicholson), the Hon. Member for Oxford (Mr. Halliday) and the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie), all of whom are still sitting in this House.

Following referral of the Bill to the standing committee, the committee held its first hearing on March 31 of this year, its second hearing on June 5 and its third hearing on June 7. Unfortunately, it was overtaken by the parliamentary calendar because the session had to adjourn for the summer. I do not want to inject a partisan note here, but it was my view at the time that if the Government of the day wanted to get on with a serious examination of this Bill, we would have had more than three hearings of the standing committee. Indeed, there was no justification, in my opinion, for the committee not sitting throughout the month of June, because there was nothing else before the committee at the time. However, the Bill was overtaken by the parliamentary calendar and subsequently by the dissolution of the last Parliament.

I indicated at the commencement of my remarks, Mr. Speaker, that I felt this was a Bill whose time had clearly come. Let me illustrate. On April 25 of this year, the World Health Organization called for greater attention to the issue of pain management. It is ironic because it was the concern of the World Health Organization, which was expressed in 1954, which resulted in the banning of the manufacturing and importation of heroin for medical purposes. At that time the concern arose because of the growth in the illicit trade of heroin in the world and in the addiction to it. Again, on June

6, 1984, the Association of Ontario Boards of Health endorsed the medical use of heroin and called for its reinstatement. During the week of July 2, the Gallup poll indicated that 73 per cent of Canadians endorsed the use of heroin for the terminally ill. Then on August 21 of this year, the Canadian Medical Association, which appeared before the standing committee in June when the subject matter of my Bill was before the committee, passed a resolution at its convention in Winnipeg. It was clear, concise and unequivocal. The resolution read, and I quote:

Resolution 84-50.

That the Government of Canada immediately resume the licensing for importation, manufacture and sale of diacetyl morphine (heroin) for medical purposes.

It is my view, Sir, and I believe the view of my colleagues and the view of the Minister of National Health and Welfare, that the politicians of Canada should move very carefully and cautiously in dictating to the medical profession what it may or may not prescribe. I do not believe that the governmental process should really interfere with the right of physicians to make this judgmental choice. That, in fact, is what the CMA was saying to the Government of Canada.

I could go on, Mr. Speaker, and refer you to the evidence which was presented to the committee. I can refer you to public interests which were reflected in editorial comments across the country during the past few months. I hesitate to do so, Sir, because I would not want to take up the time of the House.

Perhaps you will forgive me, Mr. Speaker, if I quote from the speech of the late Hon. Member for Nepean-Carleton, the late Walter Baker. He said on June 1, 1983, and I quote from *Hansard* at page 25938:

I think that is the issue for the House of Commons, Mr. Speaker. I think it is time that the House faced it. I think it is time the medical profession faced it. I think it is time the cancer societies in the country faced it. I think it is time the public faced it. I ask the House of Commons to support this Bill today so that the public examination can begin.

Some Hon. Members: Hear, hear!

• (1710)

Mr. McGrath: Little did my colleague know the train of events that his Bill and his eloquent speech in the House would set in place, bringing us to where we are today.

Finally, Mr. Speaker, I would like to suggest to you that there may be a disposition on the part of the House to hear from the Minister of National Health and Welfare who, I believe, is prepared to make a statement. I realize this is an unusual procedure for Private Members' Business, and of course the House would have to consent to that taking place. However, it is my understanding that the Minister will be making today a major policy statement on this issue and it would be my intention, after the House has had a chance to address this issue and before the clock runs out, to ask for the unanimous consent of the House to withdraw the Bill so the Government can bring in its own legislation which will be addressed today by the Minister of National Health and Welfare. I hope it will be the disposition of the House to hear from the Minister at this time.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, and colleagues, first of all I want to thank the House for the courtesy of allowing me as a Minister to become at this moment a private Member once again and address what I think is an issue—

Ms. Mitchell: Welcome back.

Mr. Epp (Provencher): —which is important to all of us. I intend to be brief and I hope the action I am announcing today will find appeal from the point of view of fairness and the point of view of doing the right thing and addressing what obviously is an issue which concerns all mankind, and it is done in that spirit. Therefore, Mr. Speaker, it is with great pleasure that I participate today in the debate on this Bill.

When I was a Member of Her Majesty's Loyal Opposition, as has been mentioned, I joined the Hon. Member for St. John's East (Mr. McGrath) in support of this Bill in its earlier form. At that time the effort to see heroin legalized for therapeutic use was spearheaded by our sorely missed colleague, the late Hon. Walter D. Baker.

As my colleagues in the House of Commons will know, when in public life one is asked frequently to take positions on controversial issues, issues which obviously have more than one point of view. It is in this House of Commons where these matters are debated, debated with vigour, and where points of view are firmly held and expressed. However, when that is done, there is a common sense that on certain issues there is widespread agreement, and on this issue, hopefully, unanimity.

As Members of Parliament, in most cases we are not qualified to make a determination on issues, especially on this one, from a technical point of view. I fully recognize that my colleagues, such as the Hon. Member for Oxford and other medical officers who are Members of Parliament, have both the experience and very often the technical background on these medical issues which I do not have. But I do think that on this issue it is not a technical question which we are addressing but, rather, the meaning of life and the inevitability of death; the sanctity of life and how death with dignity can be enhanced. Those are the issues that this Bill addresses in part.

Therefore, it is with great pleasure that I rise today to respond to my colleague's Private Members' Bill and to announce that it is the intention of the Government to legalize in Canada the medical use of heroin for the terminally ill and those in intractable pain.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): The Government has decided to take this action in response to the very clearly expressed desire of many individual Canadians, service organizations, indeed church groups, the Canadian Medical Association and health care practitioners that this potent painkiller be made available to the loved ones and patients with whom all of us can identify.

Given the sensitivity of the issue and the many legal, professional, regulatory and security considerations associated with the reintroduction of heroin in Canada for therapeutic use, a statement concerning availability and a protocol for the use of the drug will be made available on or about March 1, 1985. I want to put it in that context for the simple reason that for this matter to be effective, I think it is important that the protocol be done properly, and for that I think that time will be needed. Hopefully we can do it a little earlier, and that is why I say that on or about March 1 the matter will be addressed. Obviously it will be done expeditiously and it will be done in the right fashion.

This delay is necessitated, Mr. Speaker, by requirements to control access to and use of this powerful drug to those physicians and hospitals which have demonstrated certain levels of accreditation. The protocol will outline and explain the availability of the drug and what security measures must be taken. This will ensure that it is used solely for medical purposes and that the drug is not subject to redirection and misuse. Members might also be aware that in the last 48 hours we have had the most recent report by the Royal Canadian Mounted Police on the illegal use of heroin and cocaine. Some have said to me over the last few hours: "Is that not a major concern to the Government?" Obviously it is. I think it is of concern to every Member of this House. But the point that I make is this. The illegal use of those drugs should not in any way be associated with what the Government is doing this afternoon. There is no diversion, no misdirection in the therapeutic sense to those who are illegally using the drug. I think it is ironic in the extreme to know that there are people in society who are using the drug illegally while those who are in greatest need because of pain do not have access. That is an issue that has obviously motivated me in making this determination today.

It will also be necessary for this Government to consult other Governments, a process which has already begun, as well as associations of health professionals and provincial licencing authorities of health disciplines, before March, 1985. Out of courtesy, this Government will also examine the regulatory requirements of the United Nations and the international implications of the reintroduction of heroin in Canada. I believe that at present there are 38 countries which in fact have permitted the use of heroin for therapeutic purposes. The various manufacturing and distribution aspects of the reintroduction of heroin must also be determined and the necessary procedural steps taken before the drug is legally available. In light of this decision and announcement, a blind field study planned for 1985 will not go ahead.

There has been much media and public debate surrounding the ban on heroin use in Canada which has been with us since 1955. The issue is a sensitive and difficult one which goes to the heart of our personal feelings about life and death. It is my hope that the renewed availability of this drug will bring relief to many of those in Canada who suffer pain or are terminally ill. I sense that many families will also find comfort in this decision. I trust that all those involved in this debate will understand that the Government also has a responsibility to ensure the safe and controlled use of this powerful and controversial drug. I will elaborate on these regulatory measures in early March, as I have already indicated.

• (1720)

Once again, I would like to pay tribute to my colleague, the Hon. Member for St. John's East who has been tireless in his efforts to bring this matter to the attention of the Canadian people and their Parliament. I commend him for his determination and sensitivity to those who are suffering in Canada.

Finally, I would like to dedicate this action to the memory of one who could not be here to share this moment, the late Hon. Walter Baker, who only last year spoke in the House. Before I quote him I would like to indicate to the House that we did speak to Lois and asked her whether she wanted to attend today. I understand that she is watching, and we all send our regards to her.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): It was possibly best put by Walter Baker when he said:

> There has been a strong feeling growing within the public of Canada and within some segments of the medical profession that those who fight against cancer should have every possible armament and every possible arrow in their quiver to relieve the anguish and the pain of the terminally ill.

I thank the House for this opportunity, Mr. Speaker.

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, I would like to say a few words in connection with this Bill. I would first like to pay tribute to our colleague, the Hon. Member for St. John's East (Mr. McGrath), not only because of the content and significance of this Bill, but because his action today shows each of us what a private Member can do. We are sometimes frustrated and bewildered, but the example of the Hon. Member indicates to us that there is an important and impressive contribution open to us all. If we have the perseverance and concern demonstrated by our colleague, we can copy his example and share equally in his achievement.

As well, I would like to say something about the Bill itself and the opportunity that the Government has indicated it is opening, because I have some concern about the possible restrictions on the use of heroin to relieve cancer victims. I recognize the motives behind the Government's intention and I respect them. The policy may well be right. However, I ask the Minister and the committee that will review this Bill to reconsider these restrictions in light of the need that many Canadian cancer victims have.

I speak of this because of the experience I had some years ago when serving in another kind of public service. It was my duty and privilege then to sit beside many people suffering terminal cancer. I saw them degenerate from robust health and strength to become but shells of humanity, sometimes over a matter of months, sometimes more drastically over a matter of weeks. I saw them suffer fearsome pain, which today, as one

who sat with them day after day, I can still remember with great sensitivity.

I am suggesting to the Minister and to the members of the committee that may review this Bill, that further consideration be given to the possibility and advisability of making the drug available for use in homes, hospices and other places to which terminal patients are taken. So very often a person suffering from terminal cancer is just sent home when a hospital can do no more for him and her. The hospital, quite understandably, needs the facility for other people to whom it still has services to offer. That person is sent home to be cared for by loved ones, visiting nurses and others. They are sent home to suffer probably the worst pain that they will be called upon to endure. It seems to me that in such a situation that patient will need a drug of this kind that can relieve pain.

I am aware that there are other drugs which can relieve pain equally, though not as rapidly. Nonetheless, I ask that consideration be given to this. I am aware of the potential dangers, but we are equally aware of the fact that these dangers are possible as well in hospitals or wherever the drug may be administered. There will always be a need for surveillance, vigilance and action by authorities. I hope that some further consideration can be given to this matter on behalf of nameless and faceless people who will, nonetheless, be sufferers and who could find an equal measure of relief to that given those patients in hospitals with whom we are now concerned.

[*Translation*]

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, I shall, if I may, add my Party's comments to those made by the Minister and the Hon. Member presenting this Bill, which aims to legalize, within certain limits, the therapeutic use of heroin.

We have all known Walter Baker, the former Member for Nepean-Carleton and a good friend, and I remember when he presented a similar Bill in the House. I was in the House at the time, and we all realized the meaning of his message. This afternoon, the Minister explained that the Government intended to come back with its own legislation next March, and the Minister deserves to be praised for this felicitous initiative.

There are of course two sides to the question, but I think the Minister has understood the problems involved. We simply want to say that we are anxiously awaiting this Bill or amendment, that we fully support this initiative and that we also want to congratulate the Member for St. John's East (Mr. McGrath) who has shown once again that backbenchers can contribute very substantially to the parliamentary process.

I feel the Member for Scarborough West (Mr. Stackhouse) made a valid suggestion, namely to extend the use of heroin to institutions other than hospitals. This is of course a point that will be looked into by the Minister because of the risk factor in controlling a dangerous drug, even if it is to be used for a very humanitarian purpose, namely to alleviate pain.

In previous Parliaments, I have heard Hon. Members—physicians—who objected to the therapeutic use of heroin, and said that new and effective drugs were available. As the Minister said, we are not experts. This is a technical question, and we are not qualified to discuss this aspect. However, I have to say that there is a proven need. We hope that by March next year, the Minister will have had an opportunity to consult Hon. Members and that he will let us know what his requirements are and what kind of co-operation he will be seeking to implement the legislation. We therefore fully support this initiative.

[*English*]

Ms. Margaret Mitchell (Vancouver East): Mr. Speaker, I would agree with my colleagues that there is no better tribute to the late Hon. Walter Baker, whom we all respected and of whom we thought so much, than to have carried this Bill forward. I congratulate the Member for St. John's East (Mr. McGrath) for presenting the Bill and stimulating the debate today, and also the Minister for his Government's response which would allow some very positive movement in implementing the use of heroin for therapeutic purposes as a controlled pain-killer.

• (1730)

There is no doubt that this is a subject that raises considerable fear as a result of misinformation, distortion and misunderstanding. Since that will be the basis for the response in many parts of Canada, it is very important to involve the public in public education as well as to have a clearly controlled time limited experiment as a first step.

Hon. Members may be interested in reading an article by Marjorie Nichols in *The Vancouver Sun* in which she attributes much of the fear and opposition to the use of heroin for therapeutic purposes, at least in our province, to the history of the race wars, or opium wars.

There is no question that studies have shown that this is a very wise and safe procedure. Experience has shown for some time in the United Kingdom that heroin has proven to be a most significant drug as a pain-killer. As the Minister said, other countries have adopted the use of heroin as a pain-killer as regular policy and we really have nothing to fear.

I believe public education is important. Although the CMA has certainly recommended this move, there are still some reservations even among physicians. Therefore, a time limited experiment with controlled research would seem to be very wise at this time. We support this move and commend the Minister and the Member for St. John's East for the steps they have taken.

Mr. Bruce Halliday (Oxford): Mr. Speaker, I am pleased to join the debate today. Let me begin by congratulating the Hon. Member for St. John's East (Mr. McGrath) who has kept this issue alive in the House to a large extent. He has done what our late colleague, Walter Baker, tried very strenuously to do. The words of tribute that were paid to him by the Hon. Member for St. John's East and the Minister are indeed

ones with which I want to be associated. I am sure that is true of everyone in the House.

The comments that have been made this afternoon are very useful. They relate the broad feeling about the importance of the use of this drug for people who are stricken with cancer and suffering great pain. There is no doubt that there is a valid use for this drug as well as for many other pain-killing drugs.

The Minister spoke very eloquently about how we can heighten the quality of life for a person who is suffering much pain in the last few days or weeks of his or her life.

The Member for St. John's East touched on one reason why I believe it is important to pass this Bill. He quoted a resolution that was passed by the Canadian Medical Association. It was advocated that we continue with this. I want to deal with that this afternoon because I believe we have a principle at issue here which is exceedingly important, both in the context of the professional practice of medicine and in the practice of politics.

As the Minister said, it is important to be careful how those who are not experts make a judgment on a technical subject. While they have a right to be concerned, they should make their decisions carefully. For example, I was somewhat alarmed by a presentation made to the standing committee by the Canadian Cancer Society. In a presentation made by Mr. R. A. Macbeth to the committee on June 7 of this year, he quoted a statement made by the Canadian Cancer Society which reads:

—'that (in the opinion of the members of the committee) there is no supportive evidence available at this time that heroin provides unique qualities in the control of pain in cancer patients that cannot be duplicated by the use of already available drugs and that, in consequence, it is recommended that no further action be taken.'

I am concerned about that kind of approach to the use of drugs. They are saying that there is no need for another drug if there are 10 or even 100 drugs that are used to treat a particular condition. However, if this approach is taken to its logical conclusion, it would cause some difficulty because there are people who may tolerate one drug for arthritis yet there are hundreds of drugs that could be used for that condition.

It may be in the future that if a government becomes too bureaucratic and must deal with increasing medical costs, it will decide to limit the number of drugs that can be used in the treatment of a certain condition. Politicians or bureaucrats who may not have professional training will be deciding what drug a physician may give to his patient. Such an occurrence disturbs me. That is what is being implied in this statement from the Canadian Cancer Society.

I want to stress that if a drug is useful, any licensed physician should be allowed to use it. Of course, there is the caveat that if the drug causes definite harm, it should be legislated out by the Government. However, with respect to heroin, it was removed in the 1950s because other drugs were as useful. I do not believe that is a valid reason for its discontinuance. I hope we can make that message clear.

I want to congratulate the Minister on the approach he has taken throughout the last year to the debate that has been taking place on this issue. He was most attentive during the course of the committee hearings last spring, and I know that he has been deliberating very seriously the pros and cons of this issue since then. He has not come to a decision lightly and should be congratulated for that.

I also want to congratulate Members of the House. The public sometimes gets the impression that we are a chamber of antagonists who never get along. They watch us during Question Period but, unfortunately, few see this kind of atmosphere in which all Parties are working together toward a good cause. Members will notice that the Press Gallery is empty. The press is not interested in something of this nature in which we intend to show considerable agreement. Therefore, I want to congratulate Members of the House for this co-operation.

Finally, there is one name that has been omitted in our discussion today. It is that of Dr. Kenneth Walker whose pseudonym is Dr. W. Gifford-Jones. We have been congratulating ourselves as private Members because the Hon. Member for St. John's East has been able to get the Bill to the stage where the Government has been willing to accept it in principle. It proves that private Members have an opportunity to be involved and be effective here. I think we should also announce to the public that if people are as strongly concerned about an issue as Dr. Walker is, that it is not impossible for them to mount a public campaign if it is based on credible information, and this influences many Canadians. Part of the reason all of us here are concerned is because Dr. Walker, whose pseudonym is Dr. Gifford-Jones, has influenced us by his description of the facts regarding heroin. Many myths about the properties of heroin have been disseminated. Dr. Walker has also made it known how this drug has been used in the United Kingdom, how it has grown in use in the U.K. without any particular adverse effects.

• (1740)

Dr. Walker appeared before our committee last spring and brought a paper in which he identified 35 questions commonly asked, and supplied appropriate answers. There was much revelation about the myths that many of us have had over the years.

I listened with great attention to the Minister's presentation. Actually, I would have had no trouble approving completely the private Member's Bill C-213 which the Hon. Member for St. John's East has placed before the House today. I have some reservations, similar to those of the Hon. Member for Scarborough West (Mr. Stackhouse). He pointed out one of my reservations, namely, instances where this drug would be proven to be very useful outside of the controlled hospital atmosphere. Like the Hon. Member for Scarborough West, the Minister recognizes the potential problems that may exist, but I trust that as the Minister works with his officials and develops the protocol to which he referred, he will keep in mind that there will be times when heroin will be very useful for cancer patients outside of the hospital. Having said that, Mr. Speaker, I am also interested and a little concerned about what the Minister means by "intractable pain". I think I know what

intractable pain means. It means pain that is not easily relieved. It is a persistent pain that does not go away. That is a pain characteristic of cancer in many cases.

In my experience as a physician I had the privilege and the opportunity of being taught at the University of Toronto—which is not just a third-rate medical school—to use heroin. It was recommended and as a physician I used it regularly as an analgesic in my first few years of practice in obstetrics. It is a tremendous analgestic in obstetrics. It gives the patient a sense of euphoria. If it is combined with hyoscine it gives some amnesia of the events, which for many people is desirable.

I am not aware of any patients who became addicts because they had one or two shots of heroin during the course of labour. I do agree that there are other techniques available to control the pain of labour which makes it less necessary perhaps to use heroin. But where one wants to use an injectable analgesic in obstetrics, I would be disappointed if we in the House of Commons thought that we had enough expertise to say no, you can only use heroin for the intractable pain of cancer.

Let me cite another example, Mr. Speaker. Perhaps some Members have had senior family members who have gone into severe heart failure in the middle of the night when they sit up in bed, cannot breathe, are choking and spewing out bloody sputum from their throats. They are in terrible agony and anxiety. The first thing a physician does at three o'clock in the morning when the goes to see a patient is to give the patient something to stop anxiety. The quickest acting drug is heroin. Morphine is not bad, and many of us have used morphine for that affliction in latter years. Nonetheless heroin is used regularly in the United Kingdom right now for that purpose. It quickly relieves the anxiety a person has, which is very important if you are going to give the person proper attention for his basic cardiac condition.

I am putting in a couple of pleas to the Minister and to his officials to give some serious consideration to the protocol they are developing. I know the Minister will do this, but I plead with him that he not forget there other good uses for heroin beside its use for the intractable pain of cancer. It would probably be a little bit of a mistake for us here basically composed of lay people trying to say that heroin is a tremendous pain-killer, but let us use it only for cancer. If it is good for that, it may be good for some other conditions too. I hope the Minister will recognize that and allow the protocol to be broad enough in its considerations to allow other uses as deemed necessary by licensed physicians.

I speak very strongly in support of this private Member's Bill, but even more so in support of the Minister who has indicated his willingness to have heroin promptly legalized for use in Canada. I hope that all Members of the House—I know there are others who want to speak—will see fit to support this proposition today.

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, I rise to support strongly the initiative taken today by the Hon. Member for St. John's East (Mr. McGrath). I will try to be brief. I know there are other Members who wish to take part in this debate. I would like to underline the point made by the Hon. Member for Oxford (Mr. Halliday). It is in circumstances such as this that Parliament really operates at its finest. When a Member of Parliament, who in this case has been a Member for many years, takes an initiative and approaches it on a non-partisan basis, works closely with the Minister, whom I commend for his reasoned and sensitive response to this Bill, and Parliament collectively acts on a matter clearly of national concern, it is Parliament at its best.

Over 40,000 Canadians die each year from this terrible disease of cancer. I am sure most Members of this House have had close friends or family members who have been afflicted by it. I myself have lost two very close friends, one 24 years old who suffered long and great pain before death, initially in the hospital and then finally, when it was realized there was no hope, at home with his family.

I hope the Minister will look very carefully at the suggestions made by the Hon. Member for Scarborough West (Mr. Stackhouse) and other Members with respect to the possible conditions that may be attached to the use of heroin in these circumstances. If we accept, as I believe we must, the positive benefits of the use of heroin for terminally ill cancer victims, I believe it would be a mistake for us to restrict the use of those benefits to a hospital setting. Obviously we must recognize that there must be careful controls. Given that, Mr. Speaker, I hope the Minister will examine carefully the broadening of the possible use of heroin.

I know the sponsor of this Bill, the Member for St. John's East, spoke earlier this year in March very eloquently on this Bill and he said that he himself was touched in his own family. I believe it was his brother who died in great agony from cancer. We are responding here not just as parliamentarians but as human beings to a serious problem.

I would like to join in paying tribute to work done by Dr. Kenneth Walker, also known as Dr. Gifford-Jones, who led a national campaign for changes in this area of the law. I believe over 150,000 Canadians signed petitions initiated by Dr. Gifford-Jones through his column. Dr. Walker did appear before the Standing Committee on Health, Welfare and Social Affairs, as my colleague from Oxford indicated. In a very short but eloquent statement he underlined the importance of parliamentary action in this area. He noted that some of the most believable and convincing witnesses could not appear before the committee because they were dead.

He set out a series of facts which I believe are important. First, heroin is a more potent painkiller than morphine. It is superior to morphine when patients require injections. Heroin has the most rapid onset of any narcotic. English doctors have increased their use of heroin nearly four times during the last ten years and decreased their use of morphine. Heroin is prescribed by British physicians to treat heart attack victims, women having difficult labour, severely burned children and young children during the terminal stage of malignancy. Not just with respect to cancer, heroin has been found to be very helpful in other areas as well. It helps to calm apprehensive

patients. It is the best drug to stop the cough reflex of patients dying of lung cancer. Heroin produces a sense of well-being and euphoria. Addicts do not take heroin to get depressed, as Dr. Walker noted. Patients develop a tolerance to narcotics. It is therefore advisable to have other pain-killers available. Patients vary in their response to drugs for reasons that are not well understood. Doctors should therefore have a choice of different narcotics. Patients develop allergic reactions to pain-killers. It is sensible that physicians have available the maximum number of drugs to treat cancer pain.

● (1750)

Finally, there is no historical precedent for assuming that legal heroin would end up in the street. As the Minister noted in his remarks, it is a rather ludicrous situation when Canadians can easily obtain heroin for pleasure and the victims of cancer die in agony without this pain-killer.

There is one other person to whom I should like to pay tribute today. I am referring to Dr. William Ghent who headed the committee of the Canadian Medical Association which recommended the legalization of heroin for medical purposes. He conducted a very exhaustive study on this question. I am pleased that the Minister has responded in the way he responded today to Dr. Ghent, among others.

He notes some of the concerns with respect to the use of heroin, not just in the treatment of terminally ill cancer patients but in other areas as well. Dr. Ghent goes a step further than some of his fellow doctors and advocates the use of legal heroin for medical purposes. Dr. Ghent would in fact supply heroin addicts with legal prescriptions for the drug as is done in England. In those circumstances, as he indicates, the addict would be given a choice—use prescriptions for heroin to maintain their habit or submit to a clinic for treatment and withdrawal. He notes—and I think this is an interesting point—that the most commonly used heroin substitute, methadone, is the most addicting drug known to man. He points out that this system would eliminate underworld traffickers and their multi-billion dollar profits by prescribing illegal drugs such as heroin and, hopefully, at the same time engaging in education. Ultimately, the only real solution is to engage in education so that people might not use these particular drugs.

I am pleased the Minister responded to the initiative of the Hon. Member for St. John's East and to the initiative of our former colleague and friend, the late Walter Baker. I am pleased to rise and support this initiative. I hope the Minister, in establishing the framework for the use of heroin for medicinal purposes, will take into consideration some of the points which have been made by Dr. Ghent and by Members of the House in the debate today.

[*Translation*]

Mr. Charles-Eugène Marin (Gaspé): Mr. Speaker, I am pleased with this opportunity to speak concerning to a Bill that covers such an important subject. I want to thank the Hon. Member for St. John's East (Mr. McGrath) and the Hon. Minister for presenting this Bill in the House.

I shall be brief, Mr. Speaker, to give others as well a chance to make their comments.

I would like to say that I speak with the experience of someone who has been practising medicine for twenty-eight years, both as a general practitioner, when I had to prescribe medication to alleviate pain and, for many years, as a psychiatrist treating patients who had become addicted to certain types of medication.

In fact, if we consider the social aspect, dispensing medication that may be addictive is certainly preferable to letting people suffer because we do not have all the therapeutic drugs or tools we need.

I also would like to talk about something that is much closer to home. During the last twelve months, there were four deaths in my immediate family, two caused by cancer. I can assure you it is very difficult for a doctor who is a member of the family to see people wracked by pain, not only physical but mental as well, since they know that their suffering can only end in death. I would have been more than happy to be able to alleviate their distress.

However, the drugs we have today have the immediate effect of poisoning the patient and affecting his mental faculties. We have to measure the doses carefully to keep them mentally alert and at the same time alleviate some of their physical suffering.

Mr. Speaker, this is not the only point I wish to raise. I also feel it is not really the Government's responsibility to interfere with the kind of medical treatment that health care practitioners wish to give. I agree here with Dr. Halliday.

Again, I would like to thank the Hon. Member for St. John's East (Mr. McGrath) and the Hon. Minister for presenting this Bill in the House, and I agree wholeheartedly with this initiative.

[*English*]

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, I should like to make a very short comment. I do not intend to say anything new. I took part in the debate some time ago when the former Hon. Member for Nepean-Carleton, the late Walter Baker, brought forward the suggestion of legalizing heroin for therapeutic purposes in a Private Member's Bill. We have heard many people quite properly refer to the work done by Walter Baker in this respect. The one thing I would like to add is the way in which the events today dovetail with two concerns of the late gentleman. One of his concerns has been referred to, that is, his concern that heroin be legalized for therapeutic purposes. The other one of his consuming passions was parliamentary reform.

Here we have an instance where a private Member, through persistence and through the work of another private Member—in this case the Hon. Member for St. John's East (Mr. McGrath) carrying on the work of the late Walter Baker—has been able to call attention to an issue, albeit aided by Dr. Kenneth Walker and many other Canadians. Nevertheless, it

is an example of where a private Member has been able to call enough attention to a particular issue to have the Government respond in the way in which the Hon. Minister of National Health and Welfare (Mr. Epp) did today.

I just wanted to put these two points on the record. I only hope that in future more of this kind of thing will happen and that those of us who are working on the special task force on parliamentary reform will be able to make suggestions which will enhance even more the role of the private Member.

Mr. Maurice Foster (Algoma): Mr. Speaker, I congratulate the Hon. Member for St. John's East (Mr. McGrath) for his initiative in bringing forward this Bill and carrying on the work of the late Walter Baker. I also want to congratulate the Minister. I am sure his officials put many arguments to him as to why we should not legalize this drug because of international conventions. This is when the common sense of politics and a free democratic society override officials.

We are all aware of circumstances involving cancer. In my wife's family, both her parents died of cancer. She works regularly as a volunteer at the cancer clinic here in Ottawa. Many families have experienced the trials and tribulations of losing family members to cancer and seeing incredible pain. I have also had representations from a very close friend of mine in Gore Bay on the Manitoulin Island whose first wife died of cancer several years ago. He has written me regularly, and I have regularly made representations to the Minister of National Health and Welfare to have this amendment carried out to legalize the use of heroin to alleviate pain, especially in terminally ill patients. I would like to add my voice of support and to congratulate those who are responsible for seeing this Bill put before the House. I will take my seat now so that the Bill can be carried.

● (1800)

The Acting Speaker (Mr. Charest): It is now six o'clock. It is my understanding that the Hon. Member for St. John's East (Mr. McGrath) has a point of order.

Mr. McGrath: Mr. Speaker, with the permission of the House, I would like to take a few brief moments to withdraw the Bill by unanimous consent so that the Government can then get on with bringing in its own legislation pursuant to the statement made by the Minister today.

Perhaps you will permit me, Mr. Speaker, briefly to thank the Hon. Member for Scarborough West (Mr. Stackhouse), the Hon. Member for Oxford (Mr. Halliday), the Hon. Member for Vancouver East (Ms. Mitchell), the Hon. Member for Ottawa-Vanier (Mr. Gauthier), the Hon. Member for Burnaby (Mr. Robinson), the Hon. Member for Gaspé (Mr. Marin), the Hon. Member for Winnipeg-Birds Hill (Mr. Blaikie), the Hon. Member for Algoma (Mr. Foster) and the Minister for their kind personal references to me.

On behalf of the Canadian Medical Association, Dr. Ghent, and Dr. Kenneth Walker whose work was referred to by the Hon. Member for Oxford, on behalf of the hundreds of hundreds of dedicated men and women who are involved in pain management and palliative care, and perhaps to go even one step further, on behalf of the suffering of future patients who will benefit from this Bill, I would like to extend my thanks to the Minister and to the House. I think it is appropriate that the House and the Government should have acted in a spirit of generosity in this season of love.

I would therefore ask the unanimous consent of the House to have the order discharged and to withdraw Bill C-213, an Act to amend the Narcotic Control Act.

The Acting Speaker (Mr. Charest): Does the Hon. Member have that unanimous consent?

Some Hon. Members: Agreed.

Order discharged and Bill withdrawn.

Some Hon. Members: Hear, hear!

PROCEEDINGS ON ADJOURNMENT MOTION

[*Translation*]

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

SCIENCE AND TECHNOLOGY—ESTABLISHMENT OF GATIQ—GOVERNMENT POSITION

Mrs. Suzanne Duplessis (Louis-Hébert): Mr. Speaker, I am both pleased and proud to have this opportunity to speak in the House today. I think it is a great privilege to have been chosen by a significant majority of the voters in the riding of Louis-Hébert to represent them in these venerable halls, and I am thankful for having been given this opportunity. I intend to spare neither time nor effort nor talents in serving my constituents. I know that I can count on God's help and on your understanding, Mr. Speaker, and that of all Members of this House, wherever they may be sitting. In turn, Mr. Speaker, I want to assure you and all my colleagues that you will have my loyal co-operation, and I intend to apply the utmost courtesy and dignity to my interventions here in the House.

My purpose in speaking to the House is to explain my interest in research and development, which has a long-term job creating function, and more specifically in the establishment of a hi-tech industrial park in my riding and how the various parties concerned are striving towards the same goal.

I would like to describe my riding to be able to explain the actions of various intervenors. My riding is located east of Quebec City along the St. Lawrence. It forms more or less the main entrance way to Greater Metropolitan Quebec, whether we approach this area by road, by railway or by air. The riding

includes four large towns: Sainte-Foy, Sillery, Cap-Rouge and Ancienne Lorette, and has a population of over 100,000. These large suburban towns that make up the riding have been carefully planned, which makes them all the more interesting.

One could say that the population of Louis-Hébert consists largely of stable families with as a result many young people. The problem with these families, Mr. Speaker, as I realized during the last campaign, is what is going to happen to all these young people, many of whom are educated but are doomed to remain idle due to lack of jobs or opportunities, without the slightest hope for a better future. I have therefore made youth employment my first priority.

The Right Hon. Prime Minister (Mr. Mulroney), who was visiting Louis-Hébert when I started my fund raising campaign—this was in October 1982 and he was still president of Iron Ore—said the following and I quote: "In this riding and this region, you have all the resources to become a focal point for research and development. You have industries, universities, skilled manpower, research centres, social infrastructures, and so forth. All you need is for the federal Government to set objectives in line with our local requirements and human resources and consult and co-operate with Quebec, to make this dream come true".

● (1805)

Indeed, my riding has a number of educational institutions including Laval University, the oldest francophone university in North America, which has researchers working in every discipline and where excellent courses are given in optics and laser techniques. There is also the University of Quebec, three CEGEPs—one English-speaking—two highly sophisticated scientific complexes, the Institut national de recherche scientifique which specializes in hydrology and geology and also gives courses for students preparing a masters degree or Ph.D. The Centre de recherche industriel du Québec, maintaining a close working relationship with industry, has maximized automation of production processes in line with the Quebec Government's support for new technologies. There are also private companies with an international reputation in advanced technology such as Gentec, Didactech, and many more. There are tertiary services, financial institutions, public utilities and ultra-modern community services provided by the towns in the area. Road, railway services and air services are satisfactory.

I can say that the quality of life in the riding is excellent, since I have been a resident for over 25 years. There is an abundance of hotel accommodation, restaurants, information and tourism facilities and in addition, the riding's geographic location is such that the attractions of the Quebec City area are readily available.

Several years ago, local organizations started to do a complete analysis of the economic in the Quebec City area. The conclusion was that our industrial sector badly needed reorganizing. The previous Government had been far too concerned with one-time, temporary job creation programs. It is high time this bandaid policy was replaced by a real regional development strategy.

All the parties concerned now agree that we should focus our energies on revitalizing the region's industrial sector. In April 1983, the GATIQ, the Groupe d'action pour l'avancement technologique et industriel de la région de Québec, was established, an initiative that was in line with the subsequent economic summit. The Groupe d'action, Mr. Speaker, consists of establishments that are directly connected to technological disciplines and the industrial sector. These include Laval University, the Institut national de recherche scientifique, The Société Inter-port, which recently announced that seven industries were ready to settle right away in the Sainte-Foy area, including the Chambre de commerce du Québec métropolitain and the Centre de recherche industrielle du Québec. The GATIQ intends to consolidate the region's scientific and technological resources by promoting exchanges among researchers and between researchers and industry. In this particular context, the most satisfactory way of achieving these goals is to create a hi-tech industrial park. In this connection, the Conseil d'orientation de développement économique de Sainte-Foy, following an economic summit and a thorough study of the matter, has come out in favour of establishing advanced technology industries in the Sainte-Foy-Quebec City corridor. The existing industrial park was suggested in this connection since its location was admirably suited to the purpose the council had in mind.

The park is located behind the CRIQ and the INRS, is surrounded by zoned industrial parks and has all the resources and services required. This is where we would like to see the Institut d'optique et de laser, which has been very much in the news recently.

Mr. Speaker, although we are hardly in the Silicone Valley class, we in Louis-Hébert and the Quebec City Region are in a position to prove that this is where the economic future of our region lies.

Mr. Bernard Valcourt (Parliamentary Secretary to Minister of State for Science and Technology): Mr. Speaker, the Government of Canada, just like the Hon. Member for Louis-Hébert (Mrs. Duplessis), is favourably impressed by the commendable role played by GATIQ—Groupe d'action pour l'avancement technologique et industriel de la région de Québec—in the establishment of hi-tech industry in the Quebec City area.

The cooperation process in this endeavour among both levels of government, local universities and the private sector stands as an example to be emulated.

• (1810)

The Minister of State for Science and Technology (Mr. Siddon) went to Quebec City twice in recent weeks to meet with representatives of various groups working with GATIQ.

In the course of their discussions, the Minister did say that he was in favour of the project sponsored by GATIQ concerning the establishment of hi-tech industry in the Quebec City area.

In that respect, the Minister held consultations with the leading promoters of this project concerning the future building site of the new National Research Council's optics institute, a project which the Hon. Member for Louis-Hébert (Mrs. Duplessis) has always supported wholeheartedly.

The institute will help Canadian industry through technological development and transfer, by training qualified staff and by developing expertise in potentially promising industrial fields. It will also provide the industry with optical design services and a test laboratory to assess the quality of optical components and systems.

This institute does faithfully reflect the government's commitment to help Canadian industry make the best of new technologies which offer challenging opportunities such as those in optics.

The great interest shown by GATIQ and the Hon. Member for Louis-Hébert in the construction of that institute is quite understandable, and their contribution in this case has been greatly appreciated.

The government feels that a decision in this case is extremely important, and we hope to be able to make an announcement in the near future.

If I may, Mr. Speaker, I should like to thank the Hon. Member for her outstanding efforts to promote this project. I also want to assure her that the Government of Canada will handle this project in such a way as to respond to the economic aspirations and well-being of the Sainte-Foy-Quebec City area.

In conclusion, Mr. Speaker, I should like to say again that the Canadian government is aware of the significant technological new trend in the economic future of the Quebec City area, as proposed by GATIQ and unreservedly supported by the Hon. Member for Louis-Hébert.

The Acting Speaker (Mr. Charest): The Hon. Member for Mount Royal (Mrs. Finestone) has the floor, and I might suggest that the Hon. Member be as brief as possible because we are running a little bit late as a result of the consideration of the public bill.

Adjournment Debate

YOUTH—MINISTER'S AREA OF RESPONSIBILITY. B) PRESS STATEMENT ATTRIBUTED TO MINISTER

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I hope I can put my question within the seven-minute period allotted to me.

[*English*]

The point I want to raise, Mr. Speaker, relates to the question I asked the Minister of State for Youth (Mrs. Champagne) in this House on November 8 concerning her responsibilities. Hon. Members will recall her answer, that she was doing some housecleaning in her Department, and that she did, in fact, confer with the Minister of Employment and Immigration (Miss MacDonald) before the latter decided to reduce grants for youth on the job-training opportunities from $1 billion to $27 million, which our Liberal Government had budgeted. Ultimately, she admitted, yes, she should also help young people who are not well off but that they should also help themselves and do their share.

We cannot be satisfied with such answers, Mr. Speaker, given the present high level of youth unemployment and the level of youth unemployment forecast for this winter and the following summer which, by the way, will be marked by the beginning of the International Year for Youth. Statistics, studies and testimony of young people demonstrate to every Canadian, except, it seems, to this Government, that the number one problem facing our youth is unemployment. The young people most affected by the economic recession are those who have left secondary school with no marketable skills. The plight of these young people, as well as of our graduates, without future job prospects, must be addressed directly if the problems facing them are to be overcome.

How can young Canadians who represent 25 per cent of our population expect to have their vital interests properly defended by this Government? For me, Mr. Speaker, the mandate of the Minister of State for Youth is only one of advocacy as she herself stated in her reply to the Speech from the Throne. In addition, she sits only on social development cabinet committee and consequently cannot be heard on the crucial economic and regional development committee, or on the priorities and planning committees where key decisions are made.

• (1815)

Canada's youth deserve direct access to decision making. Perhaps the Minister should review her mandate with the Prime Minister (Mr. Mulroney).

I believe that within the context of this economic recession, when competition between different age groups is exacerbated, the Minister should be doing more than simply managing the distribution of approximately $8 million in grants for the International Year of Youth, and doing advocacy. Our youth need more than rhetoric on how important they are to this country, and a few sporadic projects. They need a co-ordinated approach to their serious social and economic problems. They need to believe there is a future for them in the job market and that they can play a useful role in Canadian society. Otherwise their despair will grow and their sense of self-worth will

plummet even further. Lost hope, lost dreams, lost generation. Such a denial of the right to work is unjust and leads only to depression.

[*Translation*]

If the Minister of State is not concerned about the plight of young Canadians, the Governor General of Canada is very much concerned about it. Mrs. Jeanne Sauvé feels that Canada must find ways and means to solve the unemployment problem among its young people, failing which they will become a lost generation. As a matter of fact, she emphatically stated, and I quote: "If we do not manage to solve our young people's unemployment problem, we are going to lose a whole generation. That is very serious." That is exactly what I personally told the Minister recently. It is a tragedy!

[*English*]

To this end, Mr. Speaker, I ask what kind of encouragement, what kind of concrete measures this Government and the Minister are providing young Canadians. Is it through budgetary cuts to essential programs; through a witch hunt with respect to unemployment insurance beneficiaries to save a hypothetical $200 million; through statements to this House to the effect that "the Government has only so much money to spend on direct job creation"? That is, $200 million. Is it through statements that 85 per cent of young Canadians are able to function normally, thus neglecting the reality that the level of unemployed youth ranges from 18 per cent to 22 per cent and is particularly bad for visible minorities?

My riding office is now filled with young Canadians who await the result of the Minister of Employment and Immigration's consultations, who count on her promises, and who are acutely aware of the impact any decisions she makes will have on job prospects in 1985. Yet here we are two days away from the Christmas recess with not a word being uttered as to the fruits of the so-called consultations. There are no structures in place to be implemented for next summer's programs, and again not a word of protest from the Minister of State for Youth.

The serious impact on your youth and students with the abolition of the Summer Canada Program of $85 million does not go unnoticed by our youth, their parents or our society. Consultation continues but no decisions are made. Yet there is a desperate need for jobs now. Long term alternatives are fine, indeed, and desirable, but this does not diminish the urgency of the present situation and the need for programs now.

When the Minister of Employment and Immigration cannot take positive action for youth, can young people rely on their Minister of State for Youth to do so? When the Secretary of State acknowledges a freeze on the Canada Student Loans Program, can the students rely on their Minister of State for Youth to protect their vital interests? If the Minister cannot challenge or effect change with respect to youth employment programs, if she cannot have any responsibility with respect to the major concern of jobs and employment, then how can our youth feel that their interests are being heard, that they have a voice and be encouraged?

This Minister does not even respond in the name of youth, and protest when a previous Liberal Government youth training program involving $1 billion and creating 100,000 First Chance jobs gets cut to $27 million and provides a mere 3,000 to 4,000 on-the-job-training programs. Job training is just one answer, representing an ongoing process. The Minister could be encouraging increased Canada Works Programs where many meaningful activities for society can be presented in order to meet unemployment needs.

Furthermore, young Canadians are tired of getting only promises. In the past, summer employment programs for youth would have been announced before Christmas in order to allow young people to plan ahead. Instead, cuts and complications concerning the Canada Student Loans Program have been announced which could ultimately prevent students from obtaining the education necessary to pursue a financially rewarding career. It is a vicious circle; no loan, no summer program, no education, no job.

• (1820)

In the recently released list of grants for the International Year of Youth only one of the 22 projects—

The Acting Speaker (Mr. Charest): I regret that the seven minute period is over.

[*Translation*]

Hon. Andrée Champagne (Minister of State (Youth)): Mr. Speaker, as the Hon. Member pointed out, the mandate I was given by the Prime Minister is twofold. I am responsible for co-ordinating the Canadian Government's program of activities for International Youth Year, and I also speak on behalf of youth in Cabinet and in the federal Government.

I see this coming year as a unique opportunity for all young Canadians to strengthen their perception of themselves and of their potential. I want to encourage the full integration of all Canadian youth in society and to make adult Canadians aware of the situation of our young people and realize that they have a positive contribution to make to society. We must realize, and it cannot be said often enough, that there is no such thing as a lost generation. We must have confidence in our youth. We must encourage them to take advantage of opportunities when they arise.

Mr. Speaker, I believe all my provincial counterparts share my views. During our meetings in recent weeks, they confirmed that in the course of the year, they intend to focus on what young people have been able to achieve so that this will act as a stimulus for young people who have been less fortunate.

The program for International Youth Year is based on these considerations and consists of five points. First of all, its purpose is to help support any initiatives the Youth Secretariat may undertake jointly with Government departments or agencies.

We also have a grants program to facilitate the implementation of special projects set up by young people, or for them through volunteer groups and agencies. This week, Mr. Speaker, I was able to announce the allocation of 22 grants totalling $429,000.

There is also the Peace and Development Program, whose aim is to provide financial assistance for activities that will make young Canadians aware of the international situation. There is also an information and communications program that will focus the attention of the public on young people and make it aware of what young people have to contribute to society.

Finally, five national forums will be held in various parts of the country. Here, young people and their social partners will be able to exchange views and develop strategies that will make for a better understanding of the situation of young Canadians. The conclusions of these forums will be used in developing long term policies affecting Canadian youth.

I will also be setting up an advisory committee on International Youth Year, consisting of young people from all parts of Canada.

My total budget for carrying out my mandate is a little over $28 million, for fiscal 1984-85 and 1985-86.

Mr. Speaker, the Hon. Member for Mount Royal (Mrs. Finestone) was very vocal about employment problems. She claimed that the Government failed to meet its commitment to create jobs for young people.

The changes recently announced will deeply alter the government policies and programs. Our new government wishes to promote independence rather than dependence on the government.

The Hon. Member has suggested that the new Youth Training Option program has reduced by a third the budget for young people. Such is not the case. The training program had been announced by the previous government during the election campaign without any consultation with the provinces and the private sector. The program had such an enormous scope—

The Acting Speaker (Mr. Charest): I regret to interrupt the Minister but the time allotted to her has expired. The Hon. Member for Gander-Twillingate (Mr. Baker).

• (1825)

[*English*]

ENVIRONMENTAL AFFAIRS—CANADIAN WILDLIFE SERVICE—REQUEST FOR RE-EXAMINATION OF BUDGETARY CUT-BACKS. (B) TERMINATED POSITIONS—REQUEST THAT MINISTER TABLE JOB DESCRIPTIONS

Mr. George Baker (Gander-Twillingate): Mr. Speaker, I want to congratulate the Minister of State for Youth (Mrs. Champagne) and the Minister of the Environment (Mrs. Blais-Grenier) for being here to answer questions; the Ministers normally give that duty to their Parliamentary Secretaries. I want to draw attention to that and have it on the record. I believe that both these Ministers are doing a good job in their departments—as well as can be expected with the imposition of the vicious cuts by the Minister of Finance (Mr. Wilson) and the Government of Canada. As the Minister for Youth has said many times, these cuts are something that one just has to live with. If it wasn't this, it would be something else.

The Minister knows my purpose in rising today as we have gone over this question many times. I have asked her questions in the House, and she has appeared before the committee—even today. Perhaps I sometimes get a little too nasty in my remarks regarding the Minister. I want to assure her that my remarks are directed toward the cuts which I believe have been imposed upon her by the Minister of Finance and the Government of Canada. I know that in defending those cuts the Minister must sometimes get a bit nasty with me in her response.

However, let me tell the Minister that apart from the other cuts, the real problem is with the policy she has announced, and which the President of the Treasury Board (Mr. de Cotret) has announced in the blue book where he said that the areas of research on migratory birds and endangered species would not be touched.

The Minister knows, as I pointed out in the committee meeting this afternoon, that ducks are migratory birds. The experiments conducted on the prairies by a research team of five this past summer showed that the effects of an insecticide on ducks which are nesting on the prairies caused the death of those ducklings. That research team was out there for a very important purpose, to examine the effects on the birds and to recommend to the Department of Agriculture that perhaps by decreasing the size of the droplets in the insecticide the problem could be overcome. The purpose of the research team was not to stop the spraying of grasshoppers with that insecticide. Its purpose was actually to try to re-arrange it so it did not kill that wildlife. Ducks are migratory birds. In addition, there are the shore birds along the Fraser Delta. Various projects with respect to endangered species have been cut. I outlined a particular species in Newfoundland to the Minister this morning, and spoke of the real emphasis of her Department as far as the peregrine falcon is concerned.

My major concern is that what was outlined in the cuts by the President of the Treasury Board have actually not taken place. Those two areas which are supposed to be protected in the Minsiter's Department are in fact not being protected, as I outlined today in committee. The most important aspect is, as the Minister knows, that birds in various provinces have been destroyed because of policies of governments, mainly provincial governments, on the advice of the federal Government. They have been destroyed as a result of the recommended use of chemicals over large land areas. We are destroying the very birds which get rid of the insect we are trying to spray.

• (1830)

Whether or not a bird is an endangered species, the point is the Canadian Wildlife Service was the only agency that was there to protect the wildlife. The companies were not interested. The foresters were not all that interested, and the provincial governments were not all that interested. The pest control division of the Department of Agriculture did not require an analysis as part of the spraying program.

What do we have left, Minister? If all the cuts are allowed to take place and that type of thing happens, nobody will be looking out for the birds. Therefore, Minister, what you are saying in effect is that nobody is looking out for the people. As we all know, when the environment is destroyed people are destroyed. It is as simple as that. The birds I refer to in this particular instance perform a vital function. In some countries they put the emphasis on bird hatcheries, rather than on sprays.

It would be wonderful and in the spirit of Christmas if the Minister would announce now that the Canadian wildlife Service will be relieved of these absolutely vicious cuts imposed by the Minister of Finance. I could then praise her in the House during Question Period, under the provisions of Standing Order 21, as well as on points of order and in general discussions.

[*Translation*]

Hon. Suzanne Blais-Grenier (Minister of the Environment): Mr. Speaker, I would like to thank my colleague for his comments and I can assure you that if it were up to me, I would love to be honoured like this for a whole day, as it was certainly not the case in the House yesterday and today.

I also want to reassure the Hon. Member about the fact that my colleague, the Hon. Minister of Finance (Mr. Wilson), did not force any cutbacks on me. I take the full responsibility for them, and it is I, with the officials at my Department, who reviewed the programs and decided, in accordance with our federal mandate and the responsibilities under our jurisdiction, to cancel certain programs and to make sure that some of them would be taken over by the provinces.

To give a more specific answer to my colleague, I can assure him that we are still concerned with peregrine falcons and their reintroduction to the wild. We also continue to concern ourselves with the effect of pesticides on birds, for instance within the interdepartmental committee on the effects of pesticides on the environment, which is responsible for advising the Minister of Agriculture (Mr. Wise) on the use of these pesticides.

I do not believe that it would be appropriate for me to speak too long about the cutbacks. Much has already been said about this. However, I want to say that these cutbacks affect the following occupational group: 10 science researcher and program manager positions, 50 professional or technical positions and 13 support positions; these are the only positions affected.

For some of them, we already have alternatives. I would like however to take a few moments to refer to the overall effort by my officials and myself to soften the impact of those cuts on the people concerned. Our surplus employees have been notified as early as possible of their status, so they may have an opportunity to find other jobs on the market place. We have put a freeze on hiring throughout the Department, and we will very soon complete the identification of all vacant jobs. Further, we will offer retraining programs, where appropriate, to help our employees relocate.

We have ongoing consultations with the provinces and the universities with the hope that some of the programs may be taken up by one of those jurisdictions.

Among other things, as a result of our diligent handling of the matter, we have succeeded in arranging the take-over of one of the five wildlife interpretation centres. We have in fact reached an agreement with the Province of British Columbia.

Mr. Speaker, it is my view that we have acted very humanely and within the spirit of our commitment made to Canadians to reduce Government expenditures.

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

At 6.35 p.m. the House adjourned.

HOUSE OF COMMONS

Friday, December 21, 1984

The House met at 11 a.m.

• (1105)

STATEMENTS PURSUANT TO S.O. 21

[*Translation*]

STATISTICS CANADA

IMPORTANCE OF IMMIGRATION TO FUTURE POPULATION

Mrs. Lucie Pépin (Outremont): Mr. Speaker, last Wednesday Statistics Canada published "Fertility in Canada: From Baby-Boom to Baby-Bust", a report prepared by demographer Anatole Romaniuk. The report points out a number of disturbing facts, including a dramatic shift in Canada's age structure.

If the present fertility rate of 1.7, which is well below the replacement level, remains constant, it will be impossible to maintain adequate growth of Canada's population. This kind of situation demands serious consideration because it raises a number of concerns. The report also shows us the importance of the role of net immigration with respect to future population growth, especially if we consider the structural and social changes that affect the annual profile of Canada's population. Mr. Romaniuk's conclusions in this respect are clear. If we are to maintain our present population at a level in line with the pursuit of certain national objectives, we will have to develop short, medium and long-term immigration strategies.

As was emphasized in the report, there is no foolproof solution, and there are many factors to consider. However, since immigration is a major component in the present situation, I would urge the Minister of Employment and Immigration (Miss MacDonald) to focus on this problem as quickly as possible, especially in view of her recent statement about the slowing—

[*English*]

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

PUBLIC ARCHIVES OF CANADA

RETENTION IN PROXIMITY TO NATIONAL LIBRARY A NECESSITY

Mr. Bill Tupper (Nepean-Carleton): Mr. Speaker, the Public Archives of Canada, which is physically affiliated with the National Library in the nation's capital, and closely related to it as a resource and service, is one of Canada's great institutions. Within its walls are stored the details of Canada's heritage, the history of its communities, its families and its development. These archives are second to none in the world.

The present proximal arrangement of the Public Archives and the National Library has the overwhelming support of researchers, and persons exploring their genealogical heritage. Canadians and relatives of Canadians want to find archival material in the nation's capital. Earlier in the year the Liberal Government, a Government now known for its ineptitude and disregard for the wishes of the Canadian people, announced that the Archives would be moved out of the nation's capital. The separation of the Public Archives and the National Library would be regrettable and disastrous, and not necessary, especially when there is room for expansion on the present site.

I speak on behalf of many Canadians in urging the present Government, a Government noted for its good judgment, to keep the Public Archives in the nation's capital.

* * *

CANADIAN BROADCASTING CORPORATION

NATIVE REGIONAL PROGRAMMING IN ONTARIO

Mr. John Parry (Kenora-Rainy River): Mr. Speaker, the CBC has an undisputed obligation to promote regional and cultural programming to underserved parts of Canada. That has been an underlying *raison d'être* of the CBC since its inception some four decades ago. Nowhere is that commitment more appreciated and more necessary than in the remote native communities of northwestern Ontario where CBC programming is in many cases the only programming available.

The recently announced $75 million CBC budget cuts, the chopping of 1,150 staff positions, and the freezing of programming funds are, to say the least, alarming. The threat to present programming is also very real. We in the New Democratic Party call upon the Minister of Communications (Mr. Masse) to maintain the native language programs aired over the CBC, and specifically to continue the program *Indian Faces* which is currently produced by the Wawatay Native Communications Society.

S.O. 21

CHARITABLE ORGANIZATIONS

GOOD WORK OF OTTAWA SNOWSUIT FUND

Mr. G. M. Gurbin (Parliamentary Secretary to Minister of the Environment): Mr. Speaker, I rise today to draw to the attention of the House a most worthy and charitable cause, the Snowsuit Fund. This is a charity program sponsored by businessmen and concerned citizens in the Ottawa area. It was established to help provide children in eastern Ontario with warm winter clothing. The group has targeted 3,000 needy children this year, and it has a goal of raising $75,000 to buy the necessary snowsuits. The Air Force is kindly providing the transportation of snowsuits from Winnipeg, where they are made, to Ottawa.

The Snowsuit Fund has an office conveniently located at 90 Sparks Street, the Queen Street entrance. From the office at 90 Sparks Street this little known effort has in past years been successful in providing a warmer winter and happier holiday to children throughout the area, and it is a commendable example of Canadians helping Canadians to have a very Merry Christmas.

Some Hon. Members: Hear, hear!

* * *

SOCIAL SECURITY

CRITICISM OF GOVERNMENT POSITION

Mr. Alfonso Gagliano (Saint-Léonard-Anjou): Mr. Speaker, referring to social programs, the Minister of Finance (Mr. Wilson) said: "Canadians are not given credit for their intelligence on these issues". The Liberals know Canadians are intelligent and should be included in the debate on social programs. If the Conservatives truly believed in the wisdom and judgment of Canadians they would have opened the debate over universality and social programs during the election, when voters could really contribute. The Canadian public can best make its voice heard on the issue of social programs if it is debated prior to and during an election campaign.

The Conservatives were afraid of revealing their true position to Canadians. As the present Minister of Justice (Mr. Crosbie) said during the election campaign: "If the Tories said what they would do if elected, they would never be elected". The present Minister of Finance did not trust the Canadian public either, as he said in his recent Canadian Press interview that if the Tory position on social programs had been announced during the election campaign, the Canadian people would have misunderstood them. It is obvious the Government does not believe in open debate. It did not believe in it during the campaign, and it does not believe in it now.

The Prime Minister (Mr. Mulroney) told reporters during the campaign that "the Conservatives had to be prudent in putting out positions". If the Prime Minister truly believed in Canadians, and in open and honest debate on social policy, he would have had the courage to come clean about his true position on social programs during the election campaign, and he would agree right now to a debate on social programs.

* * *

[*Translation*]

SOCIAL SECURITY

SOLIDARITY OF PEOPLE'S REPRESENTATIVES

Mr. Clément M. Côté (Lac-Saint-Jean): Mr. Speaker, on the last day of the session before the Christmas holidays, I want to appeal to the intellectual honesty of both opposition parties and ask them to stop their efforts, here in the House, at feeding this climate of insecurity among the neediest in our society.

They know perfectly well that a government would never dare take away vested rights, and they also know perfectly well that the present Government does not intend to penalize Canadians in need.

If they had any self-respect and any respect for their fellow Canadians, they would stop their politics of petulance and prepare for the holidays in an atmosphere of peace and serenity, making it clear to the rest of the country that they intend to work in good faith with the present Government to maximize existing programs.

More solidarity among Canada's elected representatives would be a more effective response to the needs of Canadians and give them a Christmas free of worry, and the hope that 1985 will bring them a step closer to a better future.

* * *

• (1110)

[*English*]

DISARMAMENT

NON-PARTICIPATION IN ARMS RACE ADVOCATED

Mr. Bill Blaikie (Winnipeg-Birds Hill): Mr. Speaker, as we prepare to leave this place and return to our homes to celebrate with family and friends the birth of the Prince of Peace, let us reject the satisfaction that the Minister of Defence (Mr. Coates) seemed to take in Winnipeg at the small numbers outside a Winnipeg hotel protesting the Pentagon tour. Instead, we should reflect on why it is that those who freely devote time to trying to call our attention to the insanity of the nuclear arms race are put down, despised, and sometimes arrested, while at the same time those who are paid well to prepare for the death of our planet and its inhabitants are doing nothing illegal, and are even held in high regard for the work they do in spending in one day what the United Nations needs between now and the year 2000 to provide clean water for everyone, and probably will not get.

Plans to fight and win a nuclear war, Mr. Speaker, are so completely contrary to the vision of the angels and the she-

pherds outside Bethlehem hearing the good news of peace on earth, and so completely contrary to Christ's commandment of love and his own disarmed death on the cross, that Canada must, in the name of life and the future, and in defiance of the powers of death which surround us, say an unambiguous no to participating in the nuclear arms race. That would be an act truly in the spirit of Christmas.

* * *

THE CENSUS

DECLINE IN BIRTH RATE

Mr. Dave Nickerson (Western Arctic): Mr. Speaker, Statistics Canada warns that the fertility rate of Canadians has dropped to an all-time low. On average each Canadian woman bears 1.7 children in her lifetime, significantly below the break-even rate of 2.1 needed to maintain a steady population. If this trend continues, not only will our population decline unless made up by massive immigration, but also the average age will increase, thereby putting strain on social security systems as fewer people in the workforce are called upon to support more and more pensioners.

Canada is severely underpopulated, with tremendous resources left unutilized, and millions of acres of land that has yet to see the plough. Therefore, Sir, it ought to be a public policy to encourage families to have more children. In that the process involved is not unduly distasteful, might I suggest that we could all start with renewed vigour this Christmas.

On a serious note, Mr. Speaker, the bottom line is this. If we do not populate our own country, most of which is largely uninhabited, someone else eventually will do it for us.

* * *

ABORIGINAL RIGHTS

YUKON INDIAN CLAIMS—EXTENSION OF NEGOTIATIONS URGED

Mr. Keith Penner (Cochrane-Superior): Mr. Speaker, yesterday the Minister of Indian Affairs and Northern Development (Mr. Crombie) informed Yukon Indian people that the Government lacks the political will to settle their aboriginal claims fairly and justly. While much progress has been made towards a settlement, several recent historical events have significantly affected the settlement process. The Minister himself has recognized the importance of these new factors, some created by him, such as his decision to undertake a full-scale review of native claims policy. Despite his earlier flexibility and apparent willingness to accommodate these factors, his decision of yesterday denies Yukon Indian people the time and resources they need to assess these events properly.

Why has the Minister abandoned his earlier flexibility? From where has the pressure come causing him to take a harder line? It is unfair, unreasonable, and unacceptable for him to insist that the Yukon Indian people must make such a momentous decision in haste. This is not just one more small item on the Government's agenda. The future of an entire group of people is at stake.

I therefore call upon the Minister not to foreclose on these negotiations. Do not walk away from the table. Allow them the needed funding, since it is an advance on the Yukon settlement anyway, and let the legitimate concerns of the Yukon Indian communities and their leaders be much more carefully considered.

• (1115)

ORAL QUESTION PERIOD

[*English*]

SOCIAL SECURITY

GOVERNMENT POSITION

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, if you would allow me to trespass gently upon the rules, I would like to wish you and your bride, the Prime Minister and his family, and all Members of the House a merry Christmas and happy holiday. I would also like to wish the House a productive new year.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): It is in this benign spirit that I say that I am pleased that the Prime Minister and the Government are allowing a debate, beginning in an hour from now, which I will be leading, on our social security programs.

I would like to ask the Prime Minister a question which reflects the one point of unanimity which he and his two principal Ministers in this debate, the Minister of National Health and Welfare and the Minister of Finance have reached. They are talking about taking from the existing social programs for the needy. That position contradicts the Prime Minister's statement made before the Canadian and Empire Clubs on October 28 when he said that "we will achieve these objectives without touching our existing social programs". There seems to be a contradiction between the unanimity achieved among the Prime Minister and his two Ministers and what the Prime Minister said in Toronto. Would he explain that contradiction?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, in the same spirit of kindness, which I acknowledge with thanks, in a very special way I want to wish my right hon. friend a long and productive career as Leader of Her Majesty's Loyal Opposition. I would like to tell him what I think a lot of Members realize, that he has, in a very real way, notwithstanding the events of the last few days, contributed substantially to creating a new atmosphere of reasonableness and civility. I think all Members of the House of Commons would want to applaud him on his leadership.

Some Hon. Members: Hear, hear!

Mr. Mulroney: I feel that there has been no contradiction at all. I appreciate the Right Hon. Leader's concerns. They are legitimate. I feel they have been well answered and completely responded to by the Minister of National Health and Welfare and the Minister of Finance. I feel, as well, that the consultation papers on which we will all have an opportunity to speak shortly, will provide us with a free-wheeling but reasonable atmosphere to discuss programs and solutions for Canadians while maintaining the principles that we have all agreed upon.

OPTIONAL PROPOSALS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, Ministers have been talking about a cut-off point, and revenue figures of $26,000 and $35,000 have been mentioned for the payment of family allowances and old age pensions. Would the Prime Minister not recognize that there are other options for meeting the needs of lower income Canadians than by taking from the existing social programs of middle-income Canadians?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I quite agree, and some of these will be set out in the discussion papers. I do not imagine that anyone has contended, or would contend, that these papers will be perfect. We expect them to be improved upon as a result of suggestions from the Opposition and comments from interested groups in the country. I think that is the way a fruitful and productive dialogue can be undertaken. I thank my right hon. friend for his openness in this regard, and I assure him that all suggestions will be carefully and thoughtfully considered with a view to enhancing the social programs that we now have and trying to get more money into the hands of those in our society who need it the most.

• (1120)

PREPARATION OF DISCUSSION PAPERS

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, despite the denial by the Minister of Finance, I suspect that there will be some rewriting of the directional papers, or white papers, on family allowances and old age pensions as a result of questions and remarks in the House.

When those papers are being rewritten, will the Prime Minister or his Ministers be consulting members of his own political Party who, at their last political convention, expressed themselves 92 per cent against increases in universal family allowances, 62 per cent against increasing universal old age pension benefits, and 82 per cent against increasing medicare benefits? Will the Prime Minister be heeding the wish expressed by the majority of his Party at its last political convention, when he rewrites those papers?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if my right hon. friend goes back to a paper on this issue that was presented by the Hon. John Munro when he was a member of the Government of which my right hon. friend was a member, he will find that he seriously questioned the concept of universality, as did the Member for Westmount when he was seeking the leadership of that Party. He did so very directly, and in fact shot it down and said that he would scrap it and try to introduce a negative income tax.

My right hon. friend said the other day on CTV that he was in favour of universality for now. We are saying that, indeed, there is room for improvement. The papers are in the process of being concluded. When the documents are brought forward they will be consistent with the fundamentals to which we have always adhered.

I have stipulated that this Party stands, as it has always stood, for the maintenance of universal programs on the one hand, that we are opposed to a means test and that there will be no means test. We are trying to develop, with your help, a formula which will allow us in an acceptable way to perhaps take some funds from other sources in the system and elsewhere, and place them into the hands—

Mr. Nunziata: From what sources?

Mr. Mulroney: The friend of yours who is making $500,000 a year. He does not need the money to the extent that a single mother who is living under the poverty line needs it. We are trying to help them. With your help, maybe we can succeed. That is what it is all about.

REVIEW OF PROGRAMS

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, with respect to this whole debate on universality, I can say that the Government has finally been able to square its own circle. Not only has it managed to confuse the Canadian public, it has confused the minds of its own Government backbenchers who no longer even know the direction the Government wants to take on this issue.

My question is directed to the Prime Minister. When the Government completes its review of old age pensions and family allowances, will he guarantee to the House today that the disposable income for middle income families in Canada will not be decreased?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think that question has been adequately and thoroughly considered in the House. I can tell my hon. friend not to be surprised if government Members speak up and ask questions, because they are independent, able people, who will speak their minds, as opposed to Liberal backbenchers who simply follow their Leader at all times.

Some Hon. Members: Hear, hear!

Mr. Frith: All I can say is that Erik Nielsen must have had a change of heart.

REQUEST FOR COMMITTEE REFERRAL

Hon. Douglas C. Frith (Sudbury): Will the Prime Minister guarantee to the House today that when the rewritten direc-

tional papers on family allowances and pensions are released in January, those papers will be relegated to the appropriate standing committees of the House of Commons so that Members from all Parties can hear the viewpoints of average income Canadians?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend makes an excellent point. We very much want to listen to Canadians and consult with important groups in our society, from the provinces to the groups representing the poor. We very much want to listen to Members of Parliament.

• (1125)

I would be happy to sit down with my hon. friend and work out a formula whereby all Members of Parliament will be absolutely certain they have had complete and full input. We do not view this in any partisan sense.

The social programs of the country are there to be respected and enhanced where possible in the interest of the greatest number of citizens. We do not view this in a partisan spirit. We view it as an on-going obligation that we have to maintain, with the help and support of all Members of Parliament.

MEANS TEST—GOVERNMENT POSITION

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, normally I would have saved this for the end of the day, but since there are enough Members to speak at this point in time I would join the Leader of the Government, the Prime Minister, and the Leader of the Official Opposition, in wishing to everyone, on behalf of my colleagues and my Leader, a very merry Christmas and a new year filled with promise, a new year filled with hard work, and for everyone in the country some degree of assurance that they have a future.

Some Hon. Members: Hear, hear!

Mr. Deans: With regard to the Prime Minister's responses this morning, he has indicated that he does not favour a means test. Would he acknowledge that a tax-back provision which would be directed specifically at old age pension or family allowance is in fact a means test?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, that is an abstract, hypothetical question. I have already said that we are not going to have means tests, not yesterday, not today, and not tomorrow. I hope that satisfies my hon. friend.

Mr. Deans: I must be honest; it does not quite satisfy me, Mr. Speaker.

Some Hon. Members: Oh, oh!

Mr. Dick: What would?

POSSIBILITY OF TAX MEASURES

Mr. Ian Deans (Hamilton Mountain): I have a supplementary question for the Prime Minister, Mr. Speaker. I want to ask him to consider for a moment that the Minister of Finance has indicated that the option of a tax-back applied directly to social programs, old age pensions, and family allowances, is one of the options being considered. I ask the Prime Minister again: would he recognize that if there were a tax specifically designed to collect back from those that portion of their income which was directly attributable to old age pension, or to family allowance, that that in fact would be intended to reflect a cut-off point, or a way of getting back certain income based on the income of the individuals, and that that in effect would be a means test?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, the Member begins his question by saying "if there were a tax". It is a completely hypothetical question, and the Government is under no obligation to respond to this kind of question. I am surprised the Hon. Member raises it, inasmuch as the Member for Vancouver East has specifically come out and stipulated the NDP policy in that—

Ms. Mitchell: That is not true. I did not say that.

Mr. Mulroney: —where there is a proposed tax-back all the way through the system that could, in circumstances, have the effect of seriously undermining the concept of universality. We are very much in favour of maintaining the principle of universality in our society in trying to find ways of getting more money into the hands of the poor and those who need it most. I would hope my hon. friend will agree with that.

Mr. Deans: I can think of nothing I would rather see happen than to guarantee that the poor receive more money so they can live at a decent level.

CONSIDERATION OF OPTIONS

Mr. Ian Deans (Hamilton Mountain): My final supplementary question is also for the Prime Minister. If it is true that he has rejected a specific tax on specific programs, such as old age pension or family allowance, why then does the Minister of Finance continue to offer that that is one of the options under consideration, that that is one of the options that will be placed before the public of Canada and the House of Commons, and that that is in fact still under active consideration by the Government?

• (1130)

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend begins again by saying: "If it is true".

Mr. Deans: It is true.

Mr. Mulroney: What we are saying I think is pretty clear-cut and, I hope my hon. friend would agree, is also reasonable. At an appropriate time very soon, consultation documents will be brought forward and will be given to all Members of

Parliament. They will be provided to all interested groups in society. All appropriate considerations and information that we have will be made available, and we will have a debate on how we can improve the system.

I know my hon. friend feels strongly about these points. We want to hear from him on the basis of the best information that we shall be able to put forward. However, I think it is important to mention—and it is not redundant to point it out and to say it again—that our objectives as members of the Government are not different from those of other parliamentarians. What we are trying to do—and we shall do, I hope, with his help and support—is to maintain intact the principle of universality which has brought honour to the country, to ensure that there are no demeaning means tests applied to Canadian citizens, and to find a formula, given the tremendous financial burdens placed upon the people and the Government of Canada at this time, whereby we can, with fairness, get more money into the hands of the underprivileged, the widows and the elderly in the country who need it more than others. We hope we can do that, and that is the objective of the exercise.

Some Hon. Members: Hear, hear!

* * *

DISARMAMENT

UNITED STATES PROPOSAL TO DEVELOP STAR WARS TECHNOLOGY

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I wonder if we might prevail upon the Prime Minister for a few more moments of good will to try to clarify another set of contradictory statements made by him and one of his Ministers, or other Ministers, in relation to an issue of great and vital importance to Canadians, that is, the position on the star wars program of the United States.

In answer to the Hon. Member for Saint-Maurice yesterday the Prime Minister said that there was no change in the long traditional opposition of this country to any development of a star wars technology. Yet a week ago in Brussels the Secretary of State for External Affairs said: "We are discussing the question internally in Canada. We are a new Government with differing views". It is very important for the Prime Minister to clarify today for many thousands of Canadians involved in peace movements, even though his Minister of National Defence does not believe that there are that many, that the Government, on behalf of the country, is clearly opposed to any form of development by the United States of a star wars technology and in fact will make that opposition very clear when the Prime Minister meets with President Reagan in March. Is the Prime Minister prepared to enunciate very clearly our opposition as a country to that new development of star wars technology?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, my hon. friend constantly seems to single out the United States. We are opposed to developments by either of the superpowers, the United States and the Soviet Union, which indulge in matters that detract from the principal obligation of all countries, including ours, that is, to work in an unrelenting manner in pursuit of a durable peace. This is a U.S. research project which has not been formally brought to our attention. The basis of our action is the 1967 treaty which we have signed, and by which the Government continues to live.

CANADIAN POSITION

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, the Prime Minister has not answered the question. The Soviet Union has said that it is against any new star wars development—

Some Hon. Members: Oh, oh!

Mr. Axworthy: —and the British Prime Minister has said that. I suggest that Tory Members should read the newspapers from time to time to keep up on the news. I think this is incumbent upon the Prime Minister. It is not something one can be evasive about. Is the Government clearly prepared to say to our American allies that we do not believe the cause of peace is in any way improved, and in fact will be detracted from, if it goes ahead with any development or research which would lead toward the implementation of a star wars technology in outer space that would contradict the space treaty? Is he prepared to make that statement today, in the spirit of Christmas and in the spirit of peace?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, again there is a mind-set in the Liberal Party which directs its venom on a constant basis at the United States of America. We are ready to say what I have always said. We will defend the noble concept of peace and restraint with the United States and with the Soviet Union. There is another side here, too.

Mr. Axworthy: Then say so.

Mr. Mulroney: We are saying that. We signed the 1967 treaty and we remain bound by it.

Mr. Axworthy: Are you against it or not?

Mr. Mulroney: I think it is unbecoming for my hon. friend persistently to take one side of the argument. He is constantly against the United States of America. He is constantly against our allies. We are trying to be even-handed, productive, and helpful in this.

* * *

ABORIGINAL RIGHTS

COUNCIL FOR YUKON INDIANS—LAND CLAIMS NEGOTIATIONS

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, my question is directed to the Prime Minister. Several bands within the Council for Yukon Indians have had

difficulty with some of the issues related to the agreement in principle on land claims, yet the Minister of Indian Affairs has held them ot the December 31 date for ratification. This made it impossible for them to reach any agreement on the outstanding issues. Now the Minister has terminated negotiations and ended funding for the CYI. Is the Government prepared to act in a mood of good will and flexibility, reconsider its decision, reopen negotiations with the Yukon Indians, and work toward a just and mutually satisfactory agreement on their land claims?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, on behalf of the Minister of Indian Affairs and Northern Development I think it is important in this sensitive issue that it be very clearly understood on the record what the Minister has said and what he is prepared to do, rather than the flavour or the face of the Hon. Member's question.

I have no objection to quoting from a letter which has been made public. It was addressed to Mr. Harry Allen, Chairman of the Council for Yukon Indians. It was written by the Minister of Indian Affairs. If I might have the time of the House, the Minister made three salient points in that letter—first, that he would seek authority so that the elders program would continue; second, that he would continue the current informal arrangements; and, third, that with regard to funding for the Council for Yukon Indians, any existing federal commitments in this fiscal year to CYI would, of course, be honoured.

CONDUCT OF NEGOTIATIONS

Mr. Jim Manly (Cowichan-Malahat-The Islands): Mr. Speaker, the negotiations have been terminated and future funding has been cut off. If the Government is not prepared to deal with the Council for Yukon Indians in an open, flexible, and honest manner, how can aboriginal peoples in any part of Canada put any confidence in the so-called review of land claims policy which the Minister announced, or in any other action of the Minister?

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, back in 1979 there were no negotiations. In an open, honest, and forthright manner, those negotiations were put together. That is the manner in which the present Minister of Indian Affairs and this Government are operating. Nothing has changed from those principles.

* * *

DISARMAMENT

STATEMENTS ATTRIBUTED TO MINISTER

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, on the subject of peace, I should first like to congratulate the Prime Minister on two appointments—Ambassador Roche and, more recently, Geoffrey Pearson. Unfortunately he has a loose cannon running the Department of National Defence, Canada's very own Archie Bunker, it would appear. This week, or late last week, he cast aspersions on the men and women in the Canadian peace movement by saying, in a speech in Winnipeg, that the movement was weak and that that was "right and proper". Then he apparently went on to applaud the locking up of certain protesters in Nova Scotia.

I want to give the Prime Minister the opportunity to denounce these stupid and irresponsible statements by the Minister, and to apologize to those dedicated men and women across this country who have been working tirelessly to give concrete leadership to establishing peace and good will for men and women in the world.

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I regret the comment of my hon. friend who has characterized the Minister of National Defence in that way. The Minister has been an honourable Member of this House for almost 28 years. I think he has contributed greatly to his country—

Some Hon. Members: Hear, hear!

Mr. Mulroney: —and I regret the comment.

• (1140)

With regard to any activities undertaken by groups interested in promoting the cause of peace, I have had the opportunity of meeting with the Bishops, and on previous occasions with groups of peace activists. What I have indicated to them is this. I urged them strongly to maintain the pressure at all times. Most times it does not accord with government policy, but so be it, because the pressure of honourable people working for the pursuit of peace is the strongest assurance that a democracy is healthy. I welcome it. I encourage them at all times, because nothing is more noble than citizens working for the cause of peace. I encourage them, and I assure them that they will always receive a welcome and hospitable reception at the office of the Prime Minister of Canada.

Some Hon. Members: Hear, hear!

GOVERNMENT POSITION

Hon. Donald J. Johnston (Saint-Henri-Westmount): Mr. Speaker, I understood the Prime Minister to say that the efforts of the peace movement do not correspond to government policy, which I must say I find very disturbing. I will look at the "blues", but that is what I understood him to say. Instead of regretting—

Mr. Speaker: With respect, I must ask the Hon. Member to come to his question.

Mr. Johnston: Instead of regretting my statements, would he not regret the statement of his own Minister who has cast aspersions on the motives and the efforts of these people in the Canadian peace movement?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I have not read the text of the remarks to which my hon. friend refers, but I speak for the Ministry in the statements I have just made. They represent the views of the Government of Canada, that we welcome and encourage peace activists in every walk of life across Canada. We think that their activity is honourable, and we encourage them at all times.

* * *

[*Translation*]

SHIPBUILDING

GOVERNMENT POSITION

Mr. Lorne Nystrom (Yorkton-Melville): Mr. Speaker, in the absence of the Minister of National Defence I wish to direct my question to the Prime Minister of Canada.

Is the Prime Minister prepared to confirm that, although it has Davie Shipbuilding Limited in Lauzon, Quebec, for instance, the Government intends to place orders outside the country for the construction of new ships for our navy?

Right Hon. Brian Mulroney (Prime Minister): I am not sure I fully understood my hon. friend's question. However, I shall bring it to the attention of the Minister. In any case, I can assure you that as far as I understood the question, that is not what the Government intends to do.

Mr. Nystrom: Mr. Speaker, the Minister of National Defence is never in the House. May I repeat the question?

Notwithstanding the existence in Quebec of Davie Shipbuilding Limited which would be able to fill orders for military purposes, is the Prime Minister prepared to confirm today that the Government now intends to go outside the country to place orders for new ships for our navy?

Mr. Mulroney: Mr. Speaker, the answer is no. We will always use our own shipyards whenever possible.

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SOCIAL SECURITY

SOCIAL PROGRAMS—GOVERNMENT POSITION

Mr. Jean-Guy Guilbault (Drummond): Mr. Speaker, my question is directed to the Minister of National Health and Welfare.

Contrary to what was said by the Opposition and certain media, social programs will be maintained by our Government.

Could the Minister repeat before the House the commitment he gave last Tuesday, namely, that old age security pensions, the guaranteed income supplemnent and the spouse's allowance will be increased according to the increase in the cost of living and that people drawing benefits under the Canada Pension Plan will get a 4.4 per cent increase early in 1985?

[*English*]

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I can confirm that the regular indexing of the Old Age Security, Guaranteed Income Supplement, and family allowance will be increased as of January 1, 1985, and the Canada Pension Plan will also be increased 4.4 per cent relative to inflation for the last year.

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EMPLOYMENT

SUMMER JOBS FOR STUDENTS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, my question is for the Minister of Employment and Immigration. The Minister is on record promising that our youth will have a summer work program. Today is the last day of the session. For the first time in decades, the Minister of Employment of this country has not announced a government summer job plan before the Christmas break. The youth of the country are wondering where the Minister's priorities are, because our youth need jobs. Is the Minister planning to announce today how many new summer jobs there will be, by which programs, and for how much money? Is the Minister prepared to answer those questions and to tell us what the mechanism is so that there will be summer youth jobs in time?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, for the first time the Minister of Employment and Immigration of this country has been consulting with provincial Governments, the private sector, business and labour, in order to come up with summer programs for young people that will be meaningful and that will give them an opportunity to lead to permanent jobs. I can assure the Hon. Member, as I have assured the House on other occasions, that those programs will be in effect for next summer.

REQUEST FOR ANNOUNCEMENT OF PLANS

Mrs. Sheila Finestone (Mount Royal): Mr. Speaker, I wish the Minister would stop lecturing. The youth of this country want lectures from professors, not from you.

Miss MacDonald: I am sorry, you will have to repeat your supplementary.

Mr. Speaker: Does the Member have a question?

Mrs. Finestone: Concretely, can the Minister announce today her summer job plans to create jobs for youth? Today. Never mind the consultations.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: She gets her training in Mount Royal.

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, there speaks the voice of the Liberal Party.

Some Hon. Members: Hear, hear!

Miss MacDonald: Never mind consultations, never mind treating the people of this country in a decent and straightforward manner. Never mind any of this. We saw 15 years of government when a Liberal Government ignored the people of this country. We do not intend to follow that route.

* * *

[*Translation*]

PUBLIC WORKS

OLD PORT OF QUEBEC—COMPOSITION OF BOARD OF DIRECTORS

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, in the absence of the Minister of Public Works and his parliamentary secretary, my question is directed to the Right Hon. Prime Minister.

Recently the Minister of Public Works announced the membership of the Conseil d'administration du Vieux-Port de Québec. None of these new members came from labour circles or community groups. Could the Minister inform the House whether this lack of community representation was accidental or planned?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, if I am not mistaken, many of these appointments are made according to certain criteria applied by our ports, chambers of commerce, and so forth. I am not acquainted with the exact conditions, but I will ask the Minister about this to set the Hon. Member's mind at rest.

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

Once the Prime Minister has consulted with his Minister of Public Works about the lack of community representation, could he give the House the assurance that he will appoint representatives of the labour movement and community groups, to the board of directors so that the board reflects a cross-section of the population of Quebec City?

Mr. Mulroney: Mr. Speaker, in all appointments we want to strive as far as possible towards the kind of representativity referred to by the Hon. Member, something we are very much in favour of. In fact, we want to try to achieve this at all times.

• (1150)

[*English*]

UNEMPLOYMENT INSURANCE

TREATMENT OF SEVERANCE PAY AND PENSIONS

Mr. Bruce Halliday (Oxford): Mr. Speaker, my question is directed to the Minister of Employment and Immigration. I have committed myself to meet next week in my constituency with two groups of union members who are interested in the proposed changes to the unemployment insurance regulations. Could the Minister now tell us specifically how she intends to proceed with respect to the treatment of severance pay and pensions?

Hon. Flora MacDonald (Minister of Employment and Immigration): Mr. Speaker, when the changes to the unemployment insurance regulations were announced at the time of the economic statement, I undertook to listen to representations from Members of Parliament and to consult with labour and business about the implementation of these measures. I can tell the Hon. Member, and Members of Parliament, whose representations I have appreciated, that with regard to separation pay the changes in regulations will not affect any collective agreements which have been negotiated and signed prior to the end of December, 1984. In other words, the claims will be treated under those agreements according to the present regulations.

I would also say, with regard to pensions, that we have decided—and again this decision came after consultation—that a year of transition is the best approach. Those provisions will come into effect as of the first of January, 1986.

* * *

PUBLIC SERVICE

REPORTED DISMISSALS

Mr. Jean-Robert Gauthier (Ottawa-Vanier): Mr. Speaker, my question is directed to the Prime Minister. Reports in the media have documented several cases of public servants being fired on the basis of their past political affiliations. During the election campaign the Prime Minister promised that there would be no hit list or purge in the Public Service of Canada. The Prime Minister said that he believed in a competent and impartial Public Service.

In view of the disturbing reports, which are seriously documented by Southam Press today in the Ottawa *Citizen*, there appear to be in contravention—

Mr. Speaker: I must ask the Hon. Member to come to his question, please.

Mr. Gauthier: These firings appear to be in contravention of the Public Service Employment Act. Can the Prime Minister tell the House why the Act is not being applied?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I think my hon. friend is probably referring to two questions. There is a full-time professional Public Service, and of that there can be no doubt. All of our activities are designed to respect the integrity and independence of the Public Service.

Perhaps he alludes to former ministerial assistants who have been politically active and who are seeking reintegration into the Public Service. I would tell my hon. friend—as I did when I had the opportunity of speaking with the Right Hon. Leader of the Opposition—that I view this kind of service as very honourable. The Government and the Public Service have been instructed to facilitate the re-entry into Public Service positions of former advisers to Liberal Cabinet Ministers, and to be as helpful and as forthcoming as possible. I think that political service and activity are an honourable calling, and we have instructed the Public Service accordingly.

[*Translation*]

HIRING OF COMPETENT AND IMPARTIAL PEOPLE

Mr. Jean-Robert Gauthier (Ottawa-Vanier): I have a supplementary, Mr. Speaker.

Considering the Prime Minister's reply, is he prepared to instruct his Ministers and deputy ministers, especially his deputy ministers that the Public Service Employment Act should be applied unconditionally, and to explain that from now on, on the basis of this legislation, they must try to hire people who are both competent and impartial?

Right Hon. Brian Mulroney (Prime Minister): We intend to act in accordance with the provisions of the legislation, but I also wish to inform my hon. friend that it is important to recognize the legitimacy of positions held by former assistants of the previous government. They have a number of vested rights, which we intend to respect.

* * *

SHIPBUILDING

PRECARIOUS SITUATION OF NOVA SCOTIA SHIPYARD

Mr. Ray Skelly (Comox-Powell River): Mr. Speaker, my question is directed to the Minister of Supply and Services.

The shipyard is now in receivership. Could the Minister inform the House whether his department will continue its contract in order to maintain the remaining 950 jobs?

[*English*]

Hon. Harvie Andre (Minister of Supply and Services): Mr. Speaker, I am afraid I am not in a position at this point in time to be able to give definitive answers to the Hon. Member about the disposition of that work. But our intention is always to preserve whatever jobs can be preserved. As soon as I am able to get more information in this regard, I will get back to the Hon. Member.

[*Translation*]

Mr. Skelly: Mr. Speaker, I have a supplementary. Will the Minister inform the House whether the Government of Canada will help the Government of Nova Scotia to find an acceptable buyer for the shipyard in order to ensure these jobs will continue to exist?

[*English*]

Mr. Andre: Mr. Speaker, the receiver who was appointed by the Government of Nova Scotia will be reporting to the Government of Nova Scotia on January 8. It is my understanding that there is a good possibility other owners will come along to take over and run the yard. We are hopeful in that regard. I have a senior official who is now in Halifax working with the receiver. Hopefully, early in the new year the situation will be clarified in a way which will preserve those jobs.

* * *

[*Translation*]

CANADIAN BROADCASTING CORPORATION

BUDGETARY CUT-BACKS—NEWSPAPER REPORTS

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, according to the December 18 editions of La Presse and The Globe and Mail, the Canadian Broadcasting Corporation would have preferred to make cuts in programming instead of reducing administrative staff, to meet budgetary cutbacks. The Minister of Communications told journalists that the report in *The Globe and Mail* was substantially correct, according to Canadian Press on December 19.

Mr. Speaker: The question, please.

Mr. Prud'homme: I am getting there, Mr. Speaker.

Mr. Juneau has just announced that the CBC never planned to cut back on programming rather than personnel. Could the Minister inform the House who is telling the truth: the President of the CBC, or the Minister when he told *The Globe and Mail* that the report was substantially correct?

Hon. Marcel Masse (Minister of Communications): Mr. Speaker, I would like to give my hon. colleague the assurance that my relations with Mr. Juneau, both in public and in private, have always been marked by a civilized and statesmanlike exchange of views, and that I do not intend to let speculation, rumours or allusions to the media draw me into a debate that is not the kind I care to indulge in.

[*English*]

CORPORATION PRESIDENT'S EXECUTION OF DUTY

Mr. Marcel Prud'homme (Saint-Denis): Mr. Speaker, I think I will switch to the Prime Minister of Canada.

Some Hon. Members: Oh, oh!

Mr. Prud'homme: Does the President of the CBC still enjoy the full confidence of the Government in carrying out his important duties and responsibilities?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I indicated some weeks ago—and I think it was in response to a question from my hon. friend—the high regard the Government has for the President of the CBC. That has not changed.

* * *

HUMAN RIGHTS

SOUTH AFRICA—ABOLITION OF APARTHEID ADVOCATED BY BISHOP TUTU

Mr. Reg Stackhouse (Scarborough West): Mr. Speaker, my question is directed to the Prime Minister. In light of Bishop Tutu's visit and representations on behalf of his people, and in view of historical Progressive Conservative advocacy of human righs in South Africa—

Some Hon. Members: Oh, oh!

Mr. Stackhouse: Oh, yes! It goes back to the Diefenbaker Government.

What consideration is being given to increasing Canadian pressure on South Africa to abolish apartheid?

Right Hon. Brian Mulroney (Prime Minister): Mr. Speaker, I was honoured, as we all were yesterday, by the presence of Bishop Tutu in the House. I had the privilege of a private meeting with him wherein he gave me the benefit of his views. I indicated to him how helpful they would be to the new Government as we get into a foreign policy review. Of course the question of our relationship with South Africa will be very carefully re-examined.

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

Mr. Speaker: I am in receipt of a question of privilege which I am required to deal with at this time. The Hon. Member for Burnaby has submitted to me a question of privilege. Is the Right Hon. Leader of the Opposition rising on a question of privilege or—

Mr. Turner (Vancouver Quadra): Mr. Speaker, at the time I stood up it was before twelve o'clock.

Mr. Speaker: I have several clocks. That is one of the problems which Speakers have always had. This clock had actually struck exactly 12, which is why I rose to accept the question of privilege.

The Hon. Member for Burnaby on a question of privilege.

• (1200)

PRIVILEGE

RETRACTION OF REMARKS IN STANDING COMMITTEE

Mr. Svend J. Robinson (Burnaby): Mr. Speaker, on Monday, December 3, at a meeting of the House of Commons Standing Committee on Justice and Legal Affairs, I made public a confidential U.S. document raising very serious questions about activities of the CIA and the U.S. intelligence community, directed against Canada in the mid-1970s. The CIA document in question ordered the intelligence community to obtain detailed information about Petro-Canada, including the possible acquisition of a United States oil company.

During the Monday meeting of the Justice Committee, I named two senior individuals at Petro-Canada as having possibly been tasked to obtain confidential information for the CIA. In naming these individuals, I was relying upon a confidential source of information and I availed myself of parliamentary immunity in the process.

While the tradition of parliamentary immunity is a long and important one, in retrospect I regret that I used my immunity to name these individuals. I have written to both men to express unreservedly my regret for having publicly named them in the Justice Committee.

As well, Mr. Speaker, I wish at this time to issue a complete and unequivocal retraction of the allegations I made and unreservedly apologize to the two individuals involved, Mr. Frederick Rayer and Mr. Robert Foulkes, for the hardship that this has undoubtedly caused them.

Some Hon. Members: Hear, hear!

* * *

CLERK OF PETITIONS' REPORT

REDUCTION IN POSTAL SERVICE

Mr. Speaker: I have the honour to inform the House that the petition presented by the Hon. Member for Carleton-Charlotte (Mr. McCain) on Thursday, December 20, 1984, meets the requirements of the Standing Orders as to form.

* * *

BUSINESS OF THE HOUSE

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, I rise on a matter of order with respect to the business of the House.

We have had the usual amicable and fruitful consultation between House Leaders which has allowed us to determine the business, I believe, by consensus and consent, at least until the end of today.

Therefore, I wish now to present to Your Honour and to the House a draft order of the business of the House for today. I believe you will find that there will be a predisposition to give

unanimous consent to the presentation and acceptance of this draft order, as follows:

That the first Order of the Day to be called this day shall be the Order for the second reading and reference to the Standing Committee on Justice and Legal Affairs of Bill C-18, an Act to amend the Criminal Code, to amend an Act to amend the Criminal Code and to amend the Combines Investigation Act, the Customs Act, the Excise Act, the Food and Drugs Act, the Narcotic Control Act, the Parole Act and the Weights and Measures Act, to repeal certain other Acts and to make other consequential amendments, and once called, it shall be deemed to have been agreed to without division;

That the second Order of the Day to be called this day, shall be the Order for the second reading and reference to a Committee of a Whole of Bill C-21, an Act to amend the Currency Act, provided that no more than one Member from each of the recognized Parties shall be permitted to speak no longer than 10 minutes, notwithstanding Standing Order 35(2), at the second reading stage of the said Bill, and that all questions necessary to dispose of the Bill at all stages shall then be deemed to have been adopted without division;

That the third Order of the Day to be called this day, shall be the Order for the second reading and reference to a Committee of the Whole of Bill C-11, an Act to provide borrowing authority;

Provided that:

(i) notwithstanding the provisions of Standing Order 35(2), one Member from each Party shall be permitted to speak for twenty minutes and that no other Member be permitted to speak longer than ten minutes during the consideration of the second reading stage of the Bill;

(ii) when the debate on the motion for second reading has been completed, the motion shall be deemed to have been adopted without division;

(iii) at not later than 3:55 o'clock p.m. today the motion for the second reading and reference to a Committee of the Whole of the Bill shall be deemed to have been adopted without division and the House shall immediately proceed to consideration of the Bill in a Committee of the Whole;

(iv) during consideration of the Bill in a Committee of the Whole, a Minister of the Crown shall move an amendment thereto as follows:

"That Bill C-11 be amended by deleting line 5 at page 2 and substituting the following therefore: whole twelve billion dollars, as may be";

En français:

"que le projet de loi C-11 soit modifié en retranchant la ligne 6 à la page 2 et la remplacant par ce qui suit 'douze milliards de dollars, necessaires à la' ";

and that the said amendment shall be deemed adopted without debate or amendment; and

(v) at not later than 4:00 o'clock p.m. today every question necessary to dispose of all the remaining stages of the said Bill shall be deemed to have been adopted without division.

That, notwithstanding any Standing Order, when Bill C-11, an Act to provide borrowing authority, is passed the House shall immediately proceed to the consideration of Private Members' Business No. 65.

Once this is disposed of, the House shall then stand adjourned.

Hon. Herb Gray (Windsor West): Mr. Speaker, I would like to say on behalf of the Official Opposition that the draft Order which was read to us by the Government House Leader represents the results of the discussions which have taken place among House Leaders. I would like to say that what is in the draft Order with respect to the borrowing Bill reflects the discussions as well of the various finance critics of our Party and, I think, of the New Democratic Party, as well as the Minister of State for Finance, for reducing the amount sought to be borrowed by the Government. I believe, Mr. Speaker, that the House Leader for the Government is also going to make an additional undertaking with respect to the borrowing Bill.

I would also like to say that the result of the Order, if adopted by this House, will be to enable debate to take place, within the framework of consideration of the borrowing Bill, on the matter of universality of social programs.

I believe what has been presented to the House by the Government House Leader shows how, when the right approach is applied, the work of this House can be facilitated. In this context, Mr. Speaker, I would like to wish my hon. friend the compliments of the season. I can assure him that we will be working very hard to see that, if possible, this approach of co-operation continues so that when the next election comes, if things work out as we hope, we will both be House Leaders but on opposite sides of the House.

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I cannot, frankly, join in the last sentiment. I would like first to acknowledge that the agreement which is before us is indeed the agreement which we reached. There is another aspect of it. Although it is not contained in the draft Order, it is an important component of the agreement we arrived at, that being that the Government has committed itself to bring forward, within two weeks of the introduction of its Budget in 1985, the borrowing requirements for the Government in order that we and the public of Canada can see within one time frame the Government's requirements with respect to its tax provisions, spending provisions and borrowing requirements.

I would like to say on behalf of my colleagues that this does afford an opportunity to accomplish all that we set out to accomplish. We do, however, believe that come the early part of 1985, a definitive debate on the question of universality will have to take place and we anticipate that that debate will take place after we receive from the Government the white paper which it promised would be provided to the House of Commons and to the public of Canada in order to facilitate the ongoing debate in the country about the future plans of the Government.

Mr. Hnatyshyn: Mr. Speaker, I rise at this point in time in response to the observations of both House Leaders concerning the amendment to the Bill relating to borrowing. Also I would advise the House and the people of Canada that when the Bill is passed in the form indicated in the draft Order, I can undertake on behalf of the Government of Canada that, no later than two weeks following the next Budget brought down by this Government, we will be tabling a borrowing Bill which will set out the balance of the borrowing requirements by the Government for the fiscal year 1985-86. That is, of course, conditional upon this Order receiving consent of the House at this time.

• (1210)

As far as the debate is concerned, we are dealing with a borrowing Bill and some people may have some observations on an important topic concerning the Bill in the final stages. Others may have quite different ideas as to what the important issues of this country are and will want to deal with the real issues; but we have left that to the discretion of individual

Members. We hope to carry on and complete the debate in the course of the afternoon in accordance with this Order.

Mr. Speaker: The House has heard the motion. Does the Government House Leader have unanimous consent to move the motion?

Some Hon. Members: Agreed.

Mr. Speaker: Hon. Members have heard the terms of the motion. Before I put the motion there is one small matter the Chair must ask about. The Chair assumes it is the intent of this motion to, without saying it directly, deal with the amendment to Bill C-11, the six-month hoist.

Mr. Deans: All matters.

Mr. Speaker: May the Chair and table assume that it was the intention of this motion to state that that amendment would, with consent, be withdrawn?

Some Hon. Members: Agreed.

Mr. Speaker: Is it the pleasure of the—

Mr. Deans: On a point of order, Mr. Speaker. I am sorry, Sir, there is one thing that strikes me in that request. I want to be sure that, in agreeing to the withdrawal, that will not inhibit any Member who may have spoken prior to the introduction of the six-month hoist from speaking again. In other words, those Members who spoke prior to the introduction of the six-month hoist will be entitled to enter the debate as if the six-month hoist provision remained in effect throughout the debate until the question is put at 3.55 p.m., or at whatever time the question is put.

Mr. Hnatyshyn: Mr. Speaker, that seems to be reasonable.

Mr. Speaker: Since we are adopting an extraordinary procedure today I suppose it would not hurt to have another extraordinary procedure adopted. We will therefore assume—well, perhaps the Hon. Member for Hamilton Mountain (Mr. Deans) will excuse me if I do not say we will assume that no one spoke. I think the way we will treat that for procedural purposes is that we will now deem there is an instruction that the six-month hoist amendment is to be withdrawn, with unanimous consent, at the very end of the debate.

Some Hon. Members: Agreed.

Mr. Speaker: Which I think achieves the purposes of the House. Is it the pleasure of the House to adopt the motion? The Hon. Member for Gander-Twillingate (Mr. Baker).

Mr. Baker: Mr. Speaker, that does not get over the problem of someone who has spoken to the six-month hoist and who will then not be able to speak to the motion. You are not getting over the problem.

Mr. Speaker: What I was aksed to get over was the problem of people who have spoken before the amendment was moved. Does the Hon. Member want to confer with his House Leader?

Mr. Baker: No, I—

Mr. Gray (Windsor West): Mr. Speaker, I think it is the disposition of the respective House Leaders on behalf of their groups that, if a person wants to take part in the debate today, the fact that he or she will have spoken either on the main motion or the six-month hoist will not prevent them from doing so.

Mr. Speaker: Shall we adopt the motion as I indicated it would be adopted and assume that what the House wants to happen will happen?

Some Hon. Members: Oh, oh!

Mr. Speaker: Does that get around the problem? How the Table will deal with that is, well, the Table's problem! All I have to do at the moment is to ask the House whether it consents unanimously to the introduction. The House consents. Does the House adopt the motion?

Some Hon. Members: Agreed.

Motion agreed to.

* * *

STANDING COMMITTEES

SUSPENSION OF PROVISIONS OF STANDING ORDER 69(1)

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): I have a further point of order, Mr. Speaker.

Mr. Nystrom: Not again, Ray.

Mr. Hnatyshyn: We may be able to conclude the business of the country into 1986 if we have this kind of co-operation.

I have another straightforward matter that I would now like to bring to the House by way of unanimous consent. I have discussed and given the Opposition House Leaders this Order to facilitate the reconvening of committes following the recess of Christmas. Under the Standing Orders the Striking Committee is required once again to be reconstituted and go through the whole process of naming Members to the committees. It was thought to be more expeditious for us, and everyone will understand this, to put forward the following draft Order. I think you will find there will be unanimous consent and approval for the following:

> That the provisions of Standing Order 69(1) shall be suspended until 6:00 o'clock p.m. on Friday, December 20, 1985, or in any event at 6:00 o'clock p.m. on the last sitting day in 1985, provided that the recommendations contained in the first report of the Striking Committee concurred in on Friday, November 16, 1984 shall remain in effect until that time.

That would allow the presently constituted Standing Committees of the House of Commons to continue to function throughout the next year.

Mr. Speaker: The House has heard the motion. Is there unanimous consent for the introduction of the motion?

Some Hon. Members: Agreed.

Mr. Speaker: Does the House consent to the motion?

Some Hon. Members: Agreed.

Motion agreed to.

ROUTINE PROCEEDINGS

[*English*]

PETITIONS

TAX BREAKS FOR CORPORATIONS

Mr. Dan Heap (Spadina): Mr. Speaker, I have the honour to present a petition from a number of residents of the Province of Ontario who request that this Parliament should this year, in 1984, enact legislation so that large corporations will receive tax breaks only in proportion to the number of net new jobs they have created, and that the breaks and jobs be reported quarterly to Parliament.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, the following questions will answered today: Nos. 90 and 115.

[*Text*]

CANAGREX

Question No. 90 **Mr. Porter:**

1. What was the cost to the government of all aspects in establishing Canagrex?

2. What was the dollar value of export sales it was successful in closing?

Hon. John Wise (Minister of Agriculture): 1. Total expenditures, to October 31, 1984, in establishing CANAGREX amounted to $2,659,000.

2. When the Corporation began operations in the spring of 1984, policy focused on facilitating sales by bringing a willing buyer and seller into a negotiating position, rather than on purchasing products or selling for the corporation's account. Operating in this manner, CANAGREX was involved in negotiations leading to facilitation of sales worth $16 million. In addition, there were transactions in process worth a potential $100 million expected to be finalized by March 31, 1985.

NATIONAL COMMITTEE ON POLITICAL APPOINTMENTS

Question No. 115—**Mr. Robichaud:**

1. Has the mandate of the national committee responsible for advising Cabinet on political appointments been established and, if so (a) for what period of time (b) what is the salary range of each member?

2. What is the normal salary range for a member of an advisory council?

3. Was a study made by the government in order to determine the usefulness and necessity of such a committee?

Hon. Erik Nielsen (Deputy Prime Minister and President of the Privy Council): 1. No such committee exists.

2. Not applicable.

3. Not applicable.

* * *

[*Translation*]

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Paul Dick (Parliamentary Secretary to Minister of State (Government House Leader)): Mr. Speaker, if question No. 46 could made an order for return, this return would be tabled immediately.

Mr. Speaker: The questions enumerated by the Parliamentary Secretary have been answered. Is it the pleasure of the House that question No. 46 be deemed to have been made an order for return?

Some Hon. Members: Agreed.

[*Text*]

CANADA MORTGAGE AND HOUSING CORPORATION LOANS

Question No. 46: **Mr. Howie:**

Since March 1, 1983, did Canada Mortgage and Housing Corporation or its subsidiaries make any loans to its employees and, if so, in each case (a) on what date was the loan (i) made (ii) due (b) what was the (i) amount of the loan (ii) interest rate charged (iii) purpose of the loan?

Return tabled.

[*Translation*]

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

Mr. Speaker: Shall the remaining questions stand?

Mr. Deans: Mr. Speaker, why are the other questions not being answered?

[*English*]

Mr. Dick: There have been a number of other questions answered and we will answer the others as soon as possible in the new year. I would like to point out to the Hon. Member that in the thirty-first Parliament some 18.5 per cent of the questions had been answered at this point in time; in the thirty-second Parliament it was 17.4 per cent; by the thirty-fourth sitting day of this Parliament, which is today, we have answered 21.6 per cent, which is better than the other two.

Some Hon. Members: Hear, hear!

Mr. Althouse: Mr. Speaker, I wonder if the Parliamentary Secretary would resolve in the new year to attempt to answer at least a few of the many, many questions that New Democrats have on the Order Paper.

Mr. Hnatyshyn: Just the ones that are worthwhile.

Mr. Dick: The reason they have not been answered is that they were not put on at the earliest stages as some of the other ones were. But I should point out that of the 32 questions from Conservative Members which have been answered, 30 were repeat questions from the last Parliament. Of the 13 answered for Liberals, five were in fact withdrawn. We will get on to that as soon as possible.

[*Translation*]

Mr. Speaker: Shall the remaining questions stand?

Some Hon. Members: Agreed.

GOVERNMENT ORDERS

[*English*]

CRIMINAL LAW AMENDMENT ACT, 1984

MEASURE TO ENACT

The House resumed from Thursday, December 20, consideration of the motion of Mr. Crosbie that Bill C-18, an Act to amend the Criminal Code, to amend an Act to amend the Criminal Code and to amend the Combines Investigation Act, the Customs Act, the Excise Act, the Food and Drugs Act, the Narcotic Control Act, the Parole Act and the Weights and Measures Act, to repeal certain other Acts and to make other consequential amendments, be read the second time and referred to the Standing Committee on Justice and Legal Affairs.

Mr. Speaker: If I remember the terms of the special Order, reading the Order has the effect of second reading.

Mr. Hnatyshyn: Call it.

Mr. Speaker: Accordingly, the Bill stands referred to the Committee on Justice and Legal Affairs.

Motion agreed to, Bill read the second time and referred to the Standing Committee on Justice and Legal Affairs.

• (1220)

CURRENCY ACT

MEASURE TO AMEND

Hon. Harvie Andre (Minister of Supply and Services) moved that Bill C-21, an Act to amend the Currency Act, be read the second time and referred to a Committee of the Whole.

He said: Mr. Speaker, I will be very brief. Bill C-21, an Act to amend the Currency Act, is a simple one-clause Bill which permits the Royal Canadian Mint to mint a $20 silver coin. The purpose of allowing the Mint this ability is to launch the Olympic coin program which will provide some of the funds the federal Government has committed to the Calgary Winter Olympics.

It is the intention of the Mint, through this vehicle, to generate non-tax revenues in keeping with the commitment by the Government to the Calgary Olympics. This is proposed to be done by issuing 10 issues of a $20 silver coin containing one ounce of silver and one issue of a $100 22-carat gold coin containing one-half ounce of pure gold. That will be a maximum mintage, Mr. Speaker, of five million silver coins and 350,000 gold coins.

The Mint feels fairly confident that it will be able to sell a minimum of three million silver coins earning approximately $30 million for the Calgary Olympics. If they are totally successful and sell out the entire issue, $50 million will be raised for the Calgary Olympics.

I should point out, Mr. Speaker, that the Royal Canadian Mint is the largest seller of numismatic coins in the world. They have an impressive track record and I believe the House can have some confidence in their ability to meet their objective. It should also be pointed out for the benefit of the House that there is no financial risk to the Government in this program because all costs are related and deductible from the sale of coins.

The Royal Canadian Mint is confident that it can achieve this goal by 1988 with the launch of the first issue on September 1, 1985. I should thank the Opposition for its co-operation in this effort because it is important that the Mint have the ability to proceed with this program very quickly inasmuch as in 1988 there will be Summer Olympics in Seoul, Korea. They too will be launching a coin program so, in a sense, there is some competition there. It is useful for us to be first off the mark around the world. I should point out that the coins will be sold around the world.

The federal Government has committed $200 million of non-tax revenues to the Olympic Games. My colleague, the Minister of State for Fitness and Amateur Sport (Mr. Jelinek), is working very diligently to seek ways of raising the additional funds beyond this coin program. The Royal Canadian Mint is working with him to discover whether there are other means we can use. We are hopeful that we will find the means to raise the necessary funds to meet that commitment to the Calgary Olympics.

I should mention, Mr. Speaker, that of the $200 million which the federal Government has committed to the Calgary Olympics, $27.8 million will go towards the budgeted cost of the Olympic Saddledrome, an outstanding facility. The amount of $35 million will go toward the Olympic Oval at the University of Calgary. That is the only speed-skating oval in the world that will be covered. That will mean that the legacy of skill in speed-skating which Gaetan Boucher brought to Canada will be maintained through this magnificent facility. The amount of $62.2 million will go toward the Canada Olympic Park, $30 million will go toward the Olympic endowment program, and $45 million will go to the operating fund of OCO '88, the Calgary Olympic Organizing Committee.

My colleague the Minister of State for Fitness and Amateur Sport is working closely and harmoniously with the Calgary Olympic Committee. In this new era of co-operation all things are possible. We in the House can be very confident that, if we deliver on our promises, the Calgary 1988 Olympics will be a truly outstanding event in which all Canadians can take great pride as the world looks at us with some envy.

I again reiterate my thanks to the two opposition Parties for their co-operation in this effort. There are other details about the coin program which I have been asked by the Mint not to discuss because of the competitive nature of this business. I would certainly be willing to share any information on a confidential basis with any Members of the Opposition who would wish it. Should they wish, the Mint would certainly be prepared to give a briefing on the details of the program. When these coins come out they will be a work of art and I am sure that everyone in the House will want to buy some of those coins to contribute to the effort of raising that money.

[*Translation*]

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, I am pleased to be speaking in this debate on behalf of our Party. It will be my first opportunity, as Official Opposition critic for Supply and Services, to speak to a Bill introduced by the Minister. I therefore wish to thank the Leader of the Opposition (Mr. Turner) for asking me to be the Supply and Services critic.

It is unfortunate that the Minister . . . I am sorry. It seems the remark I was about to make would be unparliamentary. I would have liked to obtain answers to certain questions, and I hope the Minister will be able to reply later on.

[*English*]

There is quite a bit of history behind the Olympic coin program. We are informed that Olympic coins have been struck since 480 B.C. for Olympics at that time. Of course, they were not struck for the purpose of raising funds for the Olympics then. We are told that the first Olympic coins struck for the purpose of raising funds were in fact struck for the 1952 Helsinki Olympic Games. At that time the seigniorage, the net yield between the monetary value of the coin and the sale price of them, which was generated by the striking of those coins was of the order of $1 million.

The Minister has indicated to us today that the striking of these coins for the 1988 Olympics will generate a far greater amount of money. That is good. I do hope that the coins have the success which the Minister hopes they will to enable us to finance a good part of the Olympic Games. We all know of the coins that were struck and sold to benefit the 1976 Olympic Games. Those coins were sold for a number of years after the Games in order to generate the funds.

We phoned the Minister's office on a few occasions attempting to get more information on the coins, but I regret that the Minister's staff was not too forthcoming with information. I understand the Minister's explanation today about why we were unable to obtain all the information we were seeking. Hopefully we will be able, through briefings, to obtain further details on the Olympic program.

Our Party is very supportive of this Bill, Mr. Speaker. I understand that we have an agreement to keep the debate rather short, which I am about to do. In conclusion, I would like to take advantage of this occasion to wish the Minister a very merry Christmas and a happy reinstatement of the 1986 census.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, I too will keep my comments very brief to allow us to get on to the important debate which is about to follow. We recognize that the Bill before us simply amends Part II of the schedule in the Currency Act which allows an increase in value of the Olympic coins. However, we do have two or three concerns about it. Since we will not have an opportunity to deal with these concerns in committee, I want to flag them so that the Minister or his officials may be able to deal with them.

● (1230)

I understand that it is the opinion of the Royal Canadian Mint with respect to potential sales of these coins that the world market is somewhat tense about Olympic issues generally. In the past they have been overminted and their consequent value is obviously affected. This makes it very difficult to know the actual value of the coins in potential markets.

We want to ensure that the production of the coins are kept in line. This is true particularly when one considers that the American issue and distribution in Canada fell significantly below their expectations. Therefore, since this is basically viewed as a souvenir and a way to support the Olympics, we want to ensure that the Minister takes care that the production is in fact a realistic line.

The Minister has indicated that these coins will be sold globally. I would ask the Minister to inform the House as soon as possible as to which company will receive the rights for the distribution of these coins on the international market? A French company worked with the Americans and the Royal Bank represented American distribution in Canada. I think it would be appropriate for us to know who would be the representative in terms of global distribution.

I want to suggest another aspect of the revenues that will be generated from the sale of these coins. The Minister pointed

out that these are tailored specifically for a variety of capital projects for the 1988 Olympics. If the sales go particularly well I suggest that we could see some extension beyond that traditional figure associated with the support of amateur sports in Canada.

On behalf of my Party, I wish the Minister well in his endeavour to ensure that adequate funds flow to Canadian support for our Olympics in 1988.

Mr. Deputy Speaker: Pursuant to Order made earlier this day, Bill C-21, an Act to amend the Currency Act, is now deemed to have been read a second time, considered in Committee of the Whole, reported without amendment, concurred in at the report stage and read the third time and passed.

Motion agreed to, Bill read the second time, considered in Committee, reported, read the third time and passed.

* * *

BORROWING AUTHORITY ACT, 1984-85 (No. 2)

MEASURE TO ENACT

The House resumed from Thursday, December 6, consideration of the motion of Mrs. McDougall that Bill C-11, an Act to provide borrowing authority, be read the second time and referred to the Standing Committee on Finance, Trade and Economic Affairs; and the amendment thereto of Mr. Althouse (p. 948).

Right Hon. John N. Turner (Leader of the Opposition): Mr. Speaker, we asked for this debate for a very simple reason. Canadians are confused, upset and frightened by the conflicting statements on the future of our social programs coming from the Prime Minister (Mr. Mulroney) and his senior Ministers.

[*Translation*]

The purpose of this debate is to determine, once and for all, what the Government intends to do about family allowance, old age security pensions and other social programs that for many decades have provided security for Canadian men and women.

[*English*]

And we are not the only ones who want straight answers. As we saw in the House yesterday, Conservative back-benchers are asking their Minister where the Government stands on this issue.

These are basic, fundamental and essential programs. Every parent who has raised a child knows the difference that the baby bonus makes in helping defray part of the ever-increasing cost of their children's clothing, education, shoes and food. Everyone 65 years and over knows how important the old age pension cheque is to help put a roof over one's head and to put food on the table, at this time of the year maybe even to pick up a few presents for the grandchildren.

Those approaching retirement age have a legitimate interest in knowing whether they will receive their legitimate pension for which they have paid tax and for which they have contributed throughout a lifetime of work in this country. Anybody who has ever been sick knows how important it is to have a universally accessible medical system. If you have been on your back in hospital for a day or a few weeks, Mr. Speaker, the last thing you need is the added burden of worry and anguish about doctor and hospital bills which can run into the thousands of dollars.

The philosophy behind these programs has been a Liberal philosophy. Every one of these programs has been brought in by Liberal Governments, defended and expanded by Liberals and protected by the Liberal Party.

[*Translation*]

Mr. Speaker, the struggle to protect the universality of social programs is continuing today and is being carried on by the Liberals. I can assure you that we in the Liberal caucus and the Liberal Party will continue this struggle with all the determination and energy we can muster.

[*English*]

The Party that we had to fight against to bring in some of these programs is the same Party we are fighting today to maintain these programs. The Prime Minister, his Party and his Ministers have been all over the map. In 1976 when he was a candidate for the leadership of his Party, the Prime Minister said that abolishing the principle of universality in social legislation would eliminate a great deal of waste and bureaucracy. He advocated a five-year freeze on increases in social spending when he ran for the leadership again in 1983. He said again that he wanted to review Old Age Security benefits.

In the book which he published entitled *Where I Stand* he said on page 19 that "Doing away with indexed pensions and benefits would produce a desirable result".

The Minister of Justice (Mr. Crosbie) and former Minister of Finance of this country said when he was finance critic in opposition that he wanted to review social programs and that eliminating universal programs such as baby bonuses and old age pensions would help reduce the deficit. In March of this year the Prime Minister said that he had no hesitation in reviewing the concept of universality.

Then came the election. The old record came off and was replaced with a new disc. It went right to the top of the charts. For the purposes of the election, suddenly universal social programs became for the Conservative Party, in those famous words, "a sacred trust not to be tampered with". But that was just for the campaign. The Minister of Finance's mini-budget that was brought in just three days after this Parliament assembled raises questions and alternatives to universal social programs. It does not say that those programs will not be touched. It does not say that they will not be tampered with. There is no mention of a sacred trust in that document.

On December 13 the Minister of Finance was quoted as saying that "upper and middle income social programs cannot be afforded today". Those were his words. This is a clear admission that the sacred trust of the Prime Minister and his Party was just a temporary commitment. It is a clear admis-

sion that they now intend to do exactly what they promised they would never do. It is a clear indication that they in fact fully intend to tamper with and dislocate and dismantle the universality of our social programs.

[*Translation*]

The Minister of Finance (Mr. Wilson) finally admitted that he and his party hid their real plans from Canadians during the election campaign. They have admitted they had a hidden agenda, whose first item consisted in breaching the universality of our social programs.

[*English*]

His rationale is that had he revealed his secret intentions, the hidden agenda of the Conservative Party, we in the Liberal Party would have told Canadians the truth. The Minister of Finance says that we played the politics of fear. I say that it is a pathetic excuse for not telling the truth. I say that it is, rather, from the Government of today, the politics of deception.

Of course we on this side of the House would have told Canadians the truth. I make no apologies, Mr. Speaker, for doing that during the campaign, and now again in the House for bringing the issue before you and the Canadian public.

● (1240)

It is no great surprise for me, Mr. Speaker, nor for the Members of my Party what the Tory Government is now doing. We said that the Government had a secret agenda. We were right. We said the Tories could not be trusted to fight for universal programs. We were right. But now it is coming as a big surprise to Canadians because this Government did not talk about the real agenda during the campaign.

We knew what the Tories thought of the social programs. They told us in their policy convention in 1982 and we know where the pressure is coming from to end universality now: it is coming from Members of the Conservative Party. At that last Tory policy convention, 92 per cent of the delegates were against increases in universal family allowances; 62 per cent of the Conservative delegates were against increasing universal old age pensions; 82 per cent were against increasing medicare benefits; 65 per cent were against increasing the guaranteed income supplement; 92 per cent were against increasing unemployment insurance benefits; 65 per cent were against increasing the child tax credit and 79 per cent were against increasing money for day care.

We knew that Canadians would be in for this shock when inevitably they saw the true face of this Government in action. Now, Sir, the Tories are showing their true colours. Now we know that a new era which they promised is not going to be the one they talked about in the election campaign; it is going to be the one they did not talk about in the election campaign.

I believe, and the Members of my Party share this conviction, that this is an essential issue before this House because it is a question of trust and credibility. Governments and political Parties must do what they say they will do and must not do what they say they will not do. Governments have an obligation to be honest with the public. This goes to the very heart of the democratic system. If the Prime Minister wonders why his and his Ministers' statements on this vital question for millions and millions of Canadians have elicited such an energetic response from this side of the House, he need look no further than the words I have just spoken. It is a matter of trust, a matter of credibility and a matter of confidence in government.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): Why are we so committed to universality? It is because Canadians believe in equality. Canadians believe that all individuals, no matter what their social status, deserve equitable treatment. If you segregate services, if you ghettoize services, if you direct services only to the needy or the poor, then those services exclusively meant for the poor become poor services.

Universal access means that all individuals in Canada are treated the same. It means that the rich man and the poor man sit in the same doctor's office, receive their skills in the same fashion, wait in the same line and will be covered by the same fee and the same treatment.

Mr. Keeper: What about women?

Mr. Turner (Vancouver Quadra): Naturally enough; it covers a broad range of people. Universality has been a unifying force in our society. Everyone, no matter what his income, has a stake in these programs and we are all interested in protecting these programs.

We do not make improvements in our social security system by altering, tinkering and playing around with the principle of universal access. We accomplish that through improvements in the equity and fairness of the general tax system.

Preserving the social contract—because it is a matter of contract—is not an empty, rhetorical phrase. It means something. It means that those who may have contributed through a lifetime of work in this country, a lifetime of paying taxes, are entitled to the benefits of that contribution, to the benefits of the pension that they can statutorily expect, to the benefits also of those allowances that they can statutorily expect. In Canada that means universality of those allowances, namely old age pensions and medicare. By injecting uncertainty and confusion of where they stand and what they do with the payments under these programs, the Government is destabilizing and endangering that social contract which is based on trust and legitimate expectation.

[*Translation*]

The Conservatives are trying to backtrack and change the rules of the game. Can Canadian men and women count on these benefits, yes or no? Are single parents going to get their family allowance cheques, yes or no?

[*English*]

Will our elderly pensioners get their cheques or not? Will there be an income cut-off of $26,000, or less, or more, beyond which no benefits will be given? The answers to these ques-

tions given by the Prime Minister, by the Minister of National Health and Welfare (Mr. Epp) and by the Minister of Finance (Mr. Wilson), I believe when properly tabulated and analysed, will put the Government in a straight-jacket and in a box. They have expressed reaffirmation apparently in universality of delivery. They have said there is no tax-back. When you look through the options available, I fear that if they are going to fulfil any kind of commitment, it really means a general tax increase.

I would urge Members of the House during the recess to examine the statements that have been given to us during the past week and a half. We asked the Government to move up the date of the Budget so that Canadians could find out whether they are going to get benefits or not. The Government refused. We asked the Prime Minister to ask his Minister of Finance and the Minister of National Health and Welfare to accelerate the publication of those directional papers on family allowances and pensions so Canadians could know the intentions of their Government. The Government refused. I suspect the partial reasons for that refusal, and perhaps the main reason, is that those papers, in the light of what has been said in this House in respect to questions that have been strongly directed in this House, will have to be rewritten by the Minister to reflect the views of the Opposition and the views of the people of Canada.

Some Hon. Members: Hear, hear!

Mr. Turner (Vancouver Quadra): I asked the Prime Minister to give Canadians at the very least a clear, simple statement of the intention of his Government. He refused. Instead, Sir, he accuses us of nit-picking. I refer to *Hansard* for December 14, at page 1237, in this respect. All I can say to the Prime Minister is that if this Government continues to create confusion and mistrust on programs affecting millions of Canadians, he had better get accustomed to our nit-picking because we intend to keep talking, and talking, and talking on this issue until it is clarified once and for all.

Instead of answers, all we are getting in response to serious questions on this fundamental and vital subject is a series of one-liners and jokes. I want to tell the Prime Minister that this House is not a vaudeville stage. This House is not a burlesque theatre. We have an obligation to our constituents and to all Canadians to live up to the enormous trust they have given us by sending us here to represent them. We have an obligation to have well informed and reasoned discussion on the question before us. We cannot have informed discussion when the Government will only hint at what its intentions are. We cannot have informed discussion if the Government will not answer simple questions but instead play frivolous and unbecoming games with an issue that touches millions upon millions of Canadians.

This debate came about because we on this side of the House in the Official Opposition put pressure on the Government one way or the other, in the budget, in a statement or even in an answer to questions, to clear up the ambiguity and keep its commitment not to tamper with the universal social programs. This debate will not end, Mr. Speaker, not today, not next year, until there is a clear, unmistakable, credible, believable and unassailable commitment from this Government that it will not tamper with the universality of the social programs in this country, which are counted on by millions upon millions of Canadians. They are part of the social contract, part of the glue, the adhesion and the unity that have made this country a very decent place to live.

Some Hon. Members: Hear, hear!

Hon. Edward Broadbent (Oshawa): Mr. Speaker, I am very happy to participate in this debate. I just regret that the debate has become a necessity. As the Leader of the Opposition (Mr. Turner) has just indicated, we on this side of the House, both opposition Parties in this context, have called for this debate. We called for a serious discussion during the course of this week precisely because what was regarded as a permanent part of the social and political life of this country, namely our existing social programs and the principle of universality on which they were grounded, has been called into question. Indeed, it has been threatened by what I can only describe in this context as a Government which is insensitive and uncaring about the universality principle.

● (1250)

In the time period which we have allocated by agreement among all Parties, I want to begin to put this debate in perhaps a broader context than the debate has normally been dealt with, certainly in Question Period. Question Period does not exactly lend itself to philosophical speculation. The kind of debate which is just beginning this day, the last day before the Christmas break, and which will be resumed in the New Year, could only be taking place in a modern society.

There are Members in all Parties who are not only members of the Christian faith but of others. I say to my colleagues that if we were back in medieval times, this debate would seem absolutely and utterly ridiculous. In the pre-modern or pre-market society, it was assumed that all men and women had a set of reciprocal rights and responsibilities. The goods and the benefits which were to be distributed were not to be done on the basis of a market. Distribution was to be done on the basis of a cash connection, that is, if one has the cash one could buy it and if not one has to go to charity. That came later.

My key point is that not long ago in the history of humanity there was an assumption, or certainly a core notion of Christendom, that a social contract existed among members of society to share in its benefits. Along came the market mechanism which effectively broke down the set of reciprocal rights and obligations in society. We saw developed in the 17th, 18th and 19th Centuries a view of society which had radically been transformed over that period of time. Everything was taken out of a set of communal or shared responsibilities and put into the market.

Then we saw a reaction because we had seen what it led to. On one hand it led to the creation of the greatest amount of wealth in the history of humanity. Of course, I am talking

about the economic system known as capitalism. In that development we saw fantastic growth. In terms of the productive capacity of the human society there had been nothing like it in the past. Also we saw human beings relegated to being merely instruments of the market itself. Then we saw great collections of poverty. We saw people left out entirely. As a result there was the response about which I am talking in the 19th Century. Gradually it was said that we should not leave our children to the market. In the history of every European country child labour laws were passed. They became universal. There was the quaint notion that people under a certain age had to be protected by laws in society and that the market should not interfere with their lives.

Also we saw a radical notion during that period. Elementary education was deemed to be an essential social right. It was to be universally available, not simply a right of the rich. It was to be made available to every child in society. It was argued then, why we should provide publics schools? Of course, in England public schools were really private ones. However, it was said that what we call public schools were unnecessary for the rich because they could afford to create their own. At one point it was finally said that the state should provide schools for the poor. At that point the classic debate, in my judgment, began to be joined. It began to be argued that we should create an elementary system of education. That took place in this country as well. It was a system financed by public taxes which was not only available to the poor, but was a universally available elementary education system for rich, poor and middle-income Canadians.

Returning to the history of our own country, lo and behold, rich, poor and middle-income children have by and large attended the same schools. We took that out of the market. We said that it was part of what it meant to grow up and be Canadian.

I will jump through a lot of history now and come to the past few decades. There was a gradual evolution by which we took more things out of the market and left many things, appropriately, to the market. We took some things out and said that we should redefine our nation of citizenship. The Leader of the Opposition was absolutely right when he said that Liberal Governments introduced these programs. They were in power. However, he would also acknowledge that in the main it was the predecessors of my Party in the CCF who led the debate. First they forced the debate for pensions. Then they led the debate for medicare and in a number of other benefits. I do not want to be presumptuous or ridiculous by suggesting that members of other Parties were not involved. Of course they were, but they were in the minority. They eventually became the majority in the Liberal Party which governed at that time.

The arguments we heard in the past were exactly what we are hearing now from those who want to dismantle these programs—that pensions were not needed for everyone, that they were only needed for the poor or those who really could not look after themselves. Small "c" and big "c" Conservatives of the day were persuaded that maybe it should be a universal right, not just relegated to the poor. Then came medicare, and I remember the arguments when I was relatively young. I remember Conservative arguments—they were coming from Liberals as well—in Saskatchewan asking why we needed state medicare. Originally they suggested that medicare should be provided as a charity for those who could not obtain medical care. They indicated that the rich could afford it and asked why we should have it. Eventually, not only a majority of my Party but the majority of other Parties came to accept the idea that we should change the market mechanism and that what it meant to grow up in a decent society was to have something like a pension, a medical plan or elementary education as a matter of right for all Canadians.

That was the key argument of my Party in the past, it is today and will be in the future. Our view of the universality principle is that there are certain goods and benefits of society to which all Canadians are entitled. Whether one is a banker, a cab driver, a logger or whatever occupation, whether one works inside or outside the home, all Canadians contribute and all Canadians should have them.

Some Hon. Members: Hear, hear!

Mr. Broadbent: It is part of our ongoing definition of what it means to have a civilized concept of citizenship. It is a concept in which my Party believes profoundly.

I should like to give three quick arguments in favour of the principle of universality. First, the universality principle is not simply a matter of dollars and cents. I want to underline that. In the most sketchy fashion something has been said about the history of humanity from the medieval period to the present. It was sketchy indeed, but the principles involved—

Mr. Turner (Vancouver Quadra): Mr. Speaker, I rise on a point of order. There may be an inclination to allow the Leader of the New Democratic Party, the Hon. Member for Oshawa (Mr. Broadbent), to continue his speech, which will last only 10 more minutes if Your Honour will not see the clock.

• (1300)

Mr. Epp (Provencher): That is correct, Mr. Speaker. I understand that when the Leader of the New Democratic Party has concluded, we will adjourn for lunch and reconvene at two o'clock, at which time I intend to take up the debate.

Mr. Deputy Speaker: I gather there is unanimous consent?

Some Hon. Members: Agreed.

Mr. Deputy Speaker: Very well.

Mr. Broadbent: Mr. Speaker, I begin by thanking my colleagues, the Leader of the Opposition and the Minister of National Health and Welfare (Mr. Epp), for their consideration. I want to say publicly what I have already said to the Minister, that I deeply regret that I will not be able to be here for his contribution to this important debate because of another commitment.

I was saying that there are three arguments that I want to make in favour of this important principle of universality, which has become imbedded as part of our Canadian tradition. First, the very nature of universality brings people together instead of driving them apart. Society is already excessively divided in terms of income and regions. This produces tension, not co-operation. Sharing in a common program, not provided by government but provided by themselves as a community through the instrument of government, is a very important way of creating a co-operative sense of community in society.

There are two negative aspects of the question that I would like to address as well. I plead with the Minister of National Health and Welfare to consider this very seriously before legislation is brought in to change the principle of universality. For social programs to continue to have the primary financial benefit that they are intended to have in terms of finances for the poor, they need to have as active participants and recipients middle-income Canadians.

In a society that is governed by the majority, in order to maintain support programs for the poor, the majority must be seen to be beneficiaries in some way of those programs. That is absolutely crucial. If the majority begin to sense that they are being left out, that they are being set aside, they will not continue the strong support that has been built up over past decades for these programs.

I cannot emphasize too much the importance of this. If we begin to take these benefits away from middle-income Canadians, we begin to undermine these programs so essential in dollar terms to the poor. I want to say in passing that this does not assume that the majority of people are selfish. It merely assumes that the majority of human beings in any society are not altruistic, that they are not by nature in their ongoing disposition charitable. It is very important to understand that. Men and women are prepared to do their share, to make their contribution to the common good on a continuing basis if they see themselves as at least getting some benefit from those programs.

The third point I want to make is certainly related to this. If we break up the universal nature of these programs, we begin to ghettoize society. We begin to create within our different programs a two class system, the recipients and others who finance the programs. I regret, as I am sure all Members of this House do, that when you go into a community some Canadians talk about recipients of welfare in quite a pejorative way. There is an unfortunately negative regard for many people who receive welfare even though we well know that 99 per cent of the welfare recipients totally deserve it and totally wish they did not have to get it.

My concern is very much that if we begin to cut out middle-income Canadians, we will ghettoize more and more Canadians in terms of their perception of membership in their communities. Side by side we will have two ordinary working people, one of whose income may be marginally greater than the other, and one will get the benefit of the social progams and the other will not. Inevitably that will tend to create among those who are paying for the program but not getting any benefit—not the rich but just the middle income people—a sense of resentment toward those who do receive it.

I say to the Minister that we do not want to create more tensions in society. We do not want to create more ghettoes. We want to build a greater sense of community and a greater sense of co-operation. That is why we need these universal programs.

I want to conclude with this and perhaps be a little more partisan than I have been up to this point. In the debates in the House this week, the Prime Minister and indeed his Ministers have created a spurious straw man form of argument. They said that if we are against what they are doing as a Government, we are not in favour of assisting the poor. They said that all they are doing is aimed exclusively at the objective of getting more revenue to help those in society who need it most.

The Prime Minister does not need to lecture those on this side of the House, in particular the Members of my Party who have been fighting for the poor and the better distribution of income all their political lives. The beginning assumption is that the Government needs more revenue. I agree we need more revenue if we are going to do more for the pensioners, those in poverty and the unemployed whose benefits are running out, as well as the handicapped who need the assistance of those of us who can afford to pay. But there is another option. We do not have to destroy social programs of earlier generations which all parties worked to build up. We do not need to put asunder all this useful construction in modern Canadian history. We can look at all those in society who can now afford to pay more in terms of income tax.

I say to the Minister that there are two options. More revenue can be generated by destroying the principle of universality and allocating that exclusively to the poor. I have already argued against that approach. There are many Canadian men and women who have a lot of money, in excess of any sense of equity of what they should have if we had a fair tax system.

If the Minister wants more revenue now, he should look at the change in the tax system introduced in 1981 by the then Liberal Minister of Finance, Mr. MacEachen. He reduced the marginal tax rate of the rich, as the Minister well knows. By bringing in that reduction in the marginal tax rate of the rich, he lost $1.7 billion of revenue to the treasury. If the Minister wants more money, I can tell him where to get $1.7 billion. Just re-establish the tax rate that the rich used to pay and should be paying now.

Second, the Prime Minister, in that all too charming way we have grown accustomed to in debate, said when talking about a minimum tax that the rich should pay and pay handsomely. This is not a glib debating point for me. Everyone else in this country pays a lot in taxes. They work hard. Men and women, farmers, auto workers, cab drivers, work hard and pay plenty of taxes. I find it offensive that there are still thousands earning over $50,000 a year who do not pay any taxes because our system of taxation, which is riddled with loopholes, makes that possible.

I say to the Minister he should fill in one reform, and the Prime Minister agreed to it. Bring in a minimum tax rate of 20 per cent for all those earning over $50,000 and you will get an additional $400 million to $500 million in revenue. I repeat, that is not over-taxing the rich but simply taxing the rich who now are not paying a cent in taxes.

• (1310)

I conclude by saying that on the whole we have had a positive evolution and development of community-building social programs, whether they be pensions, family allowances or medicare, which all Canadians are proud of. We have all shared them in the past, and we had better continue sharing them on the basis of equalty in the future. In the meantime, if the Government needs more revenue, all it has to do is make those in our society who are not paying their share pay their share. The Government should take that income and do with it—particularly at Christmas—what ought to be done. The Government should ensure that the money goes to the poor in Canada who need it.

Some Hon. Members: Hear, hear!

Mr. Deputy Speaker: It being 11 minutes after one o'clock, I do now leave the chair until two o'clock.

At 1.11 p.m. the House took recess.

AFTER RECESS

The House resumed at 2 p.m.

Hon. Jake Epp (Minister of National Health and Welfare): Mr. Speaker, I welcome the opportunity to speak on the review of social programs announced by my colleague, the Minister of Finance (Mr. Wilson), in November, in his economic statement. These programs are interrelated and are delivered through both the tax system and as direct expenditures of the Government.

It is all too easy in discussing these programs to become confused and to sow confusion. In the course of debate in this House on the review of social programs, a number of assumptions have gained widespread currency which I fear have added to the confusion rather than clarified the purpose, nature and scope of the review. I would like to address some of those assumptions this afternoon.

First, there is the assumption made by many Hon. Members, especially Liberal Hon. Members, that under past Governments, and especially Liberal Governments, there was never any change to programs affecting the elderly or families with children except to increase benefits under those programs. That is simply not the case, Mr. Speaker. The fact is that on four separate occasions in the past eight years, the former Government, without consultation, brought in budgets which changed the laws governing old age pensions, family allowances, the child tax exemption, the child tax credit and the former dependent child tax reduction, in order to lower or eliminate benefits in one or a combination of those programs. On only two of those occasions were savings redirected into other child benefit programs and elderly benefit programs.

In 1976, family allowances were deindexed for one year. There was no offsetting change in any child benefit program. That step adversely affected every family in Canada who had children. Poor families were not cushioned from that blow.

In 1978, to provide funds to establish the child tax credit, normal indexing for family allowances in 1979 was eliminated and the family allowance benefit itself was reduced 22 per cent from its 1978 level; from $25.68 per month per child to $20 per month per child. In addition, a $50 a year tax reduction for each dependent child was eliminated from the tax code.

In 1982, a partial deindexation was applied to old age pensions and family allowances through the six and five program. Persons eligible for the GIS were cushioned from this step so that their total OAS-GIS benefits remained fully indexed, and there was a $50 per child increase in the maximum child tax credit for the 1982 tax year.

In 1983, the level of net family income at which the full child tax credit benefit begins to be reduced was frozen permanently at $26,330, instead of being indexed to inflation as was formerly the case. At the same time, the level of the child tax exemption was also frozen permanently at $710 per child rather than being indexed to inflation. There were no offsetting increases in any other child benefit programs to cushion these steps, which will gradually reduce the number of families eligible for the child tax credit and reduce the real value of the child tax exemption for all families with taxable income.

Therefore, Mr. Speaker, we see that on four relatively recent occasions benefits have been reduced in programs now under review. In two cases, savings made were redirected on an income-tested basis to other programs in the respective systems. In the other two cases they were pure restraint measures designed to benefit the federal treasury.

Leaving aside the question of the wisdom of those steps, it is clear that the opposition Parties agree that none of these changes destroyed universality, even though benefits in the universal family allowances and old age pensions were affected. The very accusation that we want to undermine universality accepts implicitly that it is still there to be undermined. So when we raise a new, and open up to public consultation, the question of whether, without disturbing the principle of universality, benefits within the child tax benefits and elderly benefits system can be reformed so as to be more equitable in their impact, I fail to understand the alarm of Hon. Members opposite.

Do they seriously believe that the Canadian people will swallow a double standard, under which what a Liberal Government has done in four different budgets without consultation is accepted as being consistent with universality, while similar initiatives, when put on the table for public discussion

by a Progressive Conservative Government, become a clear and present danger to the integrity of our social programs?

I must conclude, Mr. Speaker, that the real fear of the opposition Parties is not, in the words of the Right Hon. Leader of the Opposition (Mr. Turner), that we will "dismantle" these social programs, but that we will make them more rational and equitable.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): It is for the Party's political purposes that it wants to foster the false assumption that any change to the status quo will erode these systems and threaten the principle of universality. Why? It is not because the existing systems are perfect. Hon. Members opposite know, and we know, that many elements of these systems are in fact regressive. The child tax exemption, the age exemption, and the pension income deduction, increase their benefits as family income rises. Many groups and individuals whose commitment to progressive social policy cannot be questioned, such as the Canadian Council on Social Development, the National Council of Welfare and the National Advisory Council on the Status of Women, have all pointed out for many years these and other anomalies and inequities in the system, and have called for their reform.

The truth is, Mr. Speaker, that the opposition Parties are willing to keep these perverse features of the status quo undisturbed if that is the price of preventing a Progressive Conservative Government from demonstrating that it, too, can implement progressive social reforms. What the opposition Parties want to preserve is not universality but the false image of our Party as the enemy of the poor and the disadvantaged. That is their political goal and that is dishonest.

I am pleased that this debate is taking place in the House today, that once and for all, while the opposition Parties might not agree, at least the Canadian people, who I know have the sensibility to understand, will know that yes, Progressive Conservative Party members also have families who will grow old. They also get ill. We also have compassion. We also are led by those ideals. I hope for once Hon. Members opposite will be quiet and not say that it is only they who understand people, only they who understand compassion and have a heart. We do, too.

• (1410)

Some Hon. Members: Hear, hear!

Ms. Copps: I think we touched a nerve.

Mr. Epp (Provencher): Yes, you did, because it was a dishonest approach you were taking.

Mr. McKenzie: As phony as a $3 bill.

Mr. Epp (Provencher): In doing so, Mr. Speaker, they have themselves become prisoners of the status quo and the enemy of free debate on these programs. They have locked themselves into a posture where they are, in effect, saying that before the Government even begins to consult with the Canadian public on these programs it must either promise not to change them at all or it must tell them in advance precisely what action it will take to change those programs, what persons will benefit and who will bear the burden.

I saw that demonstrated today by the Hon. Member for Mount Royal (Mrs. Finestone) when she said: "Forget about consultation, forget about speaking to the people or the provincial Governments; just do it". That is not the way we will approach it. If any evidence was needed that this review was necessary and that consultation was valid, that to ask the Canadian people was purposeful, I saw it demonstrated today in Question Period when she said that we do not need to consult, that we should just get on with it.

The absurdity of these demands, considered in the cold light of day, is obvious, Mr. Speaker. It is legitimate for the Opposition to ask on what principles these reviews will be carried out. We have stated these principles and I want to state them very clearly again. First, all savings generated from any changes will be redistributed to social programs and will not be applied to deficit reduction. Secondly, there will be no income test before family allowances or old age pensions are paid, and benefits from old age pensions will be taxed no differently from any other form of income.

To go beyond this is to designate preferences for particular mechanisms of living up to these principles which would be to foreclose legitimate debate on these programs and their relation to the tax system. We believe that the advice of the Canadian people can help us devise better methods of implementing these principles than those we would have been able to devise without that advice. I realize this might be a difficult approach to grasp for Members opposite, that a Government would not rush blindly into changing basic social programs without seeking public input. But it is an approach to which this Government is committed and which it will follow.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): For example, we do not agree with the Leader of the New Democratic Party (Mr. Broadbent) that any surtax on family allowances, no matter what rate is applied or at what level, is an idea that is not legitimately open for discussion. What we are saying to the Opposition is simply this. Let us have a reasonable debate. Put your points forward clearly. Express them forcefully. But do not put behind motives on which you have been elected for so long, trying to create fear and to say that somehow you have a corner on the concept of compassion. Do not attempt to use as legitimate political action the idea that by creating fear you can somehow get re-elected. I do not believe that that is a legitimate approach.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): For example, the Leader of the Opposition said today that a program directed to the poor is a poor program. Hon. Members nod their heads. I ask them: The guaranteed income supplement program is paid to whom?

Senior citizens below a certain income. Is that a poor program? The spouses' allowance and the program we want to advance for widows and widowers, widows who get nothing between the age of 60 and 64, is that a poor program? I ask you: Is that a poor program?

Mr. Lapierre: It is a poor program.

Mr. Epp (Provencher): It is a poor program?

Mr. Lapierre: How about divorced and single people?

Mr. Hnatyshyn: Why did you not do something, then?

Mr. Epp (Provencher): Mr. Speaker, what about the Canada Assistance Plan, is that a poor program?

Ms. Copps: You are going to cut it out anyway.

Mr. Epp (Provencher): That also is not the case.

Ms. Copps: That is what you said in your directional paper.

Mr. Epp (Provencher): Mr. Speaker, I really should not respond to the Hon. Member for Hamilton East (Ms. Copps) because when one is hunting elephants one does not follow rabbit tracks.

Some Hon. Members: Hear, hear!

Mr. Epp (Provencher): Mr. Speaker, with about the Canada Assistance Plan, is that a poor program?

Mr. Lapierre: It is, because people have to—

Mr. Epp (Provencher): What I am hearing from the Liberals is that because of the nature of these programs they would eliminate them. Well, we will not because we want to help people who are not as wealthy as the rest of us.

Another point I want to make to the House and the Canadian people is something I said on November 15, but it obviously has to be repeated. Let me conclude by putting on the record some remarks I made on universality and on the process which I intended to deliver in the Throne Speech but did not complete because of time constraints.

At that time I offered two possible definitions of the meaning of universality. One might be that all social programs should be available to everyone regardless of need. Defenders of that definition, if there are any, must realize that they are not defending universality since no such thing presently exists except in the three programs I mentioned in my November 15 speech. The GIS and the spouses' allowance are two programs for which the basis of eligibility is need.

Another definition of universality might see social programs providing the same level of after-tax benefits to all recipients. Defenders of that definition must realize that there is no such thing as universality under that definition. The progressive tax system, which is not open to serious question as far as I know, ensures that benefits are taxed at a higher rate for high-income earners than for low or middle-income earners.

Therefore we want to create the opportunity, because we believe this is the best way to reach the right decision, for Canadians to consult with us. You might argue, Mr. Speaker, that consultation is dangerous. It is in the sense of believing that you have all the right answers and you are afraid that someone might give you an answer that is even better. Well, Mr. Speaker, I look forward to having good answers from Canadians. I look forward to Members in this House giving us good answers through this consultation process. I will consider them. What I will not consider are supposed answers based on short-term political gain.

Mr. Hnatyshyn: Distortions.

Mr. Epp (Provencher): I will not accept answers based on distortions. I will not accept answers which might be seen to be giving a short-term advantage to the Liberal Party, for example, over the NDP in their constant struggle as to who is number two. I will not do that. What I will do is listen to answers where Canadians will be better served, where they will have dignity and live independently, and where the Government of Canada, within the constraints it has, can meet those challenges. That is my role, that is my commitment to the House, and I hope it is understood from this moment on.

Some Hon. Members: Hear, hear!

• (1420)

Mr. Deputy Speaker: Order, please. I would remind all Members that from now on speeches are limited at 10 minutes. The Hon. Member for Sudbury (Mr. Frith).

Hon. Douglas C. Frith (Sudbury): Mr. Speaker, since 10 minutes is not a very long period of time I wish to divide my speech into two parts; one on the substance of the issue here before the House, and the other on the process by which the Government has chosen to debate this most important issue. The process up until now has led to nothing but a disservice to the debate, with all respect to the Minister of National Health and Welfare (Mr. Epp). In essence, because of the confusion on the front benches of his own Government, he did a disservice to the Canadian public and this Parliament.

This morning when the Leader of the New Democratic Party (Mr. Broadbent) rose to speak in the House of Commons, he left the impression that it was the New Democratic Party which was responsible, in large part, for all of the social legislation that has been enacted in this country in its first 117 years of existence. I am not going to suggest that by any stretch of the imagination any one political Party in the country has a monopoly on virtue or truth. However, I will say that the Liberal legacy is one that we can all be proud of as Canadians. For the majority of the time in the last 70 years the Liberal Party has sat on the government side. It was the Liberal Party which brought in family allowance, Old Age Security and the pension system in this country.

I would like to remind the House of one thing so that when we open up this debate some time in the New Year we will have the parameters of the debate in perspective. Every time a

universal program has been created it has been on the basis of age requirement or the existence of a family. It goes to all people regardless of income level. As my Leader stated this morning, it is very true that if you design systems and programs only for the poor, they will ultimately become poor programs.

The concept of universality understood by Canadians is not the one which I have just indicated. There have been times in the past when the government of the day, usually a Liberal Government, has decided that certain groups in our society who we feel need help more than others have had certain programs targeted to them. If one studies the concept of universality one will see that there is a horizontal program of services available to all. In addition to that, there are specifically designed vertical programs in the system which feed money to the people in our society who need help the most. The child tax credit is one of those areas, as is the guaranteed income supplement. I would like to remind Members opposite that when we wanted to target certain groups in our society, that was done by way of an add-on to the spending in the social envelope. It was never done on the backs of middle-income people. That is an important difference in this debate.

I will now discuss how I feel about the mandate which was given to the Conservative Government on September 4 and the way in which I feel the Government has misled the Canadian public. If we are going to have a proper debate on this issue it is fundamental that all Members on the front bench speak the truth in this building with one voice. In that regard I have some serious doubts about the intent of the Conservative Government. I do not underestimate the mandate that was given to the Conservative Party on September 4. Two hundred and eleven seats is a pretty massive rejection. With the 211 seats which the Government won came a responsibility to provide good legislation and good government.

Let us not go back to the rhetoric, but on September 4 the Canadian public did not give the Government a mandate to dismantle the social programs built up by decades of Liberal administrations in the country. In the rhetoric of the election campaign the Prime Minister (Mr. Mulroney) was quoted as saying that universality was a sacred trust never to be broken. He also said during the election campaign that, if anything, they were going to augment social programs to help those in our society who need help more than others. After September 4 the Government indicated in *A New Direction for Canada* that it wants to have a good, open, honest debate on the issue.

The Minister of Finance (Mr. Wilson) has stood up and said that he intends to use some of the money saved in this review of social programs for deficit reduction. His Prime Minister is quoted as having said that any money saved from this review of social programs will be redirected only to those people in our society who need help the most. In committee the Minister of National Health and Welfare said that one of the options still under consideration was to use the money saved in that review to help reduce the size of the deficit. That is the first confusion.

Second, the Minister of Finance is saying that he is considering a specific tax-back on the benefits available to the elderly and through family allowance. Yet that is consequently denied by his own Minister of Health, who said that rather than looking at a direct tax-back the Government is looking at the possibility of an over-all general tax increase to cover the cost of those programs. That creates more confusion in the minds of the public. A member of the Cabinet who is the Leader of the Government in the Senate says that means tests are still on the table for discussion at Cabinet. That is reported in the *Hansard* debates of the Senate. That adds more confusion to the matter.

I will now come back to what the Government is actually intending to do. It is confusing to Members of the Liberal and New Democratic Parties and it also, as I mentioned in Question Period this morning, causes confusion for Government back-benchers who do not understand if the Government is clear in the direction in which it wants the debate to continue.

The Government document *A New Direction for Canada* indicates that some $8.3 billion of government revenues is redirected into old age pensions. Of that $8.3 billion only $450 million is recovered in tax. I would like to point out that the reason there is only $450 million of tax-back is that 95 per cent of Canadians who receive old age pension cheques are in the lower income levels on a 5 per cent marginal tax rate. I question the value of a review of that system when the individuals who will be subject to that review have so little to live on.

The Minister of National Health and Welfare was quoted as having said that the review would be of families with incomes between $26,000 and $41,000. The Prime Minister was talking about the nine bank presidents in the country who earn around $500,000 a year. There is a great difference between a bank president and a family who earns between $26,000 and $41,000 a year. The average International Nickel Company worker in Sudbury, the average worker in Hamilton and the average worker in metro Toronto earn $26,000 a year. I do not think the Minister of Health is serious when he says that a family which earns $26,000 a year is perhaps getting too much in terms of family allowance.

I said at the beginning of my remarks, Mr. Speaker, that no one in the House has a monopoly on compassion or virtue. We have as much concern for those groups in our society that require help more than others as anyone else. I am only suggesting to the Minister of Health that if the intent of the Government's exercise is to redirect funds to that avenue, then let us broaden the debate so that you will not attempt to aid those who need help more than others on the backs of the middle-income people in the country. That is at the heart and essence of the debate.

If the Government is serious about finding a way to get a better delivery of services to the poor in our society, I suggest that the Government should not dare to dismantle the existing programs and should take a further look at the tax system. As the Leader of the New Democratic Party said this morning, it should be broadened to include the revenues we lose through

business incentives to large business groups and oil companies. If you want to review the system, review the tax system which has created some degree of regressivity with respect to social programs. Do not do it on the backs of the middle-income people in the country, as has been proposed by the Conservative Party.

Finally, there are other important issues to be debated in the House of Commons over the next four years. I have some concern about the direction the Government is taking on social programs, defence policy, foreign affairs and free trade with the U.S. If the Government uses the same process to have a legitimate debate on other issues besides the social programs, it will be difficult to function with some civility in the House. We cannot afford to have a Government front bench with four different positions on an issue. I invite the Government to have legitimate debate, but prior to doing so it must set out the parameters for debate so that the Government is united. What it has done here has been a disservice to Parliament.

• (1430)

Mr. Dick: Mr. Speaker, I rise on a point of order. I think there would be agreement by all Members to give unanimous consent to the Hon. Member for Sudbury (Mr. Frith) to continue and explain his definition of universality and which programs today are universal in nature.

Mr. Deputy Speaker: I do not think that is a point of order. Unless there is unanimous consent, there is no provision for a question in the draft Order.

Hon. Barbara McDougall (Minister of State (Finance)): Mr. Speaker, I rise today with a great sense of pride and commitment. I am very proud to be the government Member who follows the Hon. Member for Provencher (Mr. Epp) in this debate. He has given this House an argument that is eloquent, that is committed and that gives integrity to the social programs that this Government stands for.

I am also proud to be here because our Party follows in the tradition of former Prime Minister John Diefenbaker. He and his Party were one of the first in this country to be committed to a system of national health care.

I am also proud to be speaking today because I represent a riding that looks to the Government for leadership. I have a sense of commitment to the people of my riding. When I talk to an Italian Canadian who lives on Bond Road in my riding, who is a proud Canadian and has worked in this country for 20 years only to lose his job because of the policies of the former Government, I know that I have a responsibility in the House. In my constituency there is a recent Caribbean immigrant who owns a shop on Eglinton Avenue which is on the verge of bankruptcy because of the policies of the former Government. I am here on behalf of all those people who are looking to the Government and our Party for leadership and a sense of fiscal responsibility. They want a government that will look after the interests of those proud people who are prepared to work and have started a business for which they worked hard. That is why I ran to be a Member of the House of Commons. That is why I am honoured to be a Member of the House. I can serve the people of the riding of St. Paul's.

Today I want to talk about the fiscal responsibility of our Government and the changes we want to make so that the Government and the country can plan for the future. I am here to talk about Bill C-11, an Act to provide borrowing authority. No one knows better than I that borrowing is not a pleasant task for any Government. We are seeking to borrow $12 billion for the first few months of the fiscal year 1985-86. The Government originally intended to borrow $16 billion but we have agreed to reduce that amount by $4 billion as a result of the concerns raised by some Hon. Members of the House.

Many Members have reservations about borrowing requests for the next fiscal year. Let me take a few moments to explain the situation in which the Government finds it necessary to request this authority.

This amount should be sufficient to cover the financial requirements to the end of June, 1985. It is directly linked to the Government's expected financial requirement in the first quarter of 1985-86. As many Hon. Members know, the financial requirements of the Government are not distributed equally throughout the fiscal year. They are usually very heavy in the first part of the year and this seasonal pressure is due largely to the requirements among Canadian citizens for income tax refunds.

Over the past five fiscal years the proportion of the total years' financial requirement for the first quarter has ranged from 21 per cent to 49 per cent of the year's total. For fiscal year 1985-86 the Government expects that $11 billion to $12 billion, or 38 per cent of the financial requirement for the year, will be required during that three-month period.

Members opposite have made a great deal of the Government's request for 1985-86 and have raised the fear in the minds of Canadians that the Government is somehow attempting to ignore Parliament. Let me assure all Members that the traditions, rights and privileges of Parliament are foremost in the minds and actions of this Government and of this Minister.

I can assure the House that in our economic statement, the paper that we discussed, in the amendment to the Bill and what we are telling the House today, we have laid on the Table an agenda which gives Hon. Members a very clear picture of where the Government stands, where it intends to go and what its financial requirements will be over the next year. It is a far clearer picture than the House has ever had before.

I would be remiss if I did not mention my own discomfort in coming before the House to request such tremendous sums of money to be borrowed. The Government is not the author of this unfortunate situation. The former administration placed this burden on the people of Canada and passed it along to us. This Government with its sense of financial responsibility is committed to implement the changes which our Party outlined during the summer campaign in order to rejuvenate this country's economy so that those who come to this House in the future will never be forced into a situation where they must seek such authority or be required to approve such measures.

The Government is taking bold steps to reduce spending because Canadians voiced their disapproval of this deficit on September 4. We are committed to the elimination of this kind of profligacy. When I go to Eglinton Avenue, to Winona Avenue or to Bond Road, I can look my constituents in the eye and tell them that we are a responsible Government.

We are proceeding in a rational and economic manner and encouraging people across Canada, like those in my riding who have an entrepreneurial spirit and a willingness to work, by getting our own House in order first.

The borrowing authority we are seeking today will provide sufficient time to allow us to come back later to seek supplementary borrowing authority. That will get us through the period beyond the spring Budget. We will be back to the House before the summer recess with the next stage of our fiscal plan and budgetary measures. I look forward to that debate. I know that the Canadian people will still know that ours is a Government that is acting in their interest in order to bring rational government and responsibility back to Canada.

Once again, the people of my riding and the people of Canada will see this as a land of opportunity. That is why we are in office today and those are the objectives we have laid clearly before the Canadian people.

• (1440)

Mr. Dan Heap (Spadina): Mr. Speaker, it gives me great pleasure that the Government has at least come part way toward meeting the request of the opposition Parties, and that it reduces the unreasonable amount of money it is borrowing.

The Government has reduced the borrowing for the 1985-86 fiscal year from $16 billion to $12 billion. We are willing, therefore, to see the Bill proceed. We recognize that for the 1984 fiscal year some money is needed, and since the Government is too pig-headed to follow the advice that the Conservatives insisted on giving one year ago, that is, to split the Bill into what is needed for the 1984-85 fiscal year and what is needed for the 1985-86 fiscal year, we are willing this time to let the Bill proceed.

However, we are still very dissatisfied with the Government's irresponsibility, especially in light of the sanctimonious words it uttered last year when it was on this side of the House condemning the very action it takes now and continues to take. To illustrate why we are dissatisfied, I want to read a petition. This is a petition I entered this morning and on which I have entered with other names on some previous mornings, but because of the rules I was not able to read it then. I shall read it in full now: the petition sheweth:

THAT an increasing share of taxpayers money is being used for federal grants, subsidies, and tax incentives to corporations; and

THAT such tax breaks should increase the number of jobs in Canada; and

THAT these grants, subsidies and tax incentives continue to be issued although many of these corporations are not creating more jobs but are in fact reducing them;

WHEREFORE the undersigned, Your Petitioners, humbly pray and call upon Parliament to change the appropriate laws in 1984—

We have only an hour in which to do it, and I doubt that we will get it done, Mr. Speaker. The petition continues:

—so that in 1985 large corporations will receive these tax breaks only in proportion to the number of net new jobs they have created, and that the number of jobs created by each corporation and the tax breaks it receives will be reported quarterly to Parliament.

AND as in duty bound your Petitioners will ever pray.

I think that is a very reasonable petition. I wish Parliament had heeded it. Parliament has heard this petition from time to time over the last two months, but the majority in Parliament and the Government that gets its power from that majority has clearly ignored it.

The petition does not mention the amount of money that is given to these corporations. It is very difficult to know the amount of money. It is not just difficult for a backbench opposition Member untrained in economics, but it is difficult for the Auditor General of this Parliament. Mr. Dye, the Auditor General, has talked about the tax expenditures, the tax give-aways to the corporations. The best he could do at giving us a figure was to say it was somewhere between $30 billion and $50 billion. That is the best he could do without carrying out a further investigation, which I believe he said would cost another one million dollars.

That gives some idea of the amount of money. It is probably more than the annual deficit, the deficit about which the Government opposite gets so hysterical and so lyrical that it no longer wants to talk about jobs now that it has won the election. The Government wants to talk only about the deficit. Yet the Auditor General has confirmed that the means of clearing off that deficit is at hand in these tax give-aways to the big corporations. Ninety per cent of those moneys goes to 10 per cent of the largest corporations.

There is no accounting of that money. There is no ready way that a member of the public, a Member of Parliament, or even the Auditor General can find out just how much money goes, who it goes to, let alone what this country gets in return for that tax money which is spent for the benefit of a private corporation. There is simply no way of knowing what we get for the $30 billion to $40 billion to $50 billion a year of the peoples' money. When we have no accounting of how that money is spent, then there is no good reason for the cuts which the Government has made in such a flamboyant way. There is no good reason to cut people off unemployment insurance with new cut regulations. There is no good reason to cut nearly $10 million from social housing. There is no good reason to make cuts in the arts and the CBC. There is no good reason to make cuts in the environmental protection work of Canada.

When we have money, several times as much money as is supposed to be saved by those cuts—ten times at least—available to this Government, it is absolutely irresponsible to make those cuts and then come before us and ask to borrow more money. The Government had the means at its disposal and the Prime Minister (Mr. Mulroney) admitted during the election campaign that there should be tax reform. Tax reform would mean making the people who have plenty and pay no tax pay a fair share. It would mean also that those who now

receive tax gifts from this Government and from the previous Government would always have to give an account of what they are doing for us in the way of creating jobs. Budget after budget after budget—it will be the same when this Government brings down its budget. We will hear sweet songs about how this tax gift and that tax gift to the corporations will make more jobs.

Mr. Manly: They never have.

Mr. Heap: Next year unemployment will be as high or higher because they will not make more jobs. As often as not corporations use the money to buy labour-saving devices that reduce jobs or they invest the money overseas. This Government, like the previous Government, will not have the guts to introduce the kinds of controls that we used during wartime in Canada and that are used now by most countries in western Europe.

There is no good reason why this Government should have increased the taxes on ordinary working people by an amount that probably averages out to $500 more per family per year. This Government has taken, by its various pieces of legislation, $500 more per family per year from those of low and middle income and has refused to take one penny of the kind of tax reform which the Prime Minister promised when he was asking for the votes of Canadians.

Mr. Manly: No wonder people have no confidence in the economy.

Mr. Heap: The Prime Minister talks about confidence. He is obviously looking for the confidence of investors who want a wide open situation so they can destroy this country with pollution, and poison the people with pollution so long as it makes more money. The Prime Minister obviously wants to bring in the kind of investors who will expect to cut wages because people have been cut off unemployment insurance and there are no more jobs available for them to find.

Where are those investors? They are not in the New York money market, so the spokesmen of the New York money market have told us.

Mr. McDermid: When did you start talking to them?

Mr. Heap: He is not going to bring in the investment that he promised because the domestic market in Canada is shrinking, not increasing, and foreign owners of Canadian branch plants have never shown any interest in building the competition in Canada against their parent firms.

The only possibility which the Prime Minister seems to leave open is reflected in his policy of promotion war. He not only votes against a nuclear freeze, he not only undertakes to send another brigade over to Europe, but he also posts a team of shoppers from the Pentagon to go across Canada to talk about buying war goods from Canadian industry. It appears that that is the only active means the Prime Minister is interested in taking to create the jobs which he promised. He wants to turn us into producers of the American means of destruction rather than producers of the Canadian means of life. This borrowing Bill will not do anything to ameliorate the situation. I call upon the Government to use the next few weeks to reconsider the wrong direction which it is taking.

• (1450)

Mr. John McDermid (Parliamentary Secretary to Minister of Energy, Mines and Resources): Mr. Speaker, I do not enjoy standing up and speaking about borrowing money. Out of necessity this borrowing Bill had to be brought before the House. It must be passed so that income tax rebates, among other things, can be given out early in the new year once they have been handled by the Department of National Revenue.

Anyone who sat in the House over the last number of years will remember that the Government used to use the old excuse that it did not have the authority to get the money out to the people or that it had not adjusted its computers to handle changes in the tax system. I see the Hon. House Leader of Her Majesty's Loyal Opposition sitting across the way. Either he or the then Minister of National Revenue was responsible at that time for handing out the cheques.

Mr. Gray (Windsor West): It was the Minister.

Mr. McDermid: In any event, they were not getting their rebates when they should. Of course, this borrowing will allow for that.

Mr. Boudria: Oh!

Mr. McDermid: Perhaps I should give a lesson to my hon. friend who has come here from the provincial House on a white charger. Of course, the demands on the federal Government are not consistent throughout the year. There are periods of time when there is a greater demand on the Treasury than at other times. One is in the spring when income tax rebates take place. The Hon. Member would not understand that after being in the provincial House, but we handle income tax in the federal House. Once he understands the responsibilities of a federal Member of Parliament, he will get along much better with everyone here. One of our responsibilities is to send rebates to those who are entitled to them.

Mr. Boudria: Whose policy is it that cut off the cheques? It is yours.

Mr. McDermid: Now we are borrowing money to pay these rebates because of the sins of that motley crew over there in the last 15 years. There is no question about it. This is what we are talking about today. We have to borrow money to pay the monumental bills which they built up over the last number of years. It is a shame. I am sorry that we have to come before the House to do that. I really am sorry. I do not like doing this, but it has to be done. Our hands are tied. We are forced to do that.

We are asking for two amounts of money. We are asking for $7.3 billion to carry us through to the end of the 1984-85 fiscal year. I commend the Minister of State for Finance (Mrs. McDougall) and the Minister of Finance (Mr. Wilson)

because they reduced their borrowing authority request by a number of billions of dollars, to $12 billion. This is provided for 1985-86 in order to carry us through until after the budget which will come down some time in April and to carry us through while the Budget is being debated so that we have the necessary funds with which to operate in government.

I was very interested in some of the debate today. We just heard the Hon. Member for Spadina (Mr. Heap) roll through on his little pink wagon. I was surprised to learn today that the NDP is now consulting with the money giants in New York. That is quite a turnaround. Normally members of that Party would not talk to them or listen to them. Suddenly they are consulting with them. I do not know what they would be consulting about. I am not sure they would take any of their advice. However, it was certainly refreshing to hear it. I hope they will continue doing so, because perhaps they will learn something.

I listened today to the Member for Mount Royal (Mrs. Finestone). I was pleased to learn today that the Liberal Government is carrying its tradition of not consulting with the Canadian people—

Mr. Boudria: You are the Government; we are not.

Mr. McDermid: —and running roughshod over the people of the country.

Ms. Copps: You are the Government, John.

Mr. McDermid: That is exactly why they are not in office today. It was because they did that. They said that they knew better than anyone and said what they were going to do. They forget about consultations. She said it today in the House in Question Period. She said, "Forget consultations". They do not ask Canadian people what they want; they just do it.

Ms. Copps: Students want jobs.

Mr. McDermid: That is exactly what the debate is about today.

Mr. Marchi: Whom did you consult?

Mr. McDermid: This Government, led by the Right Hon. Prime Minister (Mr. Mulroney), is committed to consultation with Canadians. That is what is going on right now.

Mr. Gauthier: On the cuts?

Mr. McDermid: This will continue through the life of this Government. I might add that it will be around here for a very long period of time.

Mr. McKenzie: For 40 years.

Mr. McDermid: That is right. We will emulate my provincial cousins in Ontario. I will not be around here to celebrate our forty-first anniversary of being in power. Neither will the Hon. Member for Hamilton East (Ms. Copps).

Ms. Copps: Speak for yourself.

Mr. McDermid: We will probably be retired by then and in our rocking chairs.

Mr. Boudria: We will retire you in the next election.

Mr. McDermid: I know she will be retired. Probably after the next election she will be retired. That is what will probably happen in Hamilton East.

Ms. Copps: What happened to your candidate in Hamilton East?

Mr. McDermid: It will be either that or she will go back to the Ontario Legislature and run for the leadership again, because their Leader there is in very bad trouble right now. I am sure that is what will happen.

Ms. Copps: We know Frank Miller has a problem.

Mr. Deputy Speaker: Order, please. I ask the Hon. Member to speak either on the borrowing Bill or on the universality issue, please.

Mr. McDermid: Mr. Speaker, I thought I was doing so, because part of the reason we have to borrow money is to pay the salary of the Hon. Member for Hamilton East. I think I can refer to her here. I think that is fair.

An Hon. Member: You should borrow some credibility.

Mr. McDermid: Over the last few weeks we in the House have seen a phoney issue raised. They read polls as well as we do. They know that the Leader of their Party is lower in popularity than the undecided in the country. We know that they got together at caucus a week and a half ago and said, "Nobody knows the guy is alive". He is down to 11 per cent now. That is just his relevance. They knew they had to make an issue in the House, so they decided to scare the hell out of the old folks in Canada. They knew that would get their attention, so they raised this phoney issue. It is a phoney issue, but they wanted some publicity for their Leader. Then members of the NDP said, "Wait a minute, we had better get on the bandwagon too". Their Leader was holding his own at 20 per cent.

Mr. Deputy Speaker: I ask the Hon. Member to be relevant.

Mr. McDermid: Mr. Speaker, I do not want to question your authority, but I sat in the House and listened to a debate on universality today. That is what I am talking about, this phoney issue which they raised to scare or frighten people in Canada.

Ms. Copps: What about your back-benchers, your bookends?

Mr. McDermid: The Opposition raised the issue.

Ms. Copps: Yesterday in the House of Commons your own Members questioned you.

Mr. McDermid: And they got an answer with which they were satisfied. Why is the Opposition not satisfied with it?

Ms. Copps: That is not what they said on *The Journal.*

Mr. Gauthier: Ask your back-benchers.

Mr. Deputy Speaker: I ask Hon. Members to listen to the Hon. Member's speech.

Ms. Copps: He isn't saying anything.

Mr. McDermid: Mr. Speaker, I am rather enjoying this. It is like the provincial House. When I worked with the Ontario Government, that same motley crew did the same motley things down there.

Ms. Copps: Porkbarrel.

Mr. McDermid: They just moved up here, lock, stock and barrel. Here they are hollering again. I am enjoying it. I do not mind at all. I only have a couple of minutes remaining, but I want to say that I am fully prepared to go home and talk with the people of my riding about universality.

• (1500)

I am not at all concerned about those in our society who need help, because they are going to get it. Not only will they be taken care of by this Government, but they will be taken care of better than they are today. That is a commitment of this Government. It was a commitment during the campaign. It is a commitment that we will undertake and carry out over the term of our office. There is no question about that.

I worked very closely with the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy) when he was in Government. We spent a lot of time discussing issues we were both concerned with, immigration matters and so forth. It was not brought to the floor of the House—

Mr. Deputy Speaker: I am sorry to interrupt the Hon. Member, but his 10 minutes have expired.

Hon. Lloyd Axworthy (Winnipeg-Fort Garry): Mr. Speaker, I am pleased to participate in this debate. We have seen in the last two presentations by members of the Conservative Party why we are having a debate. We have seen the kind of insensitivity and lack of interest in this fundamental social issue that is causing a wide and abiding sense of concern among many Canadians.

They call it a phoney issue. It is a phoney issue when the Minister of Finance (Mr. Wilson) inadvertently in his own peculiar fashion admits that they are going to alter substantially and amend the method of payment for older people and families. That is not an issue raised by the Opposition. It was raised by the Minister of Finance. Now we are told it is a phoney issue. I guess the logic of that would be that it is the Minister of Finance who is the phoney. He is the one who raised the issue and put it on the table of this House. It is that kind of consternation which his comment raised which provided the abiding level of concern we now see among many Canadians.

We also see this in the comments made by the Minister of State for Finance (Mrs. McDougall) who rose to her feet to talk about her constituents in Eglinton who are obviously obsessed, as she is, with the question of reducing the deficit. She refused to deal with the issue of the many senior citizens, students and children in her riding who are also faced with the possibility of losing their benefits. I did not hear a word about that from the Minister. That is why this debate is taking place.

The problem is that this Government will not tell the people of Canada what is going on. This debate was set aside to give the Government an opportunity to clarify what is happening. What do we hear? They talk about fiscal responsibility. That is really the code word. If they start amending the structure of social benefits, we know where the money will go. It will go to feed that strange obsession of fiscal responsibility which the Minister of State has.

For all the protestations of the Prime Minister about how the needy will be helped, we did not hear that from the Minister of State. We heard not one word about the needy in her riding. I happen to know that there are many people in her riding who have needs.

The Minister was not prepared to say, "What a minute, before we cut into existing social programs to help the poor and the needy, we should look at the other forms of revenue the Government may be able to command from the economic envelope or other forms of tax expenditures and re-allocate that to social programs for the needy".

There has been no consideration by any Minister in this Government—the Prime Minister, the Minister of Finance, the Minister of National Health and Welfare (Mr. Epp) or the Minister of State for Finance—to say that if they really want to deal with the problems of those in need, they should find the money elsewhere rather than cutting deeply into the existing social framework of this country. That option has not been presented and put on this table. The problem with this Government is that it is blinded. It has little catchments on its eyes which say it is not interested in social programs.

Let me raise another reason why there is suspicion. It goes back to the incredible verbal gymnastics to which we are treated every Question Period. The Prime Minister stands and says that black is white one day, white is black the other day, up is down, and east is west. He says this with all the sincerity that he can muster, and that is not a great deal. We are supposed to believe him. He gave an interview to *Readers Digest* in August 1983. Let me quote the words of Brian Mulroney. He said:

> The only way that universality can be touched will be by an all-party committee of the House. The objectives of social programs should be to get the most money into the hands of the people who need it most and do it efficiently. Are the programs delivering benefits to the peole who need them most? That's a legitimate question. But it is so delicate that I would examine it only with all-party agreement.

Where is the all-Party agreement? The Minister of Finance says that he has already made up his mind. He has already

decided what he is going to do. The Minister of National Health and Welfare is already preparing his proposals. The Minister of State does not talk about it. The Prime Minister, in his former incarnation, said, "I think it is so delicate a matter, I am going to have an all-Party agreement before I even begin to discuss it".

Where is it? Why are we having these musings in public indicating where they are going? I can state why. The suspicion we have is that they are not really concerned about the needy and the poor. If they were so concerned, why would they cut off summer employment for our young people? Why are they changing the unemployment insurance system into a welfare system where you only get it based upon need, not because you have an entitlement to the program? Why do they cancel the industrial training program that was used almost exclusively by women who want to get back into the workforce? the Minister of Employment and Immigration (Miss MacDonald) is a fraud and a phoney. She says she believes in women's rights, and then she cancels an $80 million program which helps all kinds of women get back into the workforce.

Mr. McDermid: Our Government is one of consultation.

Mr. Axworthy: The Member who is bellowing says his Government is one of consultation and that the Liberals did not consult. He was a member of a parliamentary comittee which we established that spent a full year consulting with Canadians about employment programs. That committee made a report and we implemented most of its findings. That was consultation. That was the kind of initiative we took. That was a parliamentary committee of all parliamentarians. It was not done in secret like the Minister of Finance is doing. We consulted and we got results.

Let's get down to the basis issues. They say they are not really going to change universality only tinker with the tax system. They say they are not going to wield the tax system around. Let me say something about the tax system.

Mr. Deputy Speaker: I ask all Members to listen to the Hon. Member's speech as they did this morning to the speeches of the Leaders.

Mr. Axworthy: Part of the problem is that they say they are really not to going cut benefits because they are going to use the tax system. What they ignore is that the tax system cannot measure real need in the family situation. There are families in my riding whose income is not the true measurement of their need. It does not recognize that the woman has a child rearing responsibility. Many times they do not receive their fair share of the family income. The family allowance is essential to maintain the basic requirements for those children.

That cannot be measured by family income. You cannot apply an artificial touch. If Members opposite do not know that, they are not in touch with what is going on in their constituency. I suggest they spend the Christmas holiday talking to people rather than engaging in this artificial, insensitive, silly kind of economic accountability, which is simply designed to help the Minister of State fulfil her obsessive desire for fiscal responsibility.

Let's talk about the needs of women and children in this society. The problems of older people cannot be measured by their incomes because they may have to pay $400 to $500 a month for a rental apartment. Tax away their income and they will no longer have a place to live. The tax system cannot be used to measure true needs in society.

If this Government applies the artificial measurement, that accounting principle designed somewhere in the bowels of Toronto Bay Street, to attempt to determine who has needs, it will ignore the reality of our social structure. It will ignore the fact that the basic strength of the universal system is that it recognizes that both children and older people have basic needs that cannot be measured by some quirk or mathematical formula.

That is why it is so essential to maintain and defend the principle of universality. If Members are so interested in consulting, I suggest they listen to their own advisory council on welfare, a group of Canadians drawn from across Canada who also said they see no compelling reason at the present time to change the family allowance program. Those are Canadians talking. Why is the Government changing the program? Why is the Government playing games? We know the real reason. It is not interested in the needy or the poor. The Government simply wants to get back to what the Minister of Finance describes as a rate crisis to reduce the deficit. That is what this is all about. That is why Canadians are worried. The Government will never succeed because we will fight it to the end to stop those changes.

• (1510)

Mrs. Barbara Sparrow (Calgary South): Mr. Speaker, I rise to take part in this debate today, but I am beginning to wonder why, after listening to the speech of the Hon. Member for Winnipeg-Fort Garry (Mr. Axworthy).

Some Hon. Members: Hear, hear!

Mrs. Sparrow: I stand in support of the statements which were made by the Minister of Nationoal Health and Welfare (Mr. Epp) and the Minister of State for Finance (Mrs. McDougall). As my hon. colleagues have so well stated, the reason the Government must borrow these moneys is to pay the financial obligations that the Government inherited from or which were levied by the previous Government. If that Government had managed the country with responsibility, perhaps we would not be here today asking for this money.

On September 4, Canadians voted for a change and for a better future, because they knew that this Government could do much more to create that future. In doing so, they provided the opportunity to make a fresh start, to build new confidence and to provide a new national sense to achieve the economic promise and potential of Canada.

We are a Government of Canadians, which is for Canadians, and we will continue to be that way.

Some Hon. Members: Hear, hear!

Mrs. Sparrow: The major reason for Canada's poor performance was the failure of the previous Government to deal with the real problems. For too long that Government ignored the causes of the problems and dealt only with the symptons. For too long it allowed the fiscal situation to deteriorate and the debt to increase.

Through excessive regulation and intervention, the previous Government substituted the judgments of politicians and regulators for the judgment of those in the market-place—the people of Canada. This Government believes that Canadians have the desire to produce and to innovate, and that Canadians have the capability to generate much stronger growth than that which we have seen in the past decade.

Our objective is to put in place a policy framework which will release the creative energies of Canadians in order that they can build a better future for themselves. It will give young people a chance to make a productive contribution, and it will open new opportunities for older workers.

Canada is the only major country without unimpeded access to a market which is large enough to permit substantial economies of scale. If we are to foster growth through trade, we must obtain more secure and improved access to foreign markets on the broadest possible basis.

Canada is a major trading nation. We must look beyond the United States to the market-places in the Pacific Rim. Canadians have an imperfect understanding of the full meaning and implications of the emergence of Japan as an economic superpower, and as the centre of emerging developments in the Pacific Rim. We must direct our energies toward this area. We must realize that the world is changing in trade, technology and economic institutions. Investment Canada will provide a two-way street. We must view Japanese investment—in fact, all foreign investment—as a positive force in the economic development in Canada. We must have stable economic growth.

Both the deficit and unemployment will decline substantially if the Canadian economy grows at a reasonable pace. This Government will create a climate of stability and it will regain the confidence of Canadians. We can attract investment in Canada, and we can turn our great country around to achieve increased productivity and, therefore, create more jobs for Canadians.

There is much that we in Canada can do to improve our economic performance. We must put our fiscal house in order so that we can limit and ultimately reverse the massive build-up of public debt. The Hon. Minister of Finance (Mr. Wilson), on November 8—with his deferrals, cuts and transfers—saved $4.5 billion and applied $2.2 billion against the deficit. We must adopt policies which foster higher investment, greater innovation and increased international competitiveness. The Minister of Regional Industrial Expansion (Mr. Stevens) brought forward Investment Canada. Because of that, we can look forward to more equity being invested in Canada.

The Members of the Conservative Cabinet have travelled and will continue to travel across Canada. They are speaking with their provincial counterparts, industries, labour and the people of Canada. This Government consults first and acts second.

In closing, I would reiterate that this is a Government of the people, for the people, and it will listen to the people.

Mr. Alan Redway (York East): Mr. Speaker, I am pleased to have the opportunity to join in the debate this afternoon. It is a somewhat unique debate, as far as I have been concerned since I have been in the House.

The House is speaking to Bill C-11, which is a Bill to provide borrowing authority for the Government. It is a Bill which has been before the House for three or four weeks. It has gone through one amendment after another. Those amendments were moved by the Opposition. However, apparently we will achieve some progress today, because of the unique aspect of the debate and the fact that we are also debating the principle of universality and social policy. I would like to speak briefly on both issues. As well, I would like to speak on the authority of the Government to borrow money in order to pay for the deficit.

As far as the question of universality in social programming is concerned, I was delighted this afternoon to hear the Minister of National Health and Welfare (Mr. Epp) outline very clearly and firmly the policy and views of this Government. I believe his remarks clarified once and for all the present position of the Government and the position which our Government has always taken. In his speech, the Minister touched upon two points in which I believe very firmly. The Minister indicated that they are cornerstones of his beliefs and of government policy. The first is universality, the second is that there will not be a means test. I would like to endorse whole-heartedly the statements which were made by the Minister, and I congratulate him on those statements.

The Minister also dealt with the whole question of examining social programs, to see if more can be produced out of the same types of programs with the same revenue. I believe that is what we will be focusing our debate on in the coming year. We are going to have an opportunity, once the discussion papers have been issued by the Government, to take an in-depth look at those various programs, and to see what we can do to improve the lot of the Canadian people.

● (1520)

I know that Hon. Members of the Opposition who are here today, and those who are not, truly believe in trying to help the disadvantaged and low-income people of this country. I know that they are seriously going to join us in this debate in order to attempt to improve the system for all Canadians. Most of the opposition speakers have been telling us that the whole system was introduced by their Party, so I would hope that they would join with us in improving the system which is in place.

As far as the economy is concerned, the borrowing aspect of this Bill is mixed blessing. I would be very happy, quite frankly, to be able to stand up here in these economic times and feel that we were borrowing money which would help the disadvantaged and the unemployed in this country. Unfortunately, that is not what we are doing. We are borrowing a lot of money here to try to pay the bills of the Government and to look after the current spending programs. That money is not going to add one cent to help put people back to work, unfortunately. The reason for that is that in the past we have had such staggering deficits that now our hands are tied as we try to cope with the problems facing the Canadian people, problems with which the Government is committed to deal, those of getting people back to work.

Traditionally, since the Second World War, the way of solving these problems has been to spend money. Unfortunately, even with all the money we are spending, with a $37 billion deficit, we still have a million and a half people unemployed in this country. That is a tremendous tragedy. I know that the Opposition shares my thoughts on that. There is no doubt that one of the saddest parts of this whole deficit tragedy, however, is the fact that our deficit, which is something like $37 billion, is just about equal to the amount of money which the Government spends in any one year on social programs. Now we are faced with a situation where the deficit is the tail that is wagging the dog, instead of the other way around. Somehow or other we are going to have to get a handle on the deficit if we are going to be able to deal with this matter, Mr. Speaker, because the deficit has become a psychological barrier to solving the economic and unemployment problems of the country.

I have said on a number of occasions in this House that there are really three ways of getting that deficit reduced. First, we must reduce all of the unnecessary and wasteful spending carried on by past Governments for years and years. We have had reports from the Auditor General year after year outlining those specific areas of wasteful spending. This year has been no different. We have received another report which has outlined a vast array of government waste. In fact, the Auditor General says there are hundreds and hundreds of millions of dollars involved in wasteful spending which he has outlined this year.

One small way in which we can rapidly deal with a large part of the deficit and get it under control is with respect to the cash management of the Government. For years and years the Government has managed its cash in such a way, as indicated by the Auditor General, that we are losing about $350 million a year just in lost interest payments because of the fact that when we get the money in we do not put it in the bank fast enough. That is surely something which can be eliminated very quickly. The Auditor General has also told us that the Government of Canada holds a great array of properties which are not being utilized for any specific government function. This year alone we are going to pay almost $25 million in grants in lieu of taxes. So those are a couple of ways which have been identified by the Auditor General in which we can get the deficit under control.

Until we do get the deficit under control, we are going to have to borrow some money, and that is what this Bill is all about. That is why I am pleased to hear this afternoon that the Opposition is finally going to join with the Government to pass this Bill which will allow the Government to borrow enough money to pay for all of the social programs which Hon. Members of the Opposition have told us all week they are so concerned about.

Mr. Cyril Keeper (Winnipeg North Centre): Mr. Speaker, I welcome the opportunity to enter into this debate. I must say that it took some time to convince this Government to have this debate before the House closed down for Christmas. It is too bad that the Government was not open enough to provide us with the consultation papers which it is promising for the new year. If we had that information available now, rather than after Christmas, it would have shed more light on this debate. Certainly, the statement of the Minister on policy earlier in the day did not shed much light at all. In fact, it continued the state of confusion from which we are suffering in this policy area. At one time the Minister said that one of his three principles for this area of social policy is that there would be no special tax on social programs. Later on he said that he disagreed with the position of our Leader when it came to taxing social programs. Therefore, it is hard to tell just where the Government is coming from. It would be worthwhile for the Government to provide us with information which would allow us to understand what direction the Government is seriously considering to take. Hopefully, it would alleviate a lot of concern which exists across the country and would allow us to have a genuine debate with regard to social policy, rather than being lost in a fog which keeps flowing from the front-benches of the Tory Government across to the opposition benches.

One of the fundamental problems with which we are faced in this House is the fact that this Government said one thing during the election campaign and now that it is in office is saying something totally different. This is not just restricted to the social policy area. The most prominent area in which the Government has carried on this practice of saying one thing during the election campaign and another thing when in office has to do with employment. Obviously if there were increased employment at this time, then there would be increased government revenues. We would not have to borrow the amount of money we are borrowing today. The Minister of Finance (Mr. Wilson) would not have to muse about not being able to afford social programs. During the election campaign, those Hon. Members promised, "jobs, jobs, jobs", and once they got into office, what they did was to shift their priorities pretty quickly. They focused their priority upon the deficit and upon cutting back on public spending, even in light of the fact that economic forecasters who examined the economic statement pointed out that its measures were going to result in greater unemployment. Obviously, that will result in a loss of revenues to the Government and the threat of a larger deficit.

● (1530)

This Government has to learn a fundamental lesson. The Conservatives should do in office what they said they would do during the campaign. They should not be acting like a two-headed monster, one head for the election and one head for government. On November 8, they outlined their economic policy concerning the reduction of public spending, not jobs as they promised. They have really started to put their social policy on the national agenda. They have managed to do this amidst a great deal of confusion, which is very sad because during the campaign the Prime Minister (Mr. Mulroney) said that universality was a sacred trust. He knew that universal social programs received broad public support across this country and he wanted to make sure he had sufficient support to be elected. Now that he is in office, he is sowing seeds of doubt about the principle of universality for pensions and family allowances. If the Conservatives succeed in this, when will they move on to medicare? They are simply testing the will of the Canadian people by flying a lot of trial balloons. If they get away with tampering with universal social programs such as family allowances and pensions, they will move right down the road to attack medical services.

Another thing the Conservatives said during the campaign was that they would run a co-operative approach to government. They would consult with people and act in a co-operative fashion to draw the community together. Well, Mr. Speaker, we begin to get the impression that their approach to consultation is really a smokescreen for their own real agenda. I am not so sure that we could say it is a hidden agenda because they are floating their ideas in various documents issued to the public. But certainly they have a very specific agenda and very specific direction, so that their promises of consultation and co-operation really wear thin. It looks more like a cover for the policies they wish to implement. The Hon. Member across the way laughs. These are serious questions, Mr. Speaker.

Pensions are a very good example, Mr. Speaker, of why universality is a cornerstone principle of our social policies in this country. Before we established public pensions people simply had to rely upon private pensions. Not everyone had access to a pension when it came to retirement, regardless of how hard they worked. So the notion of public pensions for everyone arose because people were concerned about the fact that everyone had a right to dignity in their old age through a secure income.

There is no way that a selective pension plan could work and provide security for all Canadians. First and foremost, the notion of universality applies to pensions, but it is also important with regard to family allowances. It is important not only because all children across this country deserve to have their basic needs met, deserve to have a good Christmas, deserve to have toys like the neighbours have, as well as proper clothes to go to school in. It is important because it is not simply for the children. One of the reasons family allowances were introduced and made payable to the mother rather than the father is that we were concerned that all women have some income they can call their own. For a long period of time, perhaps even today, there were women who did not have an income that was strictly under their control.

To conclude, Mr. Speaker, the Government needs to clear up the confusion it has spread in the area of social policy because it is causing a great deal of concern among people. One of the fundamental principles of the social contract in this country is that all people have the right to social support because all Canadians pay for those programs. It is not enough to just say that the social programs are for the needy only. We need programs for all Canadians if they are going to be adequately funded and adequately supported politically throughout the country.

[*Translation*]

Ms. Sheila Copps (Hamilton East): Mr. Speaker, today tomorrow and Sunday, all Members will be going home to celebrate Christmas. Speaking for myself and on behalf of my Party, I would like to wish all Members of this House a very Merry Christmas.

Mr. Speaker, I think it is very unfortunate that in the House, today, Progressive Conservative Members failed to clear up once and for all what is going to happen to universality.

I have already received many telephone calls, and I know that other Members including Conservative Members have also received calls from their constituents, from senior citizens and young mothers who want to know what is going to happen to their pension cheques and family allowance.

We were waiting . . . we on this side resorted to some very strong tactics this week—

An Hon. Member: A public confession!

Ms. Copps: —in order to ask the House for a debate on universality. Because we in this Party—

Mr. Masse: Let us call it the bogeyman party!

Ms. Copps: —it was our Party that initiated these programs and our Party is going to defend them to the very end.

Mr. Speaker, what happened this afternoon when we finally gave Conservative Members a chance to tell the truth—

Mr. Masse: The truth?

Ms. Copps: —what did they talk about? I would like to use the words said by the Minister of National Health and Welfare (Mr. Epp), for instance.

[*English*]

The Minister's comments, when he was discussing universality, were with regard to the perverse features of the status quo. The Hon. Member for Brampton-Georgetown (Mr. McDermid), when he was speaking about universality, what did he have to say on the issue? I quote: "I am not concerned about

those in society who need it most". That is what the Hon. Member for Brampton-Georgetown stated in his speech.

Mr. McDermid: That is a little out of context, Sheila.

Ms. Copps: We heard from the Minister of State for Finance (Mrs. McDougall). Instead of discussing the issue of universality, she talked about the deficit. She talked about her responsibility with respect to the fiscal side of the ledger. She did not talk to the Canadian people—

Mr. McDermid: Start telling the truth!

Ms. Copps: —to Canadian senior citizens and young men and women who want to know whether universality will exist under this Government. When one of the other Government members talks about universality he says the deficit is the tail wagging the dog. Well, Mr. Speaker, in my mind and in the mind of my Party the deficit is the tail that is wagging the Government. In fact, the Government has no intention of living up to what the Prime Minister (Mr. Mulroney) called a sacred trust. During the election campaign, the Prime Minister said that universality is a sacred trust and it will not be tampered with. The Prime Minister and his policies have been denuded before the Canadian people. We see now that the emperor has no clothes.

● (1540)

In the working document introduced by the Prime Minister's Government he says that we must ask ourselves whether the federal transfer payments of Old Age Security, Guaranteed Income Supplement and tax expenditures should continue in their present form or whether they need to be redesigned to increase fairness and reduce the burden on the federal Government. Mr. Speaker, these are not the words of the Opposition. This is not the working document of a previous Liberal administration. This is the document introduced by his Government and his Finance Minister in an attempt to begin the erosion of the universal social programs which we as Liberals have spent and will continue to spend our political lives fighting for.

When the Prime Minister is speaking in the House or out on the hustings in Baie Comeau he may not say the same things as he does when he is talking to *The Financial Post*. However, when he was talking to *The Financial Post* on March 24, 1984, he said, "I have no hesitation in reviewing the concept of universality".

Today in the House Members on all sides had an opportunity to put their positions clearly. The Government Members had an opportunity to clarify for the Canadian people what kind of cut-backs we can expect. Instead, we heard obfuscation and more deceit and dishonesty on the part of this administration.

Some Hon. Members: Shame, shame!

Ms. Copps: In Question Period we heard the Prime Minister talk about the benefits received by bank presidents and people earning millions of dollars. I want to remind you, Mr. Speaker, and the Canadian taxpayers that the figure which is being bounced about by the Government as a potential cut-off point for universal benefits is not that of the income of bank presidents. The figure that the Minister of National Health and Welfare (Mr. Epp) gave in a newspaper interview last week as a potential cut-off point was $26,000. I want the Minister and the Government to know that a $26,000 family income in Canada right now is below the national mean. It is a less-than-average income for families. If he thinks that we on this side of the House are going to stand back and watch his Government trample and destroy the social programs that we have spent a lifetime building, he will have to take another look, stand back, and think again. We are prepared to fight the figure of $26,000. We are prepared to fight the figure of $34,000. We are prepared to fight a Government that has received a massive majority from the Canadian people only to implement a hidden, secret agenda which it was not prepared to reveal to the people of Canada before September 4.

It is becoming increasingly clear to me, Mr. Speaker, that the issue of trust, which has never been properly dissipated in the minds of Canadian people, is an issue which many senior citizens will ask themselves about this Christmas. Many of those senior citizens voted for the current Government and the Prime Minister because he said that universality is a sacred trust which they would not tamper with. We have seen the trust of the Government. We have seen the words of the Prime Minister who contradicted his Finance Minister. We have seen the words of the Minister of National Health and Welfare who subsequently contradicted the Minister of Finance as well as the Prime Minister. The Minister of State for Finance does not even dare discuss the issue of universality because she knows that if the true feelings of the Conservative Party on this issue were to emerge, they would spell the death knoll for her Party in any future election.

My Leader made reference to that burden which is being carried around by the Conservative caucus in a Party which has never believed in universality or baby bonuses. It has not even believed in shelters for battered wives. The majority of Progressive Conservatives, at their last convention, voted against increases in funding for shelters for battered wives. I believe that is the legacy that the Government must live with. I believe it is a legacy which government Members would like to throw off. However, because the Government and the Prime Minister were elected at the beck of Bay Street, it is now clear that their hidden agenda will come out.

[*Translation*]

Mr. Speaker, I would like to say that their hidden agenda started today with 100 board and other appointments for Progressive Conservatives. This from a Prime Minister who promised all Canadians he would never do anything like that.

[*English*]

Again, Mr. Speaker, we have another indication of a broken trust, a broken promise, an emperor who has no clothes, and a Government which has been denuded of all moral and social responsibility. Mr. Speaker, we will fight them to the limit.

Borrowing Authority

Mr. Jim Hawkes (Calgary West): Mr. Speaker, today is the first occasion I have had to speak in the House since the recent election. I have spent the last 10 and a half weeks as the Government's representative to the United Nations where a debate on social security centers on the fact that millions of people throughout the world are starving because of drought in Africa. Hundreds of thousands of people are freezing because of lack of clothing and shelter. Having just returned from that 10-week experience, I found it interesting to listen to the Canadian debate today on issues which are in the same direction but not of the same quantity. I hope that Members of the House and Canadians who happen to be watching today will open their hearts and wallets to those starving people around the world.

Some Hon. Members: Hear, hear!

Mr. Hawkes: Mr. Speaker, it is like coming back to a strange planet. I think the Liberal and New Democratic Parties are saying to the House that the present system is O.K. Those members of the Opposition who have sat with me on committee over the last five and a half years and listened to testimony surely realize that the present situation is not O.K. In Canada today a child living in a family which has an income of $10,000 or less per year receives $15 more per month than a child living in a family which makes $45,000 a year. If we can, through better management and better systems, double the difference to that poor segment of society, to those children born to families where the food, clothing, shelter and educational opportunity are inadequate, that is what a consultation process is all about and that is what the Government stands behind. It stands behind finding ways to produce more money for that segment of society where it is really needed. The consultation process concerns finding ways to produce more money for that segment of society where it is really needed. I stand four square for that principle and my Party stands four square for that principle as well.

● (1550)

Members opposite in the Liberal Party talk about social justice. I spent 60 days knocking on doors in my community of Calgary, Alberta. Two years ago, young people from your ridings were coming to my community to find a job, develop a career and achieve a decent standard of living. This summer, 25 per cent of the office space in Calgary was vacant, 15 per cent of the apartments were vacant, and I met family after family who have not worked for over a year.

That is a result of the policies put in place by the Liberal Party of Canada despite the objections of the Opposition despite the information it had and because of the lack of consultation. It made a mistake that was disastrous and which has forced millions of people to live below the poverty line who had not lived in poverty before. We will avoid those mistakes because we will be involved in the process of consultation.

We will not make those mistakes. If Members opposite read the Auditor General's report they would find that the Liberal Government approved a purchase for the F-18 jetfighter that will cost $3.5 billion more than indicated. That amount alone could double assistance to seniors in this country had that one mistake not been made.

I look forward to the debate that will ensue. I now yield the floor to the representative of the NDP.

Mr. Nelson A. Riis (Kamloops-Shuswap): Mr. Speaker, it is a pleasure to have an opportunity to end this debate today. I wanted to make two major points in the closing few minutes. If the Government is legitimately concerned about providing more opportunity, more financial support and more social program support for the poor of Canada, rather than seriously considering the tax-back provision which has been discussed in the House and referred to by government Members, I would suggest that we reform our tax system. That would enable us to implement a minimum tax on people in the upper income brackets and to implement a tax system where certain loopholes are closed so that everyone, regardless of economic status, pays his or her fair share of individual and corporate taxes. Therefore, adequate moneys would be available for all the social programs that the Government may wish to provide to the poor of Canada.

I am pleased that the Government has decided to eliminate $4 billion from this borrowing authority. I suggest it shows a willingness to listen to the arguments from those in the Opposition benches. It has also agreed to introduce the requirements for the borrowing Bill in the next fiscal year within two weeks of the budget being brought down. This opens up a new process that I hope will become a precedent in the years to come. In this way, the Government is able to lay out for the people of Canada its expenditures for the coming year and indicate its revenues and borrowing requirements in a two-week package. It will enable the people of Canada to evaluate more thoroughly the performance of the Government and decide if it is providing the appropriate fiscal management that is so desperately needed in our country.

In closing, since the Government has agreed to eliminate $4 billion and to provide a two-week introduction period for the next borrowing authority, I believe we really have made progress during the last number of weeks. I applaud government Members for recognizing the wisdom of the suggestions being made by members of the NDP.

In that spirit, I wish to use this opportunity to wish my colleagues, on behalf of our Party, a Merry Christmas and a Happy New Year.

Mr. Deputy Speaker: We have one minute left. The Hon. Member for Glengarry-Prescott-Russell (Mr. Boudria).

Mr. Don Boudria (Glengarry-Prescott-Russell): Mr. Speaker, one minute is not very long. However, I want to point out the contradiction in what the Government is doing. It was elected not to cut social programs but to give the people of this country more. It said that it wanted to give Canadians a better life. That is not what it is doing now.

It has disappointed the people of Canada and they will long remember the very sad legacy of the Government. They will remember the promises that were made.

I would just like to remind all Hon. Members, if you will allow me, Mr. Speaker, that our staff on Parliament Hill has worked very hard for us during the year. I would ask all Hon. Members to consider that next Monday and Monday, January 31, should be a holiday for our staff who have worked very hard. They deserve it and they are not getting a holiday on the 24th and the 31st.

Mr. Deputy Speaker: It being 3.55 o'clock, it is my duty, pursuant to Order made earlier this day, to deem adopted the motion for second reading and reference to Committee of the Whole of the bill now before the House. Accordingly, the Bill stands referred to Committee of the Whole.

Motion agreed to, Bill read the second time and the House went into committee thereon, Mr. Danis in the chair.

The Chairman: Order. The House in Committee of the Whole on Bill C-11, an Act to provide borrowing authority.

Clause 2 and 3 inclusive agreed to.

On Clause 4—

Mrs. McDougall: Mr. Chairman, I move:

That Bill C-11 be amended by deleting line 5 at page 2 and substituting the following therefor:

Whole $12 billion as may be"

The Chairman: Shall the amendment carry?

Some Hon. Members: Agreed.

Amendment agreed to.

The Chairman: Shall Clause 4, as amended, carry?

Some Hon. Members: Agreed.

Clause 4, as amended, agreed to.

Clause 1 agreed to.

Title agreed to.

Bill reported, read the third time and passed.

* * *

HOUSE OF COMMONS

MOTION TO ADJOURN UNTIL JANUARY 21, 1985

Hon. Ray Hnatyshyn (Minister of State (Government House Leader)): Mr. Speaker, I rise on a point of order at this time. Before dealing with that, I think you will allow me the indulgence, as we come to the conclusion of the sitting for this semester before the Christmas recess, to extend a word of heartfelt and sincere thanks, which I am sure all Members of Parliament share, to our very excellent staff in the House of Commons. Of course, that includes everyone who has anything to do with the operation of the House of Commons, including the English and French *Hansard* reporters, the pages who have served us so well again this year, and the officials of the House at the Table. We are a privileged nation and a privileged Chamber. Part of the reason is that we are served by people with such dedication and we are grateful. I take this opportunity at this time of year once again to express to them our sincere thanks for the outstanding service they render not only to the Chamber but to the House.

Some Hon. Members: Hear, hear!

• (1600)

Mr. Hnatyshyn: There is one other item Mr. Speaker. I want to thank particularly the opposition House Leaders for what has been a very rewarding period up to the holiday season.

Some Hon. Members: Hear, hear!

Mr. Hnatyshyn: I say this in a totally non-partisan sense, they are not bad people.

Some Hon. Members: Oh, oh!

Mr. Hnatyshyn: They are nice people. I say it has been a pleasure for me to have dealt with them.

In that spirit of consultation, there have been discussions and, accordingly, Mr. Speaker I think you would find a disposition for the House to receive and to adopt the following motion:

That notwithstanding the provisions of Standing Order 3, once consideration of Private Member's Business, No. 65, has been completed, or in any case at the usual hour of adjournment this day, the House shall stand adjourned until 11 o'clock a.m., Monday, January 21, 1985.

Mr. Speaker: The House has heard the draft order. Is there unanimous consent for its introduction?

Hon. Herb Gray (Windsor West): Mr. Speaker, I am pleased to support the unanimous consent for the introduction of this order and its adoption. I want to associate myself, at least on this one occasion, with the words of the government House Leader in his thanks to all the personnel of the House of Commons. We are very privileged here to have people of such high calibre assist us in our work. We thank them for their assistance. We wish them a very happy holiday and a very happy New Year. I want to repeat also my good wishes for the New Year to my colleague, the government House Leader. He is not such a bad guy either.

Some Hon. Members: Oh, oh!

Some Hon. Members: Hear, hear!

Mr. Ian Deans (Hamilton Mountain): Mr. Speaker, I suppose I am the Grinch that stole Christmas, but not necessarily so.

Some Hon. Members: Oh, oh!

Mr. Deans: On behalf of my colleagues I want to say, first, that we will, of course, give unanimous consent to the motion.

Second, I want to say that the relationship we have developed can do nothing but good for the House of Commons. The working arrangements that have been developed among the House Leaders are the best that I have had in many years.

Some Hon. Members: Hear, hear!

Mr. Deans: We operate in as close to a non-partisan way as is humanly possible in the circumstances.

Mr. Gauthier: Did you get a card?

Mr. Deans: I did not get a card.

Some Hon. Members: Oh, oh!

Mr. Deans: I think that that co-operation, though it is not always reflected in the partisan debate which takes place in the House of Commons, has to be recognized as a vital and important part of the ongoing work of the House.

I want to express, as I did earlier today, to the Members and to all others who are here and present, those who work for and on behalf of the House of Commons, the desire of this Party that they should enjoy the holiday season, that they should enjoy next year, and that it be a fruitful and worth-while year for everyone.

On behalf of my colleagues and my Leader, and I think on behalf of everyone, I say to the country at large that we want 1985 to be a year in which people can fulfil the kinds of dreams and ambitions they hold for themselves and others, and that it be a year in which the sharing of responsibility and the concern for others in Canada and around the world will become the uppermost concern of everyone.

Some Hon. Members: Hear, hear!

Mr. Speaker: There is unanimous consent, I take it, for the introduction of the order:

That, notwithstanding the provisions of Standing Order 3, once consideration of Private Members' Business No. 65 has been completed or, in any case, at the usual hour of adjournment this day, the House shall stand adjourned until 11:00 o'clock a.m. on Monday, January 21, 1985.

Is there unanimous consent?

Some Hon. Members: Agreed.

Motion (Mr. Hnatyshyn) agreed to.

Mr. Speaker: Before we go to Private Members Business, may I just say that there have been new experiences for many of us this year. The Speaker wants everybody here to know that you are a fine bunch of men and women.

Some Hon. Members: Oh, oh!

Mr. Speaker: The Speaker and his wife wish you all a very merry Christmas. I want to say to the Table Officers and to the Pages of the House that when the House Leaders indicated we are all blessed to have you, they were speaking only in short terms what we all deeply feel, that we are extraordinarily blessed by the services that are rendered by our people in this Chamber.

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

PRIVATE MEMBERS BUSINESS—PUBLIC BILLS

[*English*]

NORTHWEST TERRITORIES CONDOMINIUM ORDINANCE VALIDATION ACT

MEASURE TO ENACT

Mr. Dave Nickerson (Western Arctic) moved that Bill C-214, an Act to validate the Northwest Territories Condominium Ordinance be read the second time and referred to the Standing Committee on Health, Welfare and Social Affairs.

He said: Mr. Speaker, if the subject of debate is the validation of condominium legislation in the Northwest Territories, one can only conclude that it must be Friday afternoon in the House of Commons.

The object is to resolve a technicality in the present law which prevents the construction of condominiums in the Territories, and I might say the same is also true of the Yukon. The objective is to provide reasonably priced housing, of which there is a shortage in the north as there is in many other places throughout Canada. The request for this legislation comes from the Government of the Northwest Territories and individual MLAs from all three political Parties represented. It also comes from the City of Yellowknife, in particular, and His Worship the Mayor, Don Sian, and from the real estate fraternity as well as from individuals who would like the opportunity to own and invest in condominiums.

When condominiums started to be constructed throughout Canada, in 1969 a condominium ordinance was passed by the Territorial Legislature. It is, Sir, a model Act. It is based on provincial Acts. It does not diverge from them in any way. I suspect the advice of the law commissioners was taken in the drafting of this legislation. It governs the regulation of condominium corporations, the title to common areas by condominium corporations, title to individual units therein, and the relationships between a condominium corporation and the holders of individual units. However, it was found that there was a conflict with the federal Act, the Land Titles Act. As a consequence, the condominium ordinance was *ultra vires*.

What we are trying to do today is to put this matter to right. The Land Titles Act has a long and honourable history going back to Confederation. It deals with things like the concepts of dower and courtesy. Anybody who is familiar with medieval matrimonial law will know all about this, but it does not deal with the condominium concept. The condominium concept

was not around at the time of Confederation. It dealt with the registration of land titles at the time throughout the whole of western Canada, all the land that the new nation of Canada acquired from the Hudson's Bay Company via the Imperial Crown. Since that time, the Province of Alberta, Manitoba and Saskatchewan have all enacted their own land titles legislation.

In January, 1981, Bill C-52 was introduced into the House of Commons. This would have put the situation right. It would have done two things. First, it would have addressed the narrow condominium issue. Second, it would have repealed the Land Titles Act so that the Territories and the Yukon could enact their own land titles legislation, the same as is in place in the provinces. We must remember here that we are talking about the function of registration of land titles and not of the disposition of Crown land, which is done pursuant to the Territorial Lands Act and maybe the Public Lands Grants Act.

• (1610)

At the present time in the Territories, the administration of the Land Titles Act is done by the Territorial Government acting as agent for the federal Government. It would be no great difficulty were it to take over under the terms of its own legislation registration of land titles. The Government of the day never proceeded with that Bill. It was always a low order of priority. This would probably be the preferable way of dealing with the situation rather than by way of the Bill before us. It would address several problems at the same time.

I understand that the Minister of Indian Affairs and Northern Development (Mr. Crombie) intends to reintroduce Bill C-152 or something very similar. For that reason, I understand there is a disposition on the part of the Parliamentary Secretary to the Minister of Indian Affairs and Northern Development (Mr. Fretz) and of the House that the subject matter of this Bill be referred to the Standing Committee on Indian Affairs and Northern Development. I would be very pleased if that course of action were followed and if that happened.

Ms. Sheila Copps (Hamilton East): Mr. Speaker, it gives me great pleasure to rise to speak on a Bill which is of utmost importance to the people of the Northwest Territories. In fact, I am heartened to hear that the Minister of Indian Affairs and Northern Development (Mr. Crombie) is intending to move ahead with it. If we were able to get unanimous approval for this Bill in the form of a Private Member's Bill or in the form of government legislation, it seems to me that it would be a great step toward relieving the housing crisis which currently exists in the Northwest Territories.

The Hon. Member who proposed the Bill is certainly very aware of the difficulties currently being faced, particularly in the area of housing, in the Northwest Territories. This particular proposed amendment would allow the construction of condominiums in the Northwest Territories. In a small way it could begin to alleviate the situation which is reaching crisis proportions.

We do not intend to supply a number of speakers on the issue because we would like to see it come to a vote in the House this afternoon. If in fact the issue is dealt with and the discussion terminates, it is my understanding of the rules of the House that we would have a vote on the issue. I think it would be roundly supported by most members of my Party and I am sure of the New Democratic Party.

However, I should like to take a moment to outline some of my concerns specifically as they relate to the housing situation in the Northwest Territories. No doubt the Hon. Member is aware of the fact that the housing budget for the Northwest Territories is the largest component of the budget of the Territories. As such, it exceeds the contributions made by most other provinces and parts of Canada with respect to housing budgets. Housing is the number one expenditure of the people of the Northwest Territories. If we look at the amount of money which must be spent to provide affordable housing for people in the Northwest Territories, it is clear that the Government has a very significant role to play in that area. That is why I as the critic for the Liberal Party and members of my Party have very grave concerns about the general direction of this Government which seems to be moving away from government involvement in the housing field.

I refer in a more general way to the decision to cut back 23 per cent on the amount of money which will be made available for home rehabilitation, to cut back on social housing programs and to cut back on the number of units which would have been provided under previous CMHC agreements. The general housing cut-backs indicate the thrust of the Government to get out of the whole area of government involvement in housing, to the point where some concern has been expressed that CMHC is now looking at the possibility of getting out of the whole issue of guaranteeing mortgages in general. If CMHC decided to extract itself from the mortgage lending business and in fact allow it to be done totally by the private sector, areas like the Northwest Territories would be particularly affected in a disastrous way.

I urge the Government to support this initiative which will try to alleviate a very difficult situation. There are as many as eight, ten or twelve family members living in two or three-room houses in the Northwest Territories. It has been recognized by the Government of the Northwest Territories as one of the major social problems it will be attacking in 1985. Also I encourage the Government and its Members to do everything in their power to maintain the social and governmental role for housing which was developed during the last two decades through social housing programs, through co-operative housing programs, through home rehabilitation programs and through other means where the Government decided to play a leadership role. That is particularly crucial in areas such as the Northwest Territories, which are sometimes more subject to the vagaries of the market-place in a much more extreme and severe way than in other more populated areas of the country.

I rise to support vociferously and briefly the Private Member's Bill which the Hon. Member introduced and to encour-

age the Government to take a hard look at the new directions—and I believe they are false directions—which it seems to be taking in the area of housing policy for Canadians.

Mr. Dan Heap (Spadina): Mr. Speaker, I am very pleased to rise in support of Bill C-214 which will permit condominiums to be built in the Northwest Territories, as was intended by the Ordinance but was prevented by a very simple housekeeping oversight conflict with the Land Titles Act.

I was pleased to hear the Hon. Member for Western Arctic (Mr. Nickerson) say that he hoped this would enable the building of good and more affordable housing in the Territories and that the Government there has a large budget for promoting housing.

I would like to add that I hope the Government, the builders and the people of the Northwest Territories would be willing to learn from a major error which was made in Canadian cities to the south. Generally they undertake to try to avoid the errors of the South. This is one I hope they take to heart. I hope they will avoid the error of many cities. Mr. Speaker, you are as familiar as I am with the error of permitting adult only apartment buildings and dwellings, buildings where children are forbidden. Your Honour was as warmly concerned about this matter as I was a few years ago. The error of permitting adult only buildings is now beginning to show as statistics demonstrate that the fertility rate in Canada is dropping.

Actually the Hon. Member for Western Arctic expressed concerned about it this morning in a statement which he made. He has undertaken to do the best he can individually, but obviously it will not resolved the problem, as I can testify myself. It is really quite serious to insist that children be born, to try to throw people in jail for abortion, yet insist that they do not need a place to live after they are born. This is the custom in cities like Toronto.

I hope the Government of the Northwest Territories will learn by this experience and ban adult only buildings within its jurisdiction. This will allow Canadians to live in a more natural way with children than is now permitted in certain parts of cities like Toronto. We will begin by referring this Bill or the subject matter of it to the Standing Committee on Indian Affairs and Northern Development. I hope the matter will proceed smoothly.

Mr. Girve Fretz (Parliamentary Secretary to Minister of Indian Affairs and Northern Development): Mr. Speaker, I am happy to move:

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

"Bill C-214, an Act to validate the Northwest Territories Condominium Ordinance, be not now read a second time but that the order be discharged, the Bill withdrawn and the subject matter thereof referred to the Standing Committee on Indian Affairs and Northern Development".

Mr. Speaker: The House has heard the terms of the amendment. It is the pleasure of the House to adopt the amendment to the main motion?

Some Hon. Members: Agreed.

Amendment (Mr. Fretz) agreed to.

Mr. Speaker: Is it the pleasure of the House to adopt the motion as amended?

Some Hon. Members: Agreed.

Motion, as amended, agreed to.

Mr. Speaker: Accordingly, the order is discharged, the Bill withdrawn and the subject matter thereof referred to the Standing Committee on Indian Affairs and Northern Development.

Order discharged and Bill withdrawn.

Mr. Speaker: It being 4.20 p.m.,—and it looks remarkably like five o'clock to me—pursuant to Order made earlier this day this House stands adjourned until Monday, January 21, 1985, at eleven o'clock a.m.

Merry Christmas to all. Please have a fine break and get a lot of work done. If Hon. Members have a little while in the next few minutes, the usual invitation from the Chair is extended to you all.

At 4.20 p.m. the House adjourned until January 21, 1985, pursuant to Special Order.

END OF VOLUME 1